



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, December 8, 2009**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, December 8, 2009

The House met at 10 a.m.

[*Translation*]

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*Prayers*

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## PETITIONS

CANADA POST

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, I am pleased to present five petitions on behalf of constituents from my riding of Montmorency—Charlevoix—Haute-Côte-Nord, primarily from the communities of Beauré, Saint-Joachim-de-Montmorency on the Côte-de-Beauré, Saint-Irénée and Saint-Siméon in Charlevoix, and Baie-Saint-Paul.

The petitioners are calling on the federal government to maintain the moratorium on post office closures, and asking the government commit to maintaining postal services, especially in rural areas. We know how important the post office is in very small communities.

[*English*]

## ROUTINE PROCEEDINGS

• (1005)

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

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### INTERPARLIAMENTARY DELEGATIONS

**Mr. Gordon Brown (Leeds—Grenville, CPC):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, reports of the Canadian delegation of the Canada-United States Inter-Parliamentary Group respecting its participation at the following conferences: the Council of State Governments Eastern Regional Conference 49th Annual Meeting and Regional Policy Forum held in Burlington, Vermont, August 2 to 5, 2009; and the Southern Governors' Association's 75th annual meeting held in Williamsburg, Virginia, August 21 to 24, 2009.

**Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, a report from the Canadian Branch of the Commonwealth Parliamentary Association concerning the International Parliamentary Conference on Climate Change: Countdown to Copenhagen held in London, United Kingdom, from July 5 to 11, 2009.

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### COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Canadian Heritage in relation to the Canadian musical diversity component of the Canada music fund.

LIBRARY BOOK RATE

**Mr. Merv Tweed (Brandon—Souris, CPC):** Mr. Speaker, as I have many times before, I am pleased to present petitions from British Columbia, Alberta, Ontario, Quebec and New Brunswick today supporting the library book rate. It is calling on the government to support an act to amend the Canada Post Corporation Act with respect to library materials, which would protect and support the library book rate and extend it to audiovisual materials.

AIR PASSENGERS' BILL OF RIGHTS

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, my petition is a call to adopt Canada's first air passengers' bill of rights.

The petitioners support Bill C-310, which includes compensation for overbooked flights, cancelled flights and unreasonable tarmac delays. The legislation is inspired by a European Union law. Air Canada is already operating under the European laws for its flights to Europe, so why should an Air Canada customer receive better treatment in Europe than in Canada?

The bill would ensure that passengers are kept informed of flight changes, whether there are delays or cancellations. The new rules would be posted in airports and airlines would have to inform passengers of their rights and the process to file for compensation. The bill also deals with late and misplaced baggage. The bill would require that airlines provide all-inclusive pricing in their advertisements.

*Routine Proceedings*

Bill C-310 is not meant to punish the airlines. If they follow the rules, they will not have to pay a dime in compensation to passengers.

The petitioners call on the Government of Canada to support Bill C-310, which would introduce Canada's first air passengers' bill of rights.

## EUTHANASIA AND ASSISTED SUICIDE

**Mr. Garry Breitkreuz (Yorkton—Melville, CPC):** Mr. Speaker, I have two petitions that I would like to present. The first petition is from many of my constituents in the Yorkton and Esterhazy areas. The petitioners call upon members of the House of Commons to respectfully reject private member's Bill C-384, which seeks to legalize euthanasia and assisted suicide.

The petitioners say that legalized euthanasia speaks of a culture of death, of giving someone else the right to kill another and is not about compassion, dignity, love or care, but is deliberate killing. As Canadians we stand behind palliative care where intention is crucial, where pain is managed responsibly, and people are embraced and cared for with dignity.

The petitioners need to be assured that we will oppose and prohibit euthanasia and assisted suicide in Canada. They are asking that we reject Bill C-384.

## POSTAL SERVICES

**Mr. Garry Breitkreuz (Yorkton—Melville, CPC):** Mr. Speaker, the second petition that I would like to present is also from many residents in and around the area of Saltcoats in my constituency. They call upon the federal government, as it is considering ending the current moratorium on post office closures, to instruct Canada Post to maintain, expand and improve postal services.

The federal government has introduced legislation to legalize the activities of remailers, which would erode the revenue of the Canada Post Corporation needed to maintain its current universal service obligation. As our public post office plays a key role in our social and economic life by providing the infrastructure that healthy communities need to thrive and businesses need to grow, the petitioners call upon the Government of Canada to maintain the moratorium on post office closures and to withdraw the legislation to legalize remailers.

• (1010)

[*Translation*]

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, I am pleased to present five petitions today from municipalities and districts in my riding of Chicoutimi—Le Fjord. These communities include: Laterrière, Rivière-Éternité, Petit-Saguenay, L'Anse-Saint-Jean and Saint-Félix-d'Otis.

More than 1,000 people signed these petitions to say that they are worried that the Conservative government is considering ending the moratorium on the closure of post offices in rural areas.

The petitioners are calling on the government to maintain the moratorium, to allow Canada Post to maintain this service, and to improve postal services in rural areas.

I am in full support of the five petitions I am presenting today.

[*English*]

## HARMONIZED SALES TAX

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I have a petition signed by many dozens of my constituents, primarily in the Prince Rupert, Terrace and Port Simpson area on the north coast.

The petitioners call upon the government to rescind the HST. The petition is quite relevant, as last night in this House we saw the government use every draconian measure available to it to ram the HST through Parliament.

The petitioners say that at a time when families are having a hard time making ends meet it is unfair for the government to impose an extra tax on those consumers, and that the government should find a way to receive revenues from other sources.

These petitioners are in an area of the country that is just starting to show the first faint hopes of coming out of its own recession of many years. The petitioners call upon the government to find a way around the imposition of an HST on them at this point.

They refer to the Prime Minister by name, which I will not do, but they have named the tax in his honour. They feel that this is an unfair and unjust tax at this time.

## ANIMAL WELFARE

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, pursuant to Standing Order 36 and as certified by the clerk of petitions, I have two petitions to present today.

The first one is on the universal declaration of animal welfare. These petitioners from my riding of Mississauga South would like to point out that there is scientific consensus and public acknowledgement that animals can feel pain and can suffer and that all efforts should be made to prevent animal cruelty and to reduce animal suffering.

They also point out that over a billion people in the world rely on animals for their livelihood and many others rely on animals for companionship. They also point out that animals are often significantly affected by natural disasters and yet are seldom considered during relief efforts and emergency planning despite their recognized importance to humans.

The petitioners therefore call upon the Government of Canada to support a universal declaration on animal welfare.

## CHILD PORNOGRAPHY

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the second petition is also from constituents in my riding of Mississauga South and has to do with the issue of child pornography and victimization.

*Routine Proceedings*

The petitioners would like to draw to the attention of the House that the creation, use and circulation of child pornography is condemned by a clear majority of Canadians. They state that the CRTC and Internet service providers have the responsibility for the content that is being transmitted to Canadians and that anyone who uses the Internet to facilitate any sex offences involving children is committing an offence.

The petitioners therefore call upon the Parliament of Canada to protect our children by taking all necessary steps to stop the Internet as a medium for distribution of child victimization and pornography.

## INTERNATIONAL AID

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I am very pleased to present yet another petition that was organized by the Grandmothers to Grandmothers Campaign in support of my Bill C-393, reforms to the Canada access to medicines regime, and also generally to ensure we meet our millennium development goals.

The petitioners call upon all of us to do our part to ensure that 0.7% of our gross national product goes to development assistance internationally and that we contribute our share to the global fund to fight AIDS, TB and malaria.

I want to thank the grandmothers again for their incredible pioneering work in gathering thousands of petitions in support of Bill C-393, and in their show of courage and conviction to ensure that people around the world benefit from the resources of this rich nation.

• (1015)

## VOLUNTEER SERVICE MEDAL

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, I am honoured to present a petition from members of the community of Windsor West who are calling for the introduction of a new volunteer service medal to be known as the Governor General's volunteer service medal, to acknowledge and recognize volunteerism by Canadian troops.

There have been two times in the past where there has been a Canadian volunteer service medal dating back to 1939 and most recently in 1953.

The petitioners respectfully call upon the Government of Canada to recognize by means of issuance of a new Canadian volunteer service medal to be designated the Governor General's volunteer service medal for voluntary service by Canadians in the regular and reserve military forces and cadet corps support staff who are not eligible for the aforementioned medals and who have completed 365 days of uninterrupted honourable duty in the service of their country since March 2, 1947.

It is an important part of our Canadian military forces that is often overlooked of.

## EUTHANASIA AND ASSISTED SUICIDE

**Mr. Blake Richards (Wild Rose, CPC):** Mr. Speaker, I have several petitions all on the same topic of euthanasia and assisted suicide.

A number of my constituents and others from across Alberta are concerned and want to protect the most vulnerable in our society. The petitioners are calling on Parliament to uphold section 241 of the Criminal Code without any changes in order to ensure that Parliament does not sanction or allow the counselling, aiding or abetting of suicide.

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## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, if Questions Nos. 547, 550, 551, 552 and 553 could be made orders for returns, these returns would be tabled immediately.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

[Text]

Question No. 547—**Ms. Siobhan Coady:**

— With regard to Secure Channel: (a) what problems have occurred with its operation; (b) what were the costs associated with each of these problems; (c) were any of the costs covered as an administration cost drawn from the employment insurance fund; and (d) has a cost analysis of Secure Channel been completed and, if so, will it be made public?

(Return tabled)

Question No. 550—**Mr. Paul Dewar:**

With regard to the transfer of Afghan detainees: (a) which office is providing direction and instruction to government lawyers at the Department of Justice during the Military Police Complaints Commission hearings; (b) are all provisions of the supplemental transfer agreement being followed by Afghan government officials; (c) are Canadian authorities informed in advance of the release of prisoners who were transferred by Canadian authorities to Afghan authorities; (d) what have been the results of all detainee monitoring since May 2007; and (e) how many allegations of torture have been reported since May 2007?

(Return tabled)

Question No. 551—**Mr. Thierry St-Cyr:**

With respect to identifying stowaways planning to claim refugee status in Canada: (a) what is the government policy on exchanging information with countries where these potential claimants say they face persecution; and (b) in the case of the 76 stowaways on the Ocean Lady, (i) what type of information has been exchanged between Canadian and Sri Lankan authorities, and (ii) what steps has the government taken to ensure this exchange of information poses no threat to the potential refugee claimants or their families?

(Return tabled)

Question No. 552—**Mr. Paul Dewar:**

With regard to Canada's mission in Afghanistan: (a) what is the number of casualties on an annual basis and in total since 2002 to present suffered by the (i) Afghanistan National Army (ANA), (ii) Afghanistan National Police (ANP), (iii) insurgents; (b) what is the percentage of members who have been absent without leave from the (i) ANA, (ii) ANP; (c) what protocols exist to ensure that the ANA and the ANP members trained by NATO do not escape the forces and join the insurgency; (d) what type of weapons have been donated by the Government of Canada, the North Atlantic Treaty Organization and the International Security Assistance Force to the (i) ANA, (ii) ANP; (e) what protocols exist to ensure the security of the weapons from falling into the hands of the insurgents; and (f) has any such weapon ever been confiscated from an insurgent?

(Return tabled)

*Government Orders***Question No. 553—Mr. Paul Dewar:**

With regard to Canada's mission in Afghanistan, what particular diplomatic engagement has Canada had with the governments of: (a) Pakistan; (b) India; (c) China; (d) Tajikistan; (e) Turkmenistan; (f) Uzbekistan; (g) Iran; (h) Russia; (i) Saudi Arabia; and (j) Turkey?

(Return tabled)

[English]

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

### PROVINCIAL CHOICE TAX FRAMEWORK ACT

**Hon. Vic Toews (for the Minister of Finance)** moved that Bill C-62, An Act to amend the Excise Tax Act, be read the second time and referred to a committee.

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I am pleased to begin second reading of the provincial choice tax framework act. I will keep my comments short and as succinct as possible because we have heard time and time again how important this is to the provinces that they be allowed to make their choice as to how they collect their taxes. They are asking us to facilitate this as quickly as possible.

As I have said in the House before, the provincial choice tax framework act is a very straightforward piece of legislation that simply confirms a fundamentally basic principle: provincial taxation is a provincial responsibility. As such, each province must have the independence to decide whatever form of taxation they deem best for their own jurisdiction's economy. The provincial choice tax framework act enshrines federal Parliament's belief that provincial taxation is indeed a matter of provincial autonomy. It facilitates maximum provincial choice on matters of provincial taxation, including the decision of a province to transition to harmonized value-added tax.

As a point of overview, I remind members that in the past provinces in Canada have been allowed the autonomy to adopt the model of provincial taxation they so desire. That has meant that various provinces in Canada have been permitted without restriction to adopt varied models including in relation to their sales tax. At present five have sales tax, four provinces have a value-added tax or a variation of a value-added tax and one province has neither. The key point to emphasize here is that each province has had complete autonomy in this decision, free of federal restriction, to implement the model they consider most appropriate for their economy: a sales tax, a value-added tax, or neither.

As I have mentioned previously in this chamber, our government fully supports provincial autonomy in matters of provincial taxation. What is more, we strongly believe provinces should all be treated in the same way with respect to making such a choice. Put another way, each province should have the same rights as other provinces when

making choices regarding provincial taxation, including the ability to freely adopt a harmonized value-added tax.

A little over a decade ago, under the administration of the then Liberal government, I remind this chamber that we saw this concept in action. Nova Scotia, New Brunswick, Newfoundland and Labrador each made the decision to transform their model of provincial taxation. Accordingly, the then federal Liberal government facilitated those provincial decisions to harmonize their new value-added taxes with the federal value-added tax.

I note the newly elected NDP government in Nova Scotia has not publicly denounced or sought to repeal the province's harmonized value-added tax since forming government. We believe and have stated so consistently, since forming government in 2006, that the exact same treatment should be equally afforded to all provinces. Indeed, the provincial choice tax framework act will ensure that going forward all provinces will have that ability and have the freedom to make decisions on matters of provincial taxation with greater certainty.

As we are all well aware, two provinces have recently declared their intention to alter their model of provincial taxation. First, on March 26, 2009, the province of Ontario, through its minister of finance, Dwight Duncan, announced the following and I will quote at length to provide the full context of this provincial decision for the benefit of our colleagues in this House:

● (1020)

Ontarians have a great track record of success when we work together to build a better future for our children. Our goal is a better future powered by a stronger economy. The next step we must take to get there is tax reform.

Specifically, today we propose three significant tax changes. First, a single value-added sales tax for Ontario. Second, permanent personal tax relief and three direct payments to Ontarians as we transition to a single sales tax. Third, comprehensive corporate tax reforms to permanently and significantly reduce business taxes for large and small enterprises across the province.

More than 130 countries have adopted a value-added tax. Every other country in the Organisation for Economic Co-operation and Development (OECD), save the United States, has a value-added tax — as do four other Canadian provinces. It is the way modern, globally competitive jurisdictions do business.

The Ontario Chamber of Commerce, many experts, research groups and sector associations have called on us to reform our tax system and create a single provincial-federal sales tax.

Over the next 15 months, we are planning to implement a single provincial-federal sales tax of 13 per cent. The single sales tax would begin July 1, 2010.

That is a long quote, but it is all attributed to Dwight Duncan, the finance minister of Ontario.

Second, on July 23, the province of British Columbia announced the following, and I quote at length again from a news release of that day, to preserve the province's complete rationale for its decision:

British Columbia intends to harmonize its provincial sales tax with the federal Goods and Services Tax effective July 1, 2010, to boost new business investment, improve productivity, enhance economic growth, and create jobs.

And I quote here Premier Gordon Campbell:

This is the single biggest thing we can do to improve B.C.'s economy.

To continue on with the quote from the news release:

*Government Orders*

This is an essential step to make our businesses more competitive, encourage billions of dollars in new investment, lower costs on productivity and reduce administrative costs to B.C. taxpayers and businesses. Most importantly, this will create jobs and generate long-term economic growth that will in turn generate more revenue to sustain and improve crucial public services. The PST is an outdated, inefficient and costly tax, some of which is hidden in the price of goods and services and passed on to and paid by consumers.

That was a quote from the finance minister, Colin Hansen, specifically. It continues:

Evidence from the Atlantic provinces showed that the hidden tax is removed very quickly, with the majority of the savings passed through to consumers in the first year.

More than 130 countries, including 29 of the 30 OECD countries, along with four Canadian provinces, have adopted taxes similar to the HST, called value-added taxes...Implementation of a single sales tax in B.C. would immediately reduce costs and enhance the competitiveness of B.C. manufacturers and exporters both nationally and internationally and bring B.C. into line with what is viewed as the most efficient form of sales taxation in the world.

Once fully implemented, the single sales tax will make B.C. one of the most competitive jurisdictions in the industrialized world for new investments.

Once again that was a long quote.

Let me underscore, as both those lengthy statements from each province in question have clearly set out, these were very deliberate decisions; decisions both provincial governments deemed necessary for their very specific economic reasons.

What all members of this chamber need to acknowledge and appreciate, and what serves as the main objective behind the provincial choice tax framework act, is that provincial governments must be able to make the decisions they believe necessary regarding provincial taxation, and they should be able to do so without federal interference.

We are in the unique position in this Parliament of having former premiers of both British Columbia and Ontario as sitting members; albeit, on opposition benches. It is instructive to consider what they, as former premiers, have publicly declared on this matter.

• (1025)

Listen to the former premier of British Columbia and current Liberal member for Vancouver South. He said, "Ultimately it is the decision of the provincial government whether or not to do HST".

Here is another quote from the former premier of Ontario and current Liberal member for Toronto Centre, who said, "It's up to provinces to decide whether they want to proceed with a harmonized tax. It's a decision for them, not for us". I will quote and highlight again that last portion: "It's a decision for them, not for us".

In that spirit, let me quote, for the benefit of the chamber, statements made by the premiers and finance ministers of both British Columbia and Ontario on the question of the right of provincial governments to make decisions about provincial taxation.

In the words of B.C. Premier Gordon Campbell:

This is a matter of provincial autonomy. It is simply saying that British Columbia and Ontario will get the same kind of opportunities they have had for Nova Scotia, New Brunswick, and Newfoundland and Labrador.

Listen to his finance minister, Colin Hansen:

The question MPs have to ask themselves is not whether they like or don't like the HST, it's whether or not they will honour a request from the provinces of B.C. and Ontario.

Here is a quote from Premier Dalton McGuinty:

—I am very confident that the government of Canada will honour the wishes of the people of Ontario, as expressed by their duly elected Parliament, their Legislature and their government....I expect that the result will be respected by the people of Canada, as expressed through the government of Canada....I think members of Parliament in the House of Commons understand that Ontario in particular has suffered greatly. Our families and communities have suffered greatly as a result of this global economic downturn. They know that we need to take strong action. They know that we need to be rather dramatic in terms of the reforms that we put in place. They know that we've given long and hard thought to what needs to be done, so I'm confident that we'll have their support, as I say, to create those 600,000 jobs for the people of Ontario.

As Ontario's finance minister, Dwight Duncan, succinctly remarked:

I fully expect and hope the Parliament of Canada will honour the wishes of the duly elected governments of Ontario and British Columbia.

Essentially, what British Columbia and Ontario are asking for is not complicated. It is simply respect, that we respect provincial taxation and modifications to it that provincial governments may deem necessary, which are ultimately their responsibility, equally and without restriction.

Through the provincial choice tax framework act, we respect that principle and confirm the autonomy in this matter, specifically the move to a fully harmonized value-added tax. The provincial choice tax framework act will ensure that, through amendments to the Excise Tax Act, the transition to a harmonized value-added tax for provinces that choose such a course of action is done in an equal and consistent manner.

This technical tax legislation will enshrine a provincial choice tax framework that will be equally available to all provinces. The provincial choice tax framework act specifically includes: first, the imposition of the provincial component of the harmonized value-added tax in respect of that province; second, the application of any element of provincial tax policy flexibilities, including rate flexibility for the provincial component of the harmonized value-added tax; and finally, the proper administration and enforcement of and compliance with the act.

This technical tax legislation requires timely parliamentary approval to provide certainty to businesses and individuals. I note that both the governments of and the businesses and consumers in British Columbia and Ontario have already committed significant resources toward and planned for this key economic reorganization.

For instance, BCE has already publicly announced its intention to accelerate its investment in Ontario for 2010, based on the Ontario government's implementation of a harmonized value-added tax.

• (1030)

To quote George Cope, President and CEO of BCE:

As has been the experience in other provinces in which Bell operates, savings from a single sales tax structure will accelerate our investment in Ontario. Fewer dollars going toward taxes in 2010 mean more dollars that Bell will reinvest in our networks and service in the province next year.

*Government Orders*

We cannot delay and allow uncertainty to creep in, as it would be hugely unfair to business, unfair to provincial governments and their employees, unacceptable to consumers and unhelpful to Canada's international competitiveness.

To repeat, this is not a difficult decision. Either Parliament supports the right of provincial autonomy regarding provincial taxation and provincial freedom to move to a harmonized value added tax, such as occurred in Nova Scotia, New Brunswick and Newfoundland and Labrador before; or it advocates unequal treatment and federal interference in provincial jurisdiction.

The provincial choice tax framework act would allow Parliament to make that decision. A timely decision would avoid major uncertainty for businesses, consumers and provincial economies.

I strongly urge this chamber to ensure that all provinces have the autonomy to choose the model of taxation they deem necessary and do so on an equal basis going forward under the framework laid out in this bill.

This is not complicated. I urge the House to decide in a timely manner.

•(1035)

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, the speech by the parliamentary secretary was very interesting and reminded me of a couple of things. It reminded me of the Bart Simpson "I didn't do it" skit and the movie *Naked Gun*, where Leslie Nielsen is standing in front of a fireworks factory he has blown up and all of the fireworks are going off and he says, "There is nothing to see here".

This is a remarkable implementation of a tax on Canadian citizens that can only be facilitated by this chamber. The parliamentary secretary should understand that we are going to have to borrow Canadians' own money to put this tax back onto them.

I had the Parliamentary library do some research and it estimated that the \$5.9 billion payout or buyout that we are providing British Columbia and Ontario over 10 years to do this will actually cost us \$9.9 billion over those 10 years at the annual borrowing rate of the Government of Canada. That estimate comes from the Parliamentary research service.

Therefore, we are borrowing Canadians' own money to bring in a new tax on top of them. This is only being facilitated by the actions of the government here today.

We heard testimony yesterday at that industry committee from the tourism sector. There has been no sector study done on the effect of this tax. If one looks at Ontario and British Columbia, we already have a declining rate of tourism right now. The parliamentary secretary noted that other nations in the world have this tax, but not United States, which is our number one source of tourists. The tourism industry is predicting right now that the tax will result in a loss from that market, and has done its own independent studies showing that.

Why is the government not studying the industries that will be affected by this new tax, which only it is capable of bringing in?

**Mr. Ted Menzies:** Mr. Speaker, it is a pleasure to hear the NDP stop laughing and giggling, which they did all through my

presentation. When we are dealing with such an important issue, it is pretty sad that the NDP stands up and ask questions, feigns indignation, and then its members sit down and laugh and giggle among themselves. This is not a laughing matter.

We have been asked by the provinces of Ontario and British Columbia, in all seriousness, to pass this quickly. It is very simple legislation. I know the NDP does not quite have the financial capacity to understand what we are doing, but I would encourage those members to stop laughing and giggling about such a serious matter.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have two questions for the parliamentary secretary.

The first has to do with the memorandum of agreement with the Province of Ontario. Near the end of the agreement there is reference to the appointment of a panel that would be put together to deal with potential changes. One of those is a potential change to the revenue allocation framework, such as replacement by a system that would provide distribution of revenue based on actual sales of goods and services.

I wonder if the member could explain to the House why that has not been included in the enabling legislation.

The second question has to do with the question of the haste with which this bill has been dealt with. The parliamentary secretary will know that the Province of Ontario has announced that, as part of its implementation of a harmonized tax, it wants to pass its legislation by Christmas so it can implement a personal income tax cut by January 1. None of that can happen unless this legislation is passed, as I understand it.

Is it part of the deal with the Province of Ontario that the Government of Canada pass Bill C-62 before it rises for Christmas break?

**Mr. Ted Menzies:** Mr. Speaker, as I have said all along, there is urgency to this. In my speech, I referred to three components that were announced by the finance minister of Ontario, those being the personal tax cuts the hon. member has mentioned.

January 1 is the date. We are fast approaching that date and it is important that we move forward with this. There was a formula set out for the process of reimbursing those provinces that wish to move forward with their own harmonized value-added tax. We are following through on that same formula.

The provinces, within their own jurisdiction, have certain latitudes as to how they apply it, but they cannot apply it until we pass it through the House. Therefore, I would urge expeditious passage of this.

•(1040)

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I think members around the House are fairly aware of the rich tradition and heritage of this particular party with respect to acknowledging and recognizing provincial jurisdiction. The member, who has been involved in public life for a number of years, is obviously leading the charge with respect to financial issues.



*Government Orders*

With respect to this matter, he is basically affirming the right of provinces. That is basically what it is. It is not about taking the initiative as much as allowing them that prerogative within their own jurisdiction. I think the member could probably speak to us, having had business interests over the years, about what happens in business when there is uncertainty out there. Certainly, in respect to this, when there is uncertainty about a harmonized value added tax, there is an unfairness to business and provincial governments and their employees that is harmful to jobs and unhelpful to Canada's international competitiveness.

One way or other, this needs to be clarified. That is the nature of the framework. Our government likes to be consistent with respect to equalization and harmonization so there is consistency and not these one-offs with provinces along the way.

If the member could respond to the whole matter of uncertainty in business climates and what that does, that would probably be helpful to our discussion.

**Mr. Ted Menzies:** Mr. Speaker, that is a very relevant question. Canada is caught up in this global recession. We have tried to prepare Canadians and Canadian businesses for it by reducing their taxes. We need to be able to provide an environment where our Canadian companies can be competitive.

Some provinces have simplified their tax systems and given assurances to the industries that operate in those provinces. Now we have seen two provinces come to us to ask that we facilitate that equal treatment for them. As I reflected in my speech, the intent is to give businesses the assurance that they will have a simplified tax system so they do not have to fill out two sets of forms, as they have done before.

Those forms have accounted for a lot of excess labour in those companies, labour that can be better used for other topics in their businesses. We need to help companies to be able to compete and help bring us out of this recession.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, the parliamentary secretary is fond of quotations, so I will quote a couple back to him. The member for Bruce—Grey—Owen Sound, from his own party, said:

First, I want to make it clear that this was a change initiated by the Province of Ontario and was not a decision made by the federal government in any way.

Yet in 2006, the finance minister, his boss, said:

The Government invites all provinces that have not yet done so to engage in discussions on the harmonization of their provincial retail sales taxes....

Later, in 2008, the same finance minister said:

...we're also calling on the remaining provinces that have not harmonized their PST with the GST to work with us to accomplish that goal....

He and his party cannot have it both ways. When they are back home, they say it was not their idea, but a provincial one. However, when they are out speaking to the business community and talking to the provinces, they are not only inviting them, as the finance minister did time and time again, to get into discussions with the feds, but are also putting up \$6 billion to make it happen.

The provincial governments have said this would not happen without the \$6 billion allotted by the federal government. In fact, as my colleague from Windsor said, they are borrowing money from

future Canadians to bribe provinces to raise the provincial tax rates and raise taxes on Canadians.

On one side, he is putting two forms of paperwork and filing versus hosing consumers on the other side. How is it possible for them to somehow see this as a grand economic vision for the—

**The Deputy Speaker:** I will have to stop the member there. The parliamentary secretary has 30 seconds to respond.

**Mr. Ted Menzies:** Mr. Speaker, I am sure I have said this before in the House, that I will take no lectures from the NDP about reducing taxes. We have tried and tried in this House of Commons to reduce taxes for Canadians, and NDP members have repeatedly said, "No, we want to raise taxes". I have trouble understanding why they are now questioning provincial jurisdiction when all they want to do is raise taxes on Canadians.

• (1045)

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, I can be relatively brief and concise today because I think we have gone through these matters a number of times and the situation is really very simple, that is to say, it is a matter of provincial jurisdiction. I could just sit down at this point because it is that simple, but I will speak for a little bit longer.

The bill creates the framework for Ontario and B.C. to harmonize their provincial sales taxes with the GST. Beyond that it will create a framework for any other provinces that wish to harmonize their taxes to do so as well.

There is a simple principle contained in the bill, the idea that provinces have the right to choose how they tax their citizens. Specifically, the bill creates a framework for Ontario and B.C. to harmonize their provincial sales taxes with the GST, as they have chosen to do. I do not understand why this simple point is so difficult for the NDP to understand.

[*Translation*]

This is within provincial jurisdiction. It is up to the provinces to decide how they will tax. This is not about whether or not we like the tax; it is a matter of provincial jurisdictions.

[*English*]

It will also create a framework for any other provinces that choose to harmonize their sales tax to do so. As we know, several Canadian provinces have already harmonized their sales tax with that of the federal government, and none of these provinces that have harmonized have ever chosen to reverse their course and de-harmonize the tax.

Nova Scotia chose to harmonize its sales tax, and the federal government allowed it to do so. At the time, the provincial NDP Party vowed that if it were ever elected to government, it would scrap the HST. Believe it or not today the NDP is the governing party in Nova Scotia, and I have not heard NDP Premier Darrell Dexter indicate in any way that his government will de-harmonize its HST. In fact, the Nova Scotia NDP wants to retain Nova Scotia's harmonized sales tax. That is the choice of the Nova Scotia NDP government and we, as federal politicians, should respect the provincial NDP's choice in this area.

*Government Orders*

This year, as we know, Ontario and British Columbia have indicated their intention to harmonize their respective sales taxes, just as other provincial governments had done during the 1990s.

Today it falls to us, as federal legislators, to decide if we will allow Ontario and British Columbia to harmonize their taxes, the same way that past Parliaments have allowed other provinces to do so. I am talking about provinces like New Brunswick where a Liberal government currently maintains an HST, like Newfoundland and Labrador where a Conservative government maintains an HST, and like Nova Scotia where an NDP government maintains an HST.

The 35th Parliament allowed these provinces to harmonize when they asked to do so. Should we, today, change course and tell other provinces that might wish to follow their lead that it is too late? Should we tell them that they cannot have an HST if they want one?

I would say the obvious answer to that question is no. We must allow them to make their own decisions, and that is why I will be supporting this legislation that allows these provinces, and other provinces in the future, to make a choice regarding what is fundamentally a matter that is inside their own jurisdiction.

Let me give a very brief description of what this bill does. The bill will add B.C. and Ontario, the two provinces that are seeking to harmonize taxes, to schedule VIII of the Excise Tax Act and will set B.C.'s portion of the HST at a rate of 7% and Ontario's at 8%. It is important to note that this is a fundamental shift from the 1990s vision of a single rate across the country, which assumed that all provinces would share an identical rate.

One important shortcoming of this legislation is that first nations in Ontario will be denied the tax exemption they currently enjoy. I have written to the finance minister on this topic, and I have asked him to negotiate a fairer arrangement with the Government of Ontario on this matter.

It is also important to note that some input tax credits will initially be denied under this bill. This denial will apply to large businesses with over \$100 million in sales. The input tax credit denials will be phased out over the next five years as the HST becomes a full value-added tax.

To those Canadians who are on the opposition's side of the HST, it should be abundantly obvious that the federal Conservatives have their fingerprints all over this legislation. It was the Prime Minister and his finance minister who encouraged Ontario and British Columbia to harmonize their sales tax.

It was the federal Conservatives who noticed that the two provinces were both facing deficits due to this Canada-wide Conservative recession and who offered them billions of dollars to make the tax change. If they had not done so, perhaps Ontario and B. C. would not have decided to harmonize.

That possibility is of course strictly hypothetical, because the hard reality is that both Ontario and B.C. have in fact decided to harmonize their sales taxes and regardless of their reasons have struck and signed deals with the federal government. That is why, as I said earlier, this legislation is about whether Ottawa feels that provinces have the right to determine how they tax within their own areas of jurisdiction.

I appreciate that some in this House may not like the HST, but I would suggest that if they want to begin prohibiting provinces from working in areas of their own jurisdiction, they should resign from this House and they should run for their provincial legislatures. Otherwise, they should support this bill and its very simple principle that should not be beyond the NDP's capacity to understand, that principle being that provinces have a right to decide whether or not to have a harmonized sales tax.

• (1050)

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, I certainly welcome the thrust of my colleague's speech. He is absolutely right. This is framework legislation that needs to be in place. Three Atlantic provinces back in the 1990s under the Liberal government harmonized their sales tax and there are two provinces today.

This change to federal legislation is needed to ensure that provinces have the full right to choose whether to harmonize their tax system. I want to compliment him on that aspect of the speech.

I want to ask him a question in a very friendly manner. He is fond of quoting Don Drummond, a good friend of both of ours, with respect to the economy. He talked about the recession made in Canada by the Conservative government. I want to allow him a chance to correct that and say that it was a global synchronized recession that Canada entered into later and in fact was much less affected by than were other countries.

In terms of his speech, I certainly welcome his comments that this legislation is needed to allow provinces to make their own decisions as to whether they want to harmonize with the federal sales tax or not.

**Hon. John McCallum:** Mr. Speaker, let me say that my colleague over there is an excellent chair of the finance committee. As a member, like me, of the 2000 cohort, he is a member of a very select and brilliant group of parliamentarians from both sides of the House who were first elected in the year 2000.

I can hardly hold against him the fact that he made a mistake. I never said a made in Canada recession. My precise words were a Canada-wide Conservative recession. It was certainly Canada-wide. My colleague would understand that. It was certainly a Conservative recession, because last time I looked, the Government of Canada was a Conservative government.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, Conservative and Liberal MPs in the House can run on this issue but they ultimately cannot hide, because they are going to have to face the voters' wrath next July 1. To make the argument that somehow the provinces are knocking down their doors to sign into this deal is totally wrong.

The fact of the matter is that in the federal finance minister's budget of May 2, 2006, it said:

The Government invites all provinces that have not yet done so to engage in discussions on the harmonization of their provincial retail sales tax with the federal GST.

There it is in black and white.

*Government Orders*

As well, in a speech to the C.D. Howe Institute on April 10, 2008, the finance minister said, “we’re also calling on the remaining provinces that have not harmonized their PST with the GST to work with us to accomplish that goal of harmonization”.

In fact, in Manitoba there was just a rejection of the overtures that have been made, pressuring the province over the last year.

I would like the member to come clean and just admit that these two parties are getting together over the Christmas holidays, essentially, to sneak this whole deal through the back door with closure and the whole works. We are getting the whole nine yards here.

•(1055)

**Hon. John McCallum:** Mr. Speaker, the member confuses two totally distinct points.

I said in my speech that the fingerprints of the Prime Minister and the finance minister are all over this legislation. The quotes that he cites are consistent with the fact that the government has, so to speak, been bribing provinces to adopt the HST. They certainly share the responsibility, and I agree with that point.

However, the second and totally different point is that whether it is a good thing or a bad thing, the provincial governments have now come to an agreement with the federal government and have asked Parliament to allow them to have the HST. I do not understand the logic of the NDP denying the requests of legitimately elected provincial governments to allow them to have a tax that other provinces are allowed to have.

The NDP is essentially saying that Nova Scotia, New Brunswick, and Newfoundland and Labrador can keep the HST, but for Ontario and British Columbia, it is too late, and they cannot have it. It is not the role of the federal Parliament to make a judgment as to whether the provinces were right or wrong in formulating this tax policy.

My double point is that yes, this measure was aided and abetted very clearly by the Conservative government, but at the same time, once the provincial governments, duly elected legitimate governments, asked the federal Parliament to allow them to do something in their own jurisdiction—

**The Deputy Speaker:** I am just going to stop the member there because I do see some other members interested in asking questions.

The hon. member for Beauséjour.

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Mr. Speaker, I want to thank my colleague from Markham for his incisive comments on the issue of tax harmonization.

This bill before the House of Commons is a tax measure. The Conservatives spend a great deal of time talking about taxes, pretending that they are interested only in lowering taxes when in fact we have seen in recent times, in recent examples rather massive payroll tax increases in the form of projected hikes to EI premiums.

I am wondering if my colleague, who served as a senior private sector economist, as the chief economist of the Royal Bank of Canada, and who was a distinguished academic before he ran, as he noted, in 2000, to serve in the House of Commons, could perhaps tell us briefly about the negative consequences of potential tax

increases and in particular about the Conservatives' payroll tax increase they are planning to impose on Canadians in the form of EI premium increases.

**Hon. John McCallum:** That was a very insightful question from my good colleague, but I am not surprised at his insight since he too is a member of the 2000 cohort. However, I would say that this is an excellent point.

The Conservatives do not seem to understand that an employment insurance premium is a payroll tax. That is what we learn in economics 100.

As they have said in their recent statements, they will be raising those taxes on jobs at the maximum rate for three years starting in 2011 to the point where the average two-earner family will face increased EI premiums of \$1,200 and a small business employing 10 people will face an additional bill of \$9,000.

I do not think that the Canadian economy will be in good enough shape to be able to cope with this massive increase in taxes on jobs.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, in their suggestions today, the hon. colleagues from the Liberals and the Conservatives have wondered why the federal government has anything to do with this.

However, I will quote from the BC Care Providers Association. It helps 10,000 seniors a day. It has written a letter to all parties saying this:

“It is our strong belief that the Government of Canada should also play a more direct role in mitigating the negative impacts of the HST on seniors' care in B.C. and Ontario.”

The fact that the government is ramming this bill through prevents groups like this from coming to this place and being able to tell us how this tax should be implemented.

“The very fact that the feds are washing their hands of this makes groups like seniors in Ontario and British Columbia furious because they have no opportunity to be heard, no opportunity to have this mitigated at all. People who can least afford it, seniors in care, are going to be hit by this tax.”

The member seems to have some misunderstanding as to why the NDP members have a problem with this whole process being used, and with ramming it through. Neither his party nor the Conservatives nor the Bloc members have considered things like this.

Seniors in British Columbia and Ontario are saying they are going to be hit by this. This group, which provides service to 10,000 seniors a day, wants to be heard.

Will it be heard by this member? Will we be able to change this legislation? Of course we will not, because the government is ramming it through. That is the problem with this whole process. The substance of the process stinks as well.

I wonder if the member could address the BC Care Providers Association and the 10,000 seniors it is serving today.

*Government Orders*

● (1100)

**Hon. John McCallum:** Mr. Speaker, the position of seniors is a very important one, and it is one that we in the Liberal Party take very seriously. Indeed, in just half an hour from now the leader of the Liberal Party along with a couple of other Liberals and I will be announcing at a press conference important pension measures that are certainly designed to help seniors, because seniors have clearly suffered as a consequence of the stock market crash, the recession and difficult economic times.

I can assure the hon. member that we in the Liberal Party have seniors uppermost in our minds, and in just moments in fact we are going to be making announcements of benefit to seniors.

[*Translation*]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I would like to begin by stating that Bloc Québécois members support Bill C-62, which is before us today. Yesterday, some people were wondering whether we opposed the time allocation motion for this bill, given that we did not even see the bill until after the motion was moved. That was completely unacceptable. But now that the motion has been adopted, we agree with the House's decision.

We support this bill, but not for the same reasons as other members, be they Conservative or Liberal. We respect Ontario and British Columbia's decision to harmonize their provincial sales taxes with the GST, because that is what Quebec has been doing for many years now.

We would like to reiterate the request made by Quebec's National Assembly last spring in a unanimous resolution: Quebec must receive fair compensation for having harmonized its sales tax with the federal tax beginning in 1992.

The Bloc Québécois is calling for fair and equal treatment for Quebec in all matters. The federal government changed the rules of the harmonization game. When it compensated the maritime provinces—New Brunswick, Newfoundland and Labrador, and Nova Scotia—it said that Ontario, British Columbia and Quebec would not be eligible for compensation because they stood to lose less than 5% of their tax revenue.

As we have seen, the federal government changed the rules for Ontario and British Columbia. Its latest budget included funds for compensating those two provinces. The Government of Quebec, naturally, passed a unanimous resolution telling the federal government that it makes no sense to change the rules and that it must take into account what Quebec has done in previous years. I will come back to that.

We intend to continue putting pressure on the federal government to resolve this contentious issue that has been around for many years. This is a matter of equality.

I want to put this into context. We know that the Government of Quebec harmonized its sales tax with the federal tax in the early 1990s. At that time, the federal government agreed to allow Quebec to manage the GST within its own jurisdiction.

In 1997, the federal government offered compensation to three provinces—New Brunswick, Newfoundland and Labrador, and Nova Scotia—to harmonize their sales taxes with the federal tax.

Unlike the situation in Quebec, the federal government would manage the federal part as well as the provincial part of the new harmonized tax. As compensation for the loss of revenue caused by harmonization, the federal government paid nearly \$1 billion to those three provinces.

Since then, the Government of Quebec has been asking Ottawa for compensation for harmonizing its sales taxes, which it had done five years earlier. However, even though it recognized the Government of Quebec's full harmonization of sales taxes, the federal government refused to compensate Quebec, claiming that the Quebec government's loss of revenue caused by the harmonization was not enough to justify such compensation.

At that time, in order to receive compensation, the loss of revenue caused by the harmonization of the provincial portion of the sales tax had to exceed 5% of the total amount of the provincial tax. At the same time, the federal government said that Ontario and British Columbia were not entitled to this compensation.

● (1105)

But the government is now going back on its word on this lost revenue rule and it has reached an agreement with Ontario and British Columbia. This agreement included significant compensation, to the tune of \$4.3 billion for Ontario and \$1.6 billion for British Columbia. One might say that, by rejecting the 5% criterion, the federal government has now opened the door for Quebec to qualify for compensation. The rules of the game have been changed for two provinces, so why not change them for Quebec as well and ensure that it, too, is eligible for compensation.

Instead of naturally and fairly compensating Quebec for having harmonized its tax five years earlier, in other words in 1992—or 17 years ago now—the Conservatives, using their legendary bad faith, have started coming up with new excuses not to give Quebec the \$2.6 billion it is owed.

In response to their claim, which surprised Quebec's finance minister, Ms. Jérôme-Forget, that the Government of Quebec had not in fact completely harmonized its sales tax with the federal government, Quebec committed to doing one thing right away. There were certain inputs for big companies that were still not exempt from QST. The finance minister announced that the Government of Quebec would proceed with those adjustments. Then, and we heard it here in this House, the Conservatives found new reasons not to compensate Quebec. They said that Quebec should stop charging tax on tax. Through its finance minister, the Government of Quebec promised to so do.

What did the federal government do? It came up with another excuse. From now on, only provinces whose federal and provincial sales taxes are collected by the federal government will be compensated. An agreement was made in 1992 whereby the Government of Quebec would collect the tax on behalf of the federal government. This is just another fine example of the predatory federalism practised by the Conservative government.

*Government Orders*

As I said earlier, when the two sales taxes were harmonized in 1991, the Government of Quebec entered into an agreement with the federal government whereby the Government of Quebec would collect the tax on behalf of both governments and then pay Ottawa its share. For Quebec, it was and still is a question of autonomy. In exchange, the federal government would pay Quebec \$130 million annually. This was not compensation, but payment for services rendered.

The Bloc Québécois respects the decision by Ontario and British Columbia to have the federal government collect their sales taxes. That is their choice and their business. But the Bloc Québécois will support the Government of Quebec in its fight against the federal government, which is trying to take away Quebec's power to collect the GST in Quebec on Ottawa's behalf.

Those are the main reasons why, although we are in favour of the bill, we are still certain that until this dispute between Quebec City and Ottawa is resolved, there will still be an injustice. We are going to work hard to put an end to this injustice and ensure that the federal government provides Quebec with compensation pro-rated to its population and the amount of sales tax collected in Quebec, as it is planning to do for Ontario and British Columbia. Quebec must be compensated fairly for what it has been doing for many years under the sales tax harmonization agreement.

In closing, I would like to say that we will certainly not let this dispute continue. We are not going to let the current government keep on acting unfairly and denying what the Government of Quebec has already done to harmonize its sales tax and even make adjustments. When adjustments have been needed, they have been made quickly.

• (1110)

We are certain that, because of this bill, the provinces will be somewhat more able to create or enter into agreements with the federal government more easily. That is the upside of this bill and that is why we will vote for it.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP):** Mr. Speaker, I would like to ask my colleague a question.

There is obviously nothing in this bill for them. Does he truly believe they will get something? Did they make a deal with the Conservatives? Is that why they are supporting this bill?

The Bloc is not a national party and it obviously does not care about the impact of this bill on the most vulnerable. In particular, the bill does not mention that the Conservative government has a responsibility towards aboriginal peoples.

I would like him to answer my question: did they make a deal with the Conservatives? Why do they really want to trample aboriginal treaty rights?

**Mr. Jean-Yves Laforest:** Mr. Speaker, I would like to reassure the member that absolutely no deal or agreement has been made between the Conservative government and the Bloc Québécois. I will repeat what I just said. The Bloc Québécois is in favour of this bill because it updates the act that serves as the framework for the 1997 memorandum of agreement between the maritime provinces and the federal government. The protocol and the framework legislation were much more rigid.

We now have before us a situation where it is clear that the federal government is agreeing to compensate two provinces, Ontario and British Columbia, by removing the criterion of a loss of revenue of less than 5%, a criterion that Quebec did not meet. British Columbia and Ontario did not meet this criterion either.

We certainly believe that removing this criterion and modernizing the legislation will make it easier to reach an eventual agreement. We hope that Quebec and the federal government will reach an agreement as quickly as possible. However, there is no agreement in place and there is no guarantee that it will happen. The Bloc Québécois will continue to fight this battle in this House, in keeping with the unanimous resolution adopted by Quebec's National Assembly in February 2009.

• (1115)

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, another colleague of the member from the Bloc spoke yesterday about the compensation situation with Quebec, and she laid out a couple of aspects.

The first was that the harmonization taxation was not fully implemented, or that there were still other areas in which harmonization could take place. The other was that Government of Quebec, unlike other provinces, collected all the taxes and remitted to the Government of Canada its share as opposed to the reverse, which is the arrangement with the other provinces.

I do not know what impact those differences may have on the overall bill, but it would appear that the memorandum of understanding with the province of Ontario is unique, as is the understanding and the arranged agreement with B.C. Both of those are even different from the agreements that were reached with the three maritime provinces that harmonized some time ago.

Could the member clarify what changes Quebec would have to make to the harmonization regime and framework that it implemented and how that might impact any requests for a renegotiation of the settlement, or the inducement to have a harmonized tax?

[Translation]

**Mr. Jean-Yves Laforest:** Mr. Speaker, I would like to clarify that most of the differences he is talking about regarding the way that the Quebec sales tax and the GST were harmonized have been resolved. There are just a few very minor points that remain, and they are not significant enough to justify the fact that the federal government refuses to compensate the Government of Quebec. It is very clear that changes have been made.

The main difference is that Quebec currently collects the federal tax and is paid \$130 million by the federal government to do so. That is not an obstacle. It is the result of an agreement signed in 1992.

*Government Orders*

The \$2.6 billion in compensation has nothing to do with the fact that the Government of Quebec collects all of the taxes within Quebec. The compensation is to compensate—as the word says—a government that has already harmonized its tax or that plans to do so for the revenue losses it will incur. The Government of Quebec has been losing revenue since 1992, since it harmonized its tax. It makes sense for the federal government to compensate Quebec, as it does for the other provinces.

[English]

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, in supporting Bill C-62, does the Bloc hope that Ottawa will reciprocate and be more favourable to an agreement to compensate Quebec in the future?

[Translation]

**Mr. Jean-Yves Laforest:** Mr. Speaker, as I said earlier, this bill updates legislation governing the process whereby three maritime provinces were given compensation in 1997. The bill updates the framework, based on the assessments that have been done. Of course, this paves the way for harmonization and compensation for Ontario and British Columbia, but it also opens to the door to compensation for all provinces that decide to harmonize their sales tax or have already done so. That is very clear.

• (1120)

[English]

**Ms. Chris Charlton (Hamilton Mountain, NDP):** Mr. Speaker, I am delighted to speak again in opposition to what is essentially an 8% ripoff for Ontarians and the people in British Columbia.

If the Prime Minister and the McGuinty Liberals have their way, a haircut next summer would cost 8% more. Burying a loved one would cost 8% more. Vitamins, a pair of sneakers, postage stamps, vet fees for a dog and an oil change for a car would all cost 8% more. Even the price of gas would go up. That would hurt a lot of families, seniors, young people and small businesses.

From the outset, the NDP said that the HST was the wrong tax at the wrong time. The recession is still being felt, unemployment is still rising and this regressive tax will take \$2.5 billion out of the pockets of those who are least able to afford it. To add insult to injury, the Prime Minister will give Premier Dalton McGuinty \$4.3 billion in exchange for his agreements to tax Ontarians more. B.C., which will also get the HST, is being paid too. Therefore, I can understand why Quebec, which has already harmonized its sales taxes, will want compensation.

These payouts are all money that drives Canada further into debt, and for which the government has not budgeted.

At the same time, big companies will win the jackpot yet again with another \$1.5 billion in corporate tax cuts and, as McGuinty and the Prime Minister boast, the HST will cut business input costs even further. In other words, the HST will drive up taxes for families and lower them for big business.

The Prime Minister and McGuinty say that we need to look at the bigger picture. Okay, let us do that. Here is what we see. This recession was caused, not by high wages or a lack of initiative on the part of working Canadians. It was caused by a carnival of greed

among bankers, financiers and others who took reckless risks and triggered a worldwide financial crisis.

Yet seniors and hard-working families are the ones taking it in the neck. Pension funds are in difficulties. Retirement savings tucked away in RRSPs have lost much of their value. From next summer onward, big business would pay less and ordinary Canadians would pay more for everything from Internet services to gasoline. That is hardly fair. That is why we are currently locked into battle in the House of Commons to block the legislation that will allow the federal government to foist the HST on Ontarians.

Under the leadership of the member for Etobicoke—Lakeshore, the Liberal Party has sided with the Prime Minister, who has launched an underhanded gambit to ram through the House before the holiday break. It is his way of saying, “Merry Christmas”.

There will be no consultations on the HST law, no committee hearings, no opportunity for Canadians to have their say. The Prime Minister does not want to hear from retiree groups, real estate associations, minor hockey organizations, provincial premiers and many others who have declared their opposition. He wants us out of the way as quickly as possible. He wants to hang this tax on Premier McGuinty. He wants us to get used to this tax grab so we will not blame him forward to the next election.

We will not let the Conservatives take the blame because we know that this is the wrong tax in the wrong hands at the wrong time, and the Prime Minister knows it too. Here is what he said about the HST in the House in December of 1996 when he was in opposition:

We need another way. This harmonization of the GST, this tax collusion between provincial and federal Liberal governments, is not the way to reverse the economic decline of this country.

Here is what the current Minister of Indian Affairs said when he was in the Conservative opposition, “The proof is in the pudding. This harmonized sales tax is going to hurt Atlantic Canada”.

Liberals, who are now supporting the HST, are flip-flopping like mad because they too are on record as opposing the HST. The member for Vancouver South said, “It is absolutely horrendous and it is criminal on the part of the Conservative government to be pushing this policy at a time of deep, economic recession”. He should have made certain that his leader would not flip-flop on yet another policy issue before he decided to go on the record. Now it is coming back to bite him.

Despite the fact that all of these quotes prove my point that the HST does not deserve anyone's support, I am much more concerned about the quotes that I am getting in a flood of emails, letters and phone calls from my constituents on Hamilton Mountain. They know they are getting a raw deal and they deserve to be heard. If the government will not listen to me, perhaps it will listen to the people whose vote it needs to woo.

• (1125)

The first is from Mark, “Charging my customers this cost will hurt my business for sure”. That is from a businessman.

*Government Orders*

Mrs. Longille says, “We don't need this extra tax. People don't have the money or jobs and are not over this deep recession. I am 79 years old”.

Marg says, “The well is dry. When are the powers that be going to recognize that average citizens can bear no more? Please No HST”.

Ronald writes, “I am a senior on a disability. I am barely making it every month. I live in my parent's house that was left to him and do not want to give it up. I have lived here all my life”.

Debra says, “We're just barely getting by now. This is just going to put us over the edge”.

Ed says, “This tax does not surprise me. That is the Conservative way”.

Fred says, “I am on a fixed income with no cost of living raises. I'm retired, but not by my choice. We are one of the most taxed countries in the world. Are they never going to be satisfied?”

Letty says, “It is unfair to expect low income families and seniors to pay more taxes. Can this change not be stopped somehow?”

Debra says, “We're just barely getting by now. This is just going to put us over the edge”.

Gerry writes, “I feel that “increasing” sales taxes by harmonization is a bad idea. This is a large increase for us consumers by having to pay additional taxes that are now not required on the provincial tax level. ie. heating bills, hydro, new houses, labour on auto repairs etc. Please help stop this tax grab”.

Another person writes, “I am totally against the HST and the 8% tax increase that our governments are trying to place on us. This will surely hurt my family as well as the other Canadian families in Ontario. I believe that the Leaders that we elect have a responsibility to the people of this country to improve the quality of living or life just as we the people have that same responsibility.

The Government's that we elect are not to put burdens or yokes around our necks and this TAX would be doing just that along with other POLICIES that are in the works. The Greed of our Government Officials (not all) and the lack of there integrity are surely hurting Canadians and this Country. I wish that we would go back in time and learn from history to see the problems that Russia and other Countries had and recently came out of. I truly hope that you will sound the trumpet on the issue of the HST and other POLICIES”. I am happy to do that on behalf of Patrick.

Bill writes, “I felt that I should forward this e-mail about the HST to you. Please, help us. We, the seniors of Ontario, are going under like the Titanic”.

John and Jacquie write, “As senior citizens, we have to be very careful with our money and it seems that this new government initiative...does not bode well for us. As you know, the blending of the PST and GST will result in higher end costs for virtually most goods and services. How can this possibly be justified?”

Anne Thors writes, “I think it is outrageous what the provincial and federal governments are doing to us, especially to the seniors. All the MP's and MPP's are well provided for, they are all just a bunch of sorry story tellers. They are forgetting that our vote put

them in that place. Will they be surprised when we all change our minds? I am an outraged senior”.

Another person writes, “What happened to the election promise that no taxes would be increased? I guess technically McGuinty isn't raising taxes, he's just creating a new tax. In this time of economic strife, Mr. McGuinty is being completely irresponsible and totally out of touch with the needs of the “little people”. It's hard to know what they need when you are constantly rubbing elbows with the elite”.

Charles says, “In Ontario we are being taxed to death! As a senior we are not getting any increases?”

Frank writes, “After serving in the military for \$1.35 a day and being on pension for 25 years and still paying I have done my share. They are trying to squeeze more out of me?”

Armand writes, “Just another tax for seniors and the people in Ontario by the Provincial and Federal government of Canada”.

Doreen writes, “This is a gouging from everyone, especially the low income people. Keep fighting for us”.

Douglas and Sylvia Chisholm of my riding write, “[The Prime Minister] and Mr. McGuinty—Are you losing touch with the people you're supposed to represent? I believe you are”.

John writes, “I'm struggling right now, taxing my utility bills could be what will sink me, and many other families, I am sure”.

● (1130)

“Please do what you can to block the GST.” That is from Linda and Ralph.

Jean and Ronald write, “My husband and I are seniors on a fixed income and would like to add our names to your HST petition... It is pretty scary reading all the additional services and/or items that will have this blended tax added and we would like our voice to count in objecting to this additional tax on the presently exempt services/and or items”.

John writes, “With the added of the cost to the utilities and other non-luxury items we have no extra income to keep the economy rolling. We are taxed so heavy now I don't have extra for my family. If you keep taxing our spending will eventually have to stop”.

*Government Orders*

Here is one from a businessman that members might be interested in. He writes, "As a constituent in your riding of Hamilton Mountain I am asking for your support on the federal front to block the HST legislation. At a time when most, if not all, Canadians are tightening their belts due to tough economic times, we are facing increases on the simple necessities to heat our homes and turn on our lights with this new tax grab. The claims of job creation, et cetera, fall on deaf ears. The only job creation I foresee is another level of government bureaucracy to manage it. As a small business owner, I see no advantage. Business cheques are cheap and I don't mind signing eight instead of four. What I do mind is investing more of my working capital into a never ending loop of payables and receivables, that I will never gain back these moneys 100% unless I liquidate my inventory and close up shop. As an Importer, I will have to pull the full 13% from my pocket when I customs clear my orders instead of the current 5% GST. I don't know how I'm supposed to benefit from laying out an extra 8% up front and waiting to recoup that money on receivables later. I am a very proud Canadian, but things like this shave a bit off the top of that pride every time it is forced down our throats by those who are elected by us and draw a salary from our hard work. If the opportunity arises in Parliament to defeat this legislation, I ask you to hear my voice as a resounding NO!"

Another email stated, "I think or I know it is disgusting that the Conservative Government and the Ontario Liberal Government have lied and taxed people to the hilt and expect to get blood out of a stone with the Harmonized Sales Tax".

Ruggerd and Annie write, "Very unhappy about the tax increase. We are on a fixed seniors pension. I think [the Prime Minister] should smarten up and try to help us not destroy us".

Renee writes, "My family is not ok with the tax hike. We cannot afford to buy food or pay our bills now. We are out of work and trying to find a job is tough enough. This new tax will kill us, we will lose our house".

Amanda writes, "We are a family - 2 adults and 3 children, already struggling - no tax increase please!"

Audrey writes, "As a housewife with everything going up in price, I am having a hard time. At my age it is very hard to make ends meet".

Mr. and Mrs. Cappadocia write, "Enough is Enough! My husband is laid off and we find making ends meet now very difficult. A recession is not the time to add more tax".

Pat and Jackie write, "How distressing! This is just another big tax grab, thank you for informing us of this so-called bribery. Is anyone honest anymore?"

Mr. and Mrs. Robertson write, "My husband and I are seniors, and anymore tax increases are just going to be unbearable. If our pensions increased like the government's do maybe we could make ends meet. Thank you for your hard work on this issue".

Lawrence writes, "Greed knows no bounds. Those who survive from pay to pay or pension or pension will indeed lose disposable income they cannot afford to".

Ellen writes, "This tax is an added burden for the unemployed people who are already unable to cope now".

Marianne writes, "If this is so great a deal, why the advertising blitz outlining its benefit!! It didn't work in the Atlantic provinces and it won't work in Ontario either. Its about time the government listened to the people who are paying the bill".

Mr. and Mrs. Van Rooyen write, "If this goes through, I know who our family will be voting for in the next election".

Ruth Morrison writes, "This is no way to get people spending. If they're paying more for the essentials how are they going to have extra money for non essentials?"

Teresa and Regina write, "We are disgusted that they should keep grabbing what little money we have left from our pensions".

I could go on and on. Perhaps I will get another chance later on in this debate to continue relaying the outrage expressed by my constituents.

However, let me just sum up the arguments that are inherent in the hundreds of emails that I have received and those that I just read.

- (1135)

First, the tax is inherently regressive. It disproportionately hits those who have no choice but to spend all or a large part of their income, and it favours those with income to save. This is doubly true in a recession where less than 50% of the unemployed qualify for EI, where social assistance rates are well below the poverty line, and the cost of essentials loom all the larger.

Second, the HST extends the sales tax to essentials previously not covered by the PST, and apart from those items exempted, and those differ from province to province, those with the lowest income have no choice but to pay it and sacrifice consumption elsewhere. The HST is hitting those who can least afford it harder than anyone else. The tax, quite simply, is unfair.

Third, without significant compensating measures, like the GST tax rebate, or significant exemptions of essential goods and services for low and moderate income families, the tax remains unfair. Our experience with social support programs does not reassure us. Governments that have demonstrated a callous disregard for the plight of low and moderate income households cannot be trusted to apply the HST fairly.

Fourth, the suggestion that the HST will lead to significant increases in investment is unproven. Economist Erin Weir has pointed out that a significant proportion of business inputs in Ontario are already exempted from the PST, therefore removing the remaining tax on inputs will not have the impact that the government claims.



*Government Orders*

Fifth, if as is argued a sales tax is bad for investment compared to the tax on profits, then why is the removal of sales taxes from inputs not matched by an increase in corporate income taxes? In fact, the opposite is true. The HST is accompanied by corporate income tax cuts at both the federal and provincial levels. In other words, the HST is part of a general and indiscriminate shift in tax burden from the corporations to individuals and families without adequate compensation.

Sixth, progressive economists argue that if we want to use the tax system to encourage investment, across-the-board cuts are an inefficient way to proceed.

Seventh, with the economy operating at two-thirds capacity, increasing profits by lowering taxes through the HST is not as likely to foster new investment as it might when the economy is booming. The timing of this tax, again, is inappropriate.

Last, as for lowering prices, this assumes businesses will pass along their savings to consumers. If this happens, it will happen only in competitive industries. Studies show much less than 100% of the savings are passed on to consumers. In other words, price increases are virtually inevitable.

In conclusion, let me repeat, this is the wrong tax in the wrong hands at the wrong time. It continues the pattern under successive federal Conservative and Liberal governments of pursuing policies that boost the returns to a privileged corporate elite on the flimsy excuse that they will use those returns to benefit the rest of us. Three decades of growing income inequality in this country prove those promises false.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member has covered a lot of ground. It is always interesting to hear what constituents have to say about things when they are only told part of the story.

At the end of her speech the member mentioned the fact that there will be tax credits or input tax credits to businesses because there will not be the cascading of the provincial tax that currently exists, which means that the cost of business expenses will go down, but they will not be passed on unless there is a competitive environment. That is probably true. That is a very important point.

She quoted from an email saying, "Is anyone honest anymore?" I kind of hearken back to the very first thing she said which was that the price of a haircut was going up 8%. Period. Full Stop. However, throughout her speech she did not mention that as part of the agreement between the Conservative government and the province of Ontario, there are permanent income tax cuts of 16.5%, there is a one-time \$1,000 credit, and there will also be a new sales tax credit, just as Canadians receive now with the GST sales tax credit.

So there are offsets. It is pretty easy to list the number of goods and services, particularly the services, that will in fact attract a new tax to make the whole system simpler, but the offset to that is to give real, permanent income tax decreases to the residents of Ontario at the same time, and those tax cuts are proposed to be effective January 1, 2010 whereas the HST is not intended to be implemented until July 1, 2010.

My question for the member is, has she been honest with her constituents?

● (1140)

**Ms. Chris Charlton:** Mr. Speaker, it is tempting to just answer with a very simple yes. Frankly, I resent the implication that my constituents in the riding of Hamilton Mountain are either stupid or ill-informed.

Yes, I communicate with my constituents on a regular basis, but I am not the only source of information on this issue. The media has been covering it broadly. Goodness knows, the government is not shy about advertising its new programs. The McGuinty government in Ontario is also trying to sell this tax to somehow make it seem sweeter than it actually is.

Let me remind the member. He said there may be permanent income tax cuts to go along with this. Fair enough. My constituents need those permanent income tax cuts in their pockets now. They do not need to be given income tax cuts with one hand and then reach into that same pocket and take the money back with the 8% on things like vitamins, haircuts and home heating fuel.

I do not know whether the member for Mississauga South has ever been to my community of Hamilton, but it used to be a thriving manufacturing community. Now people are suffering as a result of an economic recession that is not of their own making.

The constituents whom I quoted are the unwitting victims of an economic crisis that was created by the greed of others. Yes, they need the government's help. Is there any doubt that they would welcome more money in their pockets? Absolutely not. But that money should not be given to them under the condition that a bit will be put in this pocket and a little more will be taken out of the other pocket. That is exactly what is happening.

When the member talks about the McGuinty cheques that are going to be trickling into people's households, does he really think he can fool people in my riding of Hamilton Mountain? They know those cheques are pre-election bribes.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, in her speech the member gave some indication of how much people dislike this new tax based on the emails, phone calls and letters that she has been receiving. That is all borne out by the Ipsos Reid Canwest poll just released yesterday, which is certainly bad news for both the Liberals and Conservatives in the House. It showed that over 74% of the people in Ontario are against this new tax.

The member for Mississauga South seems to be suggesting that somehow offsets are being offered by the government, but a lot of money is involved in this tax.

The Manitoba speech from the throne on November 30, just a few days ago, clearly stated that:

Manitoba is rejecting an invitation from the federal government to introduce a Harmonized Sales Tax. As proposed, the HST would impose more than \$400 million in new sales tax costs to Manitoba families—

That is \$400 million with only one million people. Let us extrapolate what one would get in Ontario which has multiple times more population.

*Government Orders*

We are talking about huge dollars here. When the member for Mississauga South talks about some income tax cuts to compensate and other compensations that Dalton McGuinty is going to give out, believe me folks, there is a lot more money here than the government is pretending. Huge dollars are involved here and that is what this is all about.

**Ms. Chris Charlton:** Mr. Speaker, I want to thank my colleague, who is from Manitoba, for those comments because he is absolutely right. Nobody who is watching this debate and who has been following the debate as told through the media and through their members of Parliament would believe that there is not something in it for both the federal and provincial levels of government. The quote that was just read from Manitoba is absolutely spot on in that regard.

The Government of Manitoba is not the only validator of the position that we have taken here in the House. Let me read a few others. B.C. Federation of Labour president Jim Sinclair said:

We must reject in the strongest possible terms the HST. This tax is a disaster for everything we believe in. Our slogan is simple: No HST.

The Union of BC Indian Chiefs said:

This tax will further marginalize and add hardship to First Nations families and communities while increasing the coffers of industry and government.

The Canadian Association of Retired Persons said:

Eighty-five per cent of the over 5,000 CARP members polled disapproved of the proposed harmonization of GST and PST.

Pauline Aunger, president of the Ontario Real Estate Association, said:

These additional taxes could price some homebuyers, especially first-time homebuyers, right out of the market.

Harmonizing will not help homebuyers in any way.

The executive director of the Vancouver Thunderbirds Minor Hockey Association said:

We estimate that if the HST was to be introduced, it would cost the Vancouver Thunderbirds Minor Hockey Association an additional \$30,000 directly related to the purchase of ice for the youth in our community registered in our hockey program.

I know I am out of time, but perhaps I will get a chance to read some of the other quotes into the record after the next question.

• (1145)

**Mr. Dennis Bevington (Western Arctic, NDP):** Mr. Speaker, my colleague's speech was very interesting. She spoke of all the issues around real people.

She mentioned some of the issues that were brought up by the first nations. It is my understanding that the Government of Ontario has actually tried to get the federal government to allow an exemption from the HST for point of sale purchases as there is now for the provincial sales tax, but the federal government has refused to do so.

Could my hon. colleague shed any illumination on why the federal government is taking a hard line against aboriginal people on reserves in Ontario and B.C.?

**Ms. Chris Charlton:** Mr. Speaker, it is always difficult when colleagues ask me to get into the mind of the Conservative government. That is a challenge I am not quite prepared to take up. His point, though, is unbelievably well taken.

As you well know, Mr. Speaker, from following the debates in the House, it is not only the member for Western Arctic, but the member for Nanaimo—Cowichan who is our party's critic for aboriginal affairs, and the member for Churchill, the member for Timmins—James Bay, the member for Algoma—Manitoulin—Kapuskasung, all NDP members in the House, who have raised the point of sale issue in first nations communities over and over and over again. They are not being listened to in the House.

This is the place where we are supposed to represent the views of Canadians. Unfortunately, the process that has been adopted by the government to ram this legislation through the House and not allow for public hearings makes a mockery of this most important democratic institution in our country.

I have to say that as politicians in the House, most of us at least on the opposition side, believe that when we deal with first nations we have to do it on a government to government basis. We are doing something as fundamental as changing the tax laws in this country without any consultation with first nations. I cannot believe it is happening. I am saddened by the fact that it is happening because, as everyone knows from the speech I just gave, hundreds of people want to have input into this taxation policy and it is not being given.

[*Translation*]

**Mr. Daniel Paillé (Hochelaga, BQ):** Mr. Speaker, how could anyone be against a bill that allows the provinces to harmonize taxes that affect everyone? We must ask ourselves this question. In Quebec, we do not understand how anyone could oppose it, since we harmonized our taxes in 1992. At that time, we thought it was only right that we should take over the management of our own affairs. It was only natural for us to govern in a different way. Business was business at that time, and accordingly, for services rendered, the Government of Canada reimbursed the Government of Quebec \$130 million a year for administrative costs. It is an administrative arrangement: the federal government has what it has for \$130 million. This has nothing to do with compensation.

At the time, the Government of Canada did not offer any compensation. As least that is what it said, until it offered three provinces—New Brunswick, Nova Scotia and Newfoundland—compensation equivalent to 1.5 percentage points of the tax base. That is how those three maritime provinces received nearly \$1 billion, \$961 million to be exact, beginning in April 1996, to be paid over four years, thereby compensating for 100% of the difference for the first two years, 50% for the third year, and 25% for the fourth year. No matter what administrative arrangements were made, there were arrangements and there was compensation.

It is up to the provinces to decide whether to let the Government of Canada collect the tax. I see this as yet another difference between Quebec and the Canadian provinces. Quebecers would rather we control our own tax revenue ourselves. That is one of our rights, one of the rights we have claimed, one of the rights we exercise, and nobody is going to come and take that away from us.

However, since 1996, Canada's tax system has been blatantly unfair. The maritime provinces were compensated, but Quebec was not. Of course, there are those who say that since 1995, the federal government has been allowed to do whatever it wants to Quebec.

*Government Orders*

The value-added tax system is a much better system that Quebec has favoured for ages. This is another example of what a great job Quebec is doing running its own affairs. It is doing such a great job that Canada's two largest provincial economies have now accepted that this is the best way to do things and are working on harmonizing their taxes.

And now, in one fell swoop, the Government of Canada wants to be in charge of collecting these taxes for free on top of providing compensation.

Compensation for these two provinces is more than peanuts. It will be around \$4.3 billion for Ontario and \$1.6 billion for British Columbia, a total of \$5.9 billion in current 2009 dollars. Those two provinces will cash in, but Quebec will still get nothing.

This morning, one of the speakers estimated that the \$5.9 billion will actually end up costing a little over \$10 billion because of the interest that the Government of Canada will have to pay on the money it borrows to pay that \$5.9 billion.

I did the opposite calculation and came up with some numbers of my own. If the government has owed Quebec \$2.6 billion since 1992, what would that be worth today? How much? At an interest rate of 5% over 17 years—I did this properly using a 5% interest rate, not 10%—the current value of the \$2.6 billion owing to Quebec since 1992 would be \$6 billion. Now, \$6 billion compared to \$5.9 billion, that is saying something.

● (1150)

In other words, what the federal government will be giving Ontario and British Columbia is equivalent, in today's dollars, to what has been owed to Quebec since 1992. It could not be more unfair.

But we have no intention of interfering in the negotiations between the federal government and the Government of Quebec regarding the compensation. They have the power to negotiate and we will let them do so. But in order to negotiate, you need at least two parties.

One has to wonder about the willingness of the federal government to negotiate with Quebec. Despite a unanimous motion from the Quebec National Assembly, we have not gotten anything. When their interests are at stake, Quebecers generally support the minister, regardless of his or her party.

The former Quebec finance minister had a very long exchange with Canada's Minister of Finance. Ms. Jérôme-Forget was practically waving a white flag in one of the letters that she sent to the current federal Minister of Finance, because she said that she would give him what he wanted.

She told the minister that he was right to open the door to compensation for Ontario, and that we would do everything we could to get the same compensation. Seven years ago, the door was also opened to British Columbia, but the door is always slammed in Quebec's face. Ms. Jérôme-Forget wrote the following:

—with respect to all the pertinent clauses, the agreement will be modelled for the most part on the Canada-Ontario agreement signed last March.

The Canada-B.C. agreement is the same as the Canada-Ontario agreement.

I cannot be accused of partisanship since we are not in the same party.

The more the Minister of Finance agreed to what the federal Minister of Finance asked for, the more he asked for. He does not seem to want to resolve the issue. It is as though, during a three-period hockey game, the federal government decided that the players would play four quarters of football and, in the fourth quarter, that the players would play nine innings of baseball and then, in the ninth inning, it claimed to have made a mistake and decided that the players would now play 18 holes of golf.

It has been 17 years. If they want to play golf, they will be resolving the issue next year.

I therefore call on the Minister of Finance of Canada to show that he can manage the public purse fairly. It is his duty to compensate Quebec pronto, because Quebec harmonized its tax 17 years ago. He should respect the people of Quebec and their National Assembly.

All Quebecers support the current Minister of Finance, Mr. Bachand, who is the member for Outremont. I am deliberately mentioning the minister's riding. Quebecers do not really understand why the other member for Outremont, who sits here, is going to vote against the bill. All Quebecers support the provincial member for Outremont. Only one federal member from Quebec does not support the bill, and that is the member for Outremont. I am sure that it is because his motto is “Canada first”.

Of course, any bill can be improved, but I believe that this one respects the provinces' jurisdiction. Since that is a rare occurrence these days, we will vote in favour of the bill.

Some provisions do leave me confused, though, such as the advance notice required for changes in provincial value-added tax rates. From now on, the provinces will have to notify the federal government 120 days before making any changes. This means that a provincial finance minister will no longer be able to announce in a budget speech that effective at midnight, the tax rate will go down or up by a given percentage. I am getting into administrative details, but the fact remains that the substance of the bill is good.

The bill offers less flexibility and is sort of a Canadian compromise.

● (1155)

My first official speech in this House supports the unanimous motion in the National Assembly, where I sat for 15 years, including the beginning of the harmonization period. The motion read:

WHEREAS Québec was the first province to harmonize with the Federal goods and services tax (GST) in the early 1990s: [I was there]

WHEREAS since then, three Atlantic provinces have harmonized with the GST in 1997 and have received compensation for this from the Federal Government totalling close to 1 billion dollars;

WHEREAS the Government of Ontario announced that it would harmonize its sales tax with the GST beginning on 1 July 2010;

WHEREAS the Federal Government will grant a 4.3 billion dollar compensation to Ontario for this harmonization, an amount that is justified in the Canada-Ontario memorandum of understanding particularly owing to the desire to stimulate economic growth and job creation, and the Federal Government will administer this new provincial tax free of charge on behalf of Ontario;

*Government Orders*

WHEREAS the Ontario sales tax will be very similar to the Québec sales tax (QST) since certain goods, such as books [that is important to us], will not be subject to the provincial tax and that input tax refunds in Ontario may be identical to those agreed to by Québec for an 8-year period;

WHEREAS Ontario is the fourth province to receive compensation from the Federal Government as part of the harmonization of the provincial and federal sales taxes, while Québec has not received any compensation to this day even though it was the first province to harmonize its sales tax;

BE IT RESOLVED THAT the National Assembly ask the Federal Government to treat Québec justly and equitably, by granting compensation that is comparable to that offered to Ontario for the harmonization of its sales tax with the GST, which would represent an amount of 2.6 billion dollars for Québec.

The National Assembly of Québec voted on that motion on March 31, 2009. Naturally, British Columbia was not there.

This should be respected. In my opinion, this first speech also condones fiscal freedom for the provincial governments. Subtle or not, the result is that there is a certain respect for provincial jurisdictions. I am calling on the Government of Canada to continue in that vein and compensate Quebec.

This first speech also reflects the views of an independent thinker who is practical, realistic and patient and who realizes again and again that having just one fiscal policy, ours, and just one collection authority, ours, would be a much better way to run Quebec. Add to that all our own laws and signing our own agreements and what we have is the definition of sovereignty.

• (1200)

[English]

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I would like to congratulate the member on his maiden speech, which is important to recognize.

The member noted some of the independent research that I had requested which was done by the economists at the Library of Parliament. They reviewed the \$5.9 billion that is going to be borrowed to bring in this tax in Ontario and B.C. They projected it over 10 years and applied the general borrowing rate of the Government of Canada over the last 10 years. The cost increases from \$5.9 billion to \$9.9 billion.

I am wondering why the Bloc is supporting this bill along with the Liberals and the Conservatives, given the history of how Quebec has been treated. It is giving up a negotiation tactic here by allowing this to go forward without that issue being addressed. I would like to know from the member what the Bloc's strategy is in terms of caving into this right now.

If the Bloc members actually were supportive of pushing this issue for fairness in Quebec, they would not give the government and the Liberals this easy out, especially over the holiday season, to close down debate this way and to limit committee hearings. If there were committee hearings, witnesses from Quebec could give testimony about what happened in the past and what should happen. They could make that argument, but the Bloc members are giving all that up.

On top of that, Quebec residents are going to have to contribute to that \$9.9 billion because the money is going to come from all across Canada. They are also going to owe the \$5.9 billion and the interest on that. That is going to be passed on to Quebecers as well.

[Translation]

**Mr. Daniel Paillé:** Madam Speaker, indeed, the Government of Canada, instead of the provinces, will have to borrow. Consequently, in terms of overall debt management, the result is the same: if one does not borrow, the other will. Quebec has been waiting for the \$2.6 billion for 17 years. That should not drag on just because there is unfairness on one side.

My colleague's question reminded me of something my mother taught me when I was a child. She used to say that being treated unfairly by someone did not give me the right to treat others unfairly. That is my position today. I am saying, and with justification, that Quebec is being treated unfairly by the federal government when it comes to tax harmonization, especially with regard to sales taxes. However, that is no reason to treat everyone unfairly.

In my opinion, the bill opens the door to future compensation from the Government of Canada. Ultimately, Quebec's concern is collecting what we have been owed since 1992 and, eventually, all the rest.

• (1205)

[English]

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, I listened carefully to the member's speech. He indicated that he liked Bill C-62 because it respected provincial jurisdiction, yet another Bloc member indicated that there is nothing in Bill C-62 for Quebec. The member must be hoping by supporting this legislation that the federal government will be in a good mood when it comes to negotiating with Quebec.

The member for Windsor West just pointed out that it made more sense to him that the Bloc would be voting with us against the legislation. In fact, we moved an amendment yesterday, which the Bloc did not support, to have committee hearings and have witnesses appear before the committee. Having watched the Bloc for the last year, I thought that would be something the Bloc members would be supporting. I wonder why the member did not do that.

[Translation]

**Mr. Daniel Paillé:** Madam Speaker, when it comes to negotiations, it is very important to respect those who are negotiating, those with the authority to negotiate. The Bloc Québécois has always respected one thing among others, and that is that the Government of Quebec negotiates on behalf of Quebecers and the Government of Canada negotiates for the federal government.

We do not wish to meddle in these negotiations and, as far as we are concerned, we have always defended the interests of Quebecers. After having carried out the usual and rigorous evaluation of this bill, the Bloc members unanimously decided that it could lead to a possible resolution of the Quebec problem. It is solely because of this that we are voting for this type of bill.

**Mr. Nicolas Dufour (Repentigny, BQ):** Madam Speaker, I am pleased to finally ask my colleague from Hochelaga a question.

*Government Orders*

Once again, he has given us a brilliant demonstration of why sovereignty is necessary. It was nearly 17 years ago that Quebec harmonized its sales tax. At that time, my colleague was a minister in the Quebec government. Now, 17 years later—people must be wondering how old I was 17 years ago—this issue is still important, because Quebec still has not been given the compensation it deserves.

I would like to know what my hon. colleague from Hochelaga thinks about the Conservative Party members from Quebec who are completely incapable of exerting any influence on their own government to defend a motion that was unanimously passed in the Quebec National Assembly, and who are incapable of convincing their Minister of Finance that Quebec should be compensated. This is proof that just because someone comes into power and becomes a minister with a limousine—as token Quebecers, I would remind the House—that does not mean they are capable of defending the real interests of Quebec.

I wonder what my colleague thinks of these ministers who supposedly defend the values of Quebecers.

**Mr. Daniel Paillé:** Madam Speaker, I thank my young colleague for his comments on my first speech. In 1994, I was already older than he is now. This shows that the sovereignist movement is being revitalized and that Quebec wants to become sovereign as soon as possible. What is most important to me as a member of the Bloc Québécois is defending the interests of Quebec.

In my speech, I talked about the actions of the current member for Outremont in this House, and I wonder why on earth he is voting the way he is.

I suppose I could ask the same thing not only of the members from Quebec that are ministers in the Conservative government, but also of the other members because, although they are not many, there are Conservative Party MPs that are not ministers. I believe that day after day, these members should strongly support the unanimous wishes of the National Assembly, their National Assembly, and say that they want full compensation. The big question here is what is most important to a Quebecer. Is it the Government of Quebec or the Government of Canada?

Instinctively, Quebecers will always respond that their government is the Government of Quebec, except those backbenchers and government members we see here.

• (1210)

[*English*]

**Mr. Brian Masse:** Madam Speaker, the member is new here and probably does not remember the days when the Bloc unilaterally facilitated the government's first two budgets, capitulating at the expense of Quebec originally. I just cannot believe that the member does not realize the strategic importance of trying to get something on the table for the government.

Perhaps the Bloc members have a secret deal, who knows, but they are certainly giving up the interests of Quebec, which is of no value at all right now.

[*Translation*]

**Mr. Daniel Paillé:** Madam Speaker, this kind of question is bordering on offensive. I respect the hon. member, who has the right to ask this type of question, but I believe that the Bloc Québécois fully defends the interests of Quebec, and would never sign the kind of agreement the member has suggested. Under no circumstances would the Bloc Québécois do anything to detract from defending the interests of Quebec. That is our—

**The Acting Speaker (Ms. Denise Savoie):** Order, please. Resuming debate.

The hon. member for Mississauga South.

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, if someone were to tell someone else on the street that there would be an 8% increase in the cost of a number of services not currently charged any tax, and then took a survey of all of those people, asking them if that were a good idea or how they felt about it, I can only assume that most of the people would say that they really did not want to pay any more tax on something, if it is not taxed already. That, indeed, has been the basis of the argument a number of people have made.

Interestingly enough, the conversations that members have had and the discussions and debate have been about income tax issues in the provinces of Ontario and British Columbia at this time. The conversations are not with regard to Bill C-62 specifically, the bill we are presently debating. It is the nature of this place that if a person can make a link to an issue, they can talk about pretty well whatever they want, because politically it may be more advantageous for them to say some things, but not everything.

That is unfortunate, because the constituents I have heard are not exactly sure what is happening and who is in charge of what. So I thought I would try to explain this to them, because most of us have received a lot of emails from people about a harmonized sales tax, and they are not exactly sure what all of the details are, because the bills that will lay out all of the details have not even been presented yet in the Province of Ontario or the Province of B.C. There are some preliminary pieces of information on the websites of those provinces, which their residents can look at.

The Conservative Government of Canada has entered into agreements with the provinces of Ontario and British Columbia to harmonize the federal and provincial taxes into one tax called an HST. Three other provinces have already done it. The fourth province, Quebec, has done a sort of harmonization; it is not complete and, indeed, there are still discussions going on about whether or not Quebec may be entitled to further compensation for having entered into a quasi-harmonization agreement. Now two provinces want to enter into such an agreement as well.

*Government Orders*

We have to ask ourselves, why would provinces want to do that? Why would they want to harmonize their taxes, knowing that the issue of taxation is not politically popular? They do not do it because they want to somehow agitate people. There must be a reason. Having done enough research and having looked at the economic analyses and to some of the people who have been involved historically in dealing with consumer taxes like GST or PST, the consensus among the analysts I have looked to, the people who appear regularly before the finance committee and, indeed, some other committees, has been that the provincial sales tax system is a very inefficient system.

It is inefficient because provincial sales tax is charged at each stage of the life of producing a product. That means when someone gets the raw materials, for instance, cutting down a tree, that business of cutting down trees and sending trees to the lumber mill is charged provincial sales tax. The lumber mill will have some other expenses and it will process and produce the trees into two by fours and other building materials.

● (1215)

Those are sold to wholesalers and there is a provincial tax added to them, the same provincial tax. Now the product has been hit three times along the way. Ultimately, it goes from there to where the individual consumer can purchase the wood needed for the project, which is again charged. The provincial sales tax has been charged more than once. It is charged all the way along the line. It is tax on tax.

In fact, if we were to look at the analysis of the final selling price of a product that people purchase in the province of Ontario, we would find, notwithstanding that the provincial sales tax rate is currently 8% in Ontario, that the amount of provincial sales tax in the ultimate price we pay is far greater than that, because it has been applied several times and compounds. There is an enormous amount of tax.

Could anyone imagine if that provincial sales tax were treated the same way the GST is treated? The GST is only paid by the end consumer. It is charged at the first point of production, for instance, in the example that I used, but when the product is sold to the next person down the line, maybe the lumber mill, the seller gets back the taxes paid. The seller has just passed on the 7% and it keeps building up.

However, at the end of the day, the total amount of GST charged on the same product is currently 5%. That is the total amount that people would see in the final purchase price of that product compared with something now that is far in excess of the current provincial rate, simply because there are no input tax credits.

Most of the members here are very familiar with that, particularly the member for Hamilton Mountain. She is on the finance committee and we talk about a lot of these things. She and I know the mechanics of the system and know very well that if efficiencies in the tax system save businesses money, these are not going to help the consumer very much if the businesses decide to hoard the money and keep it themselves rather than passing it on to consumers.

The only way to address that is to have a competitive economy. There has to be enough competition within the system so that if a

competitor is going to pass on more or all of the savings from changes in tax policy, another competing business has no choice but to match those or else lose business to the competitor simply because of the economies of lower pricing.

Therefore, it does make some sense to make the provincial system more efficient and fairer, in fact. We are overtaxed at the provincial level.

However, why now? Many of the members have raised the issue of it being good policy but bad timing.

I do not think anybody is going to dispute the fact that the Province of Ontario is in some very serious difficulty in terms of its economic fundamentals. Its projected deficit is some \$24 billion. The unemployment rate in most regions is much higher than the national rate.

The Conservative government has boasted about a stimulus plan that it has committed to but has not actually issued cheques for. It is a matter of, "Here is what we have promised to do and we have promised to do it so many times over and over again". Eventually projects might get the money. However, before we know it, things are going to lapse and the government is going to say that the project did not get done or that it did not manage to get the money out, and it is just going to lapse.

I am sure this is going to happen. Much of the money that should have been spent and the cheques that should have gone out to approved projects are going to lapse. It will never happen and we will never get the benefit of the job creation that was supposed to happen.

Members will know that, because it also happened in the last fiscal year with the infrastructure funding. I think it was somewhere around \$3 billion of approved infrastructure funding that lapsed and never got out. It was approved and ready to go and the government just did not issue the cheques. This is one of the reasons that members have to hold the government accountable on things.

● (1220)

It is easy to use this place and to say that the Province of Ontario has decided that it wants to enter into an agreement with the Government of Canada, which they did. There is a copy of it. It is about four pages long and includes a number of details. This was an initiative by the Province of Ontario directly related to what it can do to create jobs and investments in Ontario to deal with the economic crisis in the province.

We have a system of taxation under our Excise Tax Act that permits the harmonization of taxes. As I indicated, we do have three provinces that have formally harmonized their sales taxes, including all of the maritime provinces. Now two other provinces have decided they want to make their system more efficient and do some other things in conjunction with that, as part of their program for economic recovery in their provinces.

*Government Orders*

As members would know if they looked at Bill C-62, it does not talk about the tax rate we are going to charge on haircuts, etc. That would be in a bill that would appear in the legislatures of Ontario and B.C. Our bill actually has amendments to the Excise Tax Act, and we would have to have the Excise Tax Act sitting beside us to know what some of these clauses mean.

I went through the clauses that were of interest to me last night, and I think I understand the bill a little bit better. However, I am pretty sure that most members have no idea what is in this bill and what it means, what it means for direct sellers for instance, or what it means in terms of non-taxable items and how the system will deal with those to make sure that things do not slip through the cracks.

The bottom line is that this bill is an enabling piece of legislation. What it does is that it makes the necessary amendments to the Excise Tax Act, so that the agreements the Government of Canada has entered into with Ontario and B.C. can be formalized and those provinces will be able to pass the necessary legislation to conform to the agreed framework in the memorandum of agreement and the Excise Tax Act, as amended by this.

I thought it was interesting that most members wanted to debate closure on Motion No. 8, another instrument that prescribed how we are going to deal with Bill C-62. It basically said that we were not going to allow the normal process to take place; in fact we were going to deal with this whole bill in a day. Is that not outrageous?

We have a situation here where the HST memorandum of agreement—

• (1225)

**The Acting Speaker (Ms. Denise Savoie):** Order, please. I would like to ask the members at the back of the House to take their discussions outside of the House if they wish to continue.

The hon. member for Mississauga South.

**Mr. Paul Szabo:** Madam Speaker, we have a situation now where the governments of two provinces have committed to harmonizing their taxes effective July 1, 2010.

The Province of Ontario, in conjunction with the legislation it is bringing in to harmonize the sales tax, is also concurrently going to bring in income tax cuts and other credits for residents of Ontario. These cuts are going to be effective on January 1, 2010, six months before the HST in that province would take effect.

For the Ontario government to be able to make that effective January 1, its plans are to pass its legislation on the HST with the other permanent income tax cuts before Christmas. It cannot do that unless Bill C-62 makes the necessary changes to the Excise Tax Act so that Ontario's bill conforms with the laws of Canada.

I wish the finance minister would simply get up in the House and announce to everybody that the government made a deal with the Province of Ontario, which faces a great deal of difficulty in terms of its economy and wants to move forward with these tax cuts and the harmonization. On a projected basis, these tax cuts and the harmonization would create over 500,000 new jobs, create \$47 billion in increased capital investment and increase annual incomes by up to 8.8% or some \$29.4 billion.

The consequences of this legislation to Ontario are enormous. We have to ask whether the Parliament of Canada feels that it should not pass Bill C-62, thus effectively stopping the Province of Ontario from carrying out its decisions to address its economic crisis and therefore being able to make a contribution towards remedying the economic crisis facing our country as a whole. That is really the big question.

The provinces have a choice about whether or not to do this. I could make a case, as others have, by indicating that a haircut would cost 8% more, but that is not exactly true because the hair salon or the barber shop also incurs provincial sales tax on all the other supplies and services related to its business and they all cascade down. Once we convert, their costs of doing business will go down in a perfect flow-through fashion in a competitive economy. In fact, their prices will go down. Even though the 8% tax will be added for the additional provincial tax component, the overall price really should not change. In fact, it theoretically should go down because of the built-in taxes in the underlying costs of doing business.

Canadians are going to hear a lot of stories, but the best thing they can do is to ask for all of the information on what a harmonized sales tax is and visit the provincial websites to see what the plans are. They will also see a copy of the agreement that outlines all of the details.

In Ontario, for instance, notwithstanding that the harmonization of the tax would affect only about 17% of the goods and services that we purchase, there is going to be a very substantial reduction in personal income taxes for all Ontarians. In the first year, families are going to get a \$1,000 transitional credit. There will also be a sales tax credit increase to reflect the fact that the harmonized sales tax has both levels of government tax included in it.

• (1230)

These are offsets. Canadians should know that to the extent that some exemptions will no longer be there, that is pursuant to the agreement. The agreement limited the exemptions to 5% of all of the goods and services that are being offered. Therefore there had to be some streamlining of the benefits. However, to take that into account, some things may be taxed now that were not previously taxed, but there is going to be a permanent offset through income taxes as well as through tax credits and the one-time transitional credit of \$1,000 for a family.

There is more for people to know about. In Ontario, for instance, I know some of the members are saying this is a tax grab and asking how we feel about it. In fact, after implementation the provincial sales tax revenues to the Province of Ontario will actually decline. It is not a tax grab. In fact the revenues are decreasing.

If we look at the implications for Ontario, there is the possibility of getting the job creation activity that it drastically needs, as well as business investment. Businesses should be able to pass on the savings to them by investing further through creating jobs. We cannot ignore the job creation issue. It is critical in the economy of Ontario.

*Government Orders*

The Government of Ontario has made this decision. I am hopeful that Canadians will take the opportunity to inform themselves instead of listening to linear arguments.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I would like to ask my colleague a question with regard to the philosophy that he is embracing that automatic savings are going to be passed on.

Most recently we heard the same argument regarding gas prices. There was the argument that when we lowered the GST, gas price savings would be passed on to consumers. We all know that did not take place. In fact the profits are still up. Canadians actually have less tax revenue, and the companies did not pass the savings on to consumers.

How is the member going to guarantee that this ideological assumption is actually going to take place?

**Mr. Paul Szabo:** Madam Speaker, the price of gas is affected not just by the level of taxes. The taxes have not been changing up and down. The commodity prices certainly have. Therefore, I do not accept the member's argument.

However, I can say that we have examples. For instance, when the GST was cut, the savings that should have been passed on to people were not. Therefore we know the Conservatives have not followed through on the GST. An example would be, and most Canadians would understand, the price of a theatre ticket to go to a show, to watch a movie. That price did not go down. They still charge the same price arguing that they had additional costs so that despite whatever reduction there was in the GST, they increased their own costs and therefore the price is the same.

It does take some discipline, but in a competitive economy where the costs cascading at least from the provincial sales tax level are not passed on, if they are not invested in investments in that business or passed on that means the bottom line of the business has gone up. It means that it has decided to pocket those.

That is why we need a competitive economy. That is what the issue is. It is all about competition. Businesses that are not going to be competitively priced will lose business and will no longer be able to participate. Everyone does it at their own peril.

However, the member raises an interesting point about the need for consumers to be vigilant and governments to be vigilant when there are changes and businesses are not treating the consumer in a fair fashion.

• (1235)

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP):** Madam Speaker, I would like to touch again on aboriginals and the HST.

The member talks about how this is going to be better and it is the responsibility of the provinces. Yet we are debating this in the House of Commons. Therefore we have a responsibility.

I want to read something from one of my first nations chiefs. It states, "I am opposed to the harmonization of the Ontario retail sales tax and GST. As proposed an HST will impose additional tax burdens on Ontario residents during a severe economic downturn. I also hope and expect that your government respects first nations'

rights, that tax exemption that is entrenched under law and in the treaties. The point of sale exemption for first nations should be maintained and should apply to both portions of the proposed harmonized tax and be reflected in the comprehensive tax implementation agreement. The imposition of a harmonized tax structure will impact and potentially perpetuate poverty. Your government has statutory contractual and common law obligations to consult with first nations and must engage their communities prior to implementing the harmonized sales tax".

This is from Chief Franklin Paibomsai from Whitefish River First Nation.

Again, given the fact that the Liberals, when they were in power, and now the Conservatives continue to overlook the rights of first nations, does the member not feel that the first nations should be consulted prior to moving forward with any type of tax hikes?

**Mr. Paul Szabo:** Madam Speaker, I have spent a fair bit of time on aboriginal and first nations issues, particularly matrimonial and property rights, which are still with us.

There is nothing in Bill C-62 that affects aboriginal legislation. However, it is kind of interesting to note that if we were to have consultations today with aboriginals with regard to Bill C-62, the only choice would be to defeat it or not, because there is no clause in here that we can even talk about concerning aboriginals.

The consultation for aboriginal persons is with the Province of Ontario, in the legislature of Ontario, with regard to Ontario legislation. That is where the hearings and the representations have to be made. The only representations that would be made here would be if there were amendments proposed to the rules related to the taxation of first nations people.

It is easy to say, but quite frankly, what the member is suggesting is that we should make the decision here as to whether or not we want to allow a province to harmonize its tax. That is not in the best interests of Canadians.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Madam Speaker, what my hon. colleague seems to want to ignore is that he and his party, along with the government, are making the decision along with the provinces. The \$6 billion bribe fund is set up explicitly for this. Both provinces, Ontario and British Columbia, have said that without the \$6 billion coming from Parliament, with the support of the member, his party and the government, this would not be happening at all. We would not be having this conversation.

In terms of first nations' right to consult, that sits in the Constitution and is constantly ignored. It was ignored by his government when it was in office. It is being ignored again, because this is an effect of Parliament having a direct impact on first nations in Canada, period. The Constitution explicitly states that we then must consult and accommodate first nations. Every court decision that has come down has said so.

Does Bill C-62 have an effect on the lives and the quality of life of first nations in Canada? Yes. Does the federal government have a duty to consult? Yes. Is it consulting? Absolutely not, and that is what is wrong. This will very likely end up in a court, and he should know that if he has been paying any attention to first nations history, law and practice in the last 85 years.



*Government Orders*

The fact of the matter is that he is helping enable the HST to come in. If he thought it was such a great idea, then certainly he would have campaigned on it in the last election, but not having been in Mississauga, I am going to take a guess. I am going to guess that he did not mention this. It was not in his flyers. It was not a promise. They have no mandate to do this, and this is why the people of Mississauga and all across Ontario and British Columbia are upset with him, his party, and the Conservative Party as well. They feel that these politicians have no mandate to do this.

The mandate is \$6 billion. That could be used for other things. He wants to talk about first nations. He should intimately know then that the housing on first nations reserves across this country is in desperate need of help. It is stuck at 1982 funding levels. Surely the \$6 billion would be better applied to something like affordable housing in this country.

• (1240)

**Mr. Paul Szabo:** Madam Speaker, there are no changes in federal legislation as it relates to first nations, pursuant to the agreement between Ontario and the Government of Canada or between B.C. and the Government of Canada. There are no changes there, so I do not know exactly what the member is suggesting we discuss here. If there were changes, certainly they would be discussed.

Regarding the \$6 billion, the member is referring to the compensation that the federal government is paying to Ontario and B.C. with regard to all of the things involved with taking two systems of taxation and putting them together. There are obviously a lot of costs involved and they were negotiated with the provinces individually, as were the other three when they came in, and as the province of Quebec negotiated its deal.

This is part of the process that it goes through, but the bottom line, and I do not want to be coy with any of it, is that there is no question that if we were to defeat Bill C-62 and these amendments never passed, then there would be no harmonized sales tax in Ontario or B. C. That is true, but are the members saying that we do not want the provinces to have the tools they need to deal with the economic recovery in their provinces, to create jobs, to create investment?

Those are the fundamentals. The member says that the \$6 billion would be better spent on affordable housing. Six billion dollars pales in comparison to the creation of 500,000 to 600,000 jobs in the province of Ontario.

**Mr. Thomas Mulcair (Outremont, NDP):** Madam Speaker, it is my turn to speak to Bill C-62, An Act to amend the Excise Tax Act. This bill is the culmination of an operation that the Conservatives began four years ago that has brought about the largest shift in Canadian history of taxes from the corporate sector on to the backs of ordinary hard-working Canadians. That is what the Liberals are supporting. That is what this bill is about.

To understand the scam, it has often been said that for a swindle to work, it requires two dishonest people, the person who is putting the scam together and a dishonest person on the other side who thinks he or she will actually gain from it. That is what we have here. The swindle put together by the Conservatives is the ideological continuation of what they have been doing for the past four years. The dupes in the Liberal Party are supporting them of course, and the numbskull premiers of British Columbia and Ontario think that

somehow they are going to be putting money in their pockets, whereas in fact they are just further damaging the economies that have already been undermined by the Conservatives' actions.

Let us look at the genesis of this problem and how it began with the arrival of the Conservatives, shall we? Their ideology is that governments should play no role in the economy, that there is a pristine marketplace that makes all of the right choices, that anyone who thinks that governments or the state has a role in this is trying to pick winners. Let us look at it for what it is.

The Conservatives have decided there is one winner in the Canadian economy and it is the oil sector in Alberta. That is what has been destabilizing an erstwhile balanced economy that was built up in this country since the second world war. Successive governments always understood that to give value to the second largest country in the world with a minor population, today just in the order of 30 million, we required vision. We required the government to play a role in ensuring that we could develop our primary sector, forestry in particular and mining, that we could have a strong manufacturing sector as well, and that we could develop as modern times have allowed us to do, a tertiary sector, the service sector.

A lot of people look at the unemployment created since the fall of 2008 when the current recession began, but what we saw was that as a direct result of the Conservatives' choices, because governing is a reflection of one's choices and one's priorities, as a result of the Conservatives' choices backed every step of the way by their henchmen in the Liberal Party, they have reduced corporate taxes by \$60 billion. The effect of that has been to provide that fiscal space of \$60 billion to the most profitable corporations. I say the most profitable corporations because it should be obvious, but for some people it is not, that by definition if a company had not made a profit, if it was breaking even or losing money, it did not get any of the money from those tax reductions. Who did? Mostly the very profitable oil sector. Companies like EnCana saw windfall profits of hundreds of millions of dollars, which was totally unexpected and certainly unnecessary for it in terms of its operations, as did Canada's major chartered banks.

Who suffered? The manufacturing sector and the forestry sector centred in Ontario and Quebec for the manufacturing and the forestry sector which included a lot of lost jobs in British Columbia and in New Brunswick on top of those mostly in Ontario and in Quebec. That was a choice. Before the current recession hit, we had already bled off hundreds of thousands of jobs in the manufacturing and forestry sectors in Ontario and Quebec.

*Government Orders*

One of the primary reasons for that was the high Canadian dollar which was being stoked by the petrodollars coming into Alberta that does not even internalize the environmental and social costs of the exploitation of the tar sands. There are three basic principles of sustainable development that have to apply to any exploitation of that nature. They are internalization of costs, polluter pay and user pay. Of course the Conservatives apply none of it. The Liberals are ill-placed to even discuss the subject. They signed Kyoto, and as Eddie Goldenberg, the former chief of staff for Jean Chrétien correctly pointed out, the only reason they signed it is for public relations purposes. That is why under the Liberals for 13 years Canada had the worst record in the world in terms of greenhouse gas reduction and that has simply become worse under the Conservatives.

The Liberals did nothing, the Conservatives do not want to do anything and the Bloc cannot do anything. It is a good thing that our leader, the leader of the NDP, is heading to Copenhagen. That at least offers some hope. I am told that this very morning, Bill C-311, which scandalously the Liberals have been holding up in committee, was finally allowed to go through, so there is a ray of hope on the horizon being provided by the New Democratic Party.

● (1245)

The \$60 billion of tax reductions was only possible by creating a similar fiscal space. How was that fiscal space created? It was created by pillaging \$57 billion in the employment insurance account and turning it into general revenues of the government. Again, it was with the culpable complicity of the spineless Liberals who have no principles and no beliefs. They backed the Conservatives every step of the way.

It should be remembered, as one of my colleagues said earlier, that the Bloc Québécois also voted for the first two Conservative budgets. That is something the New Democratic Party of Canada has never done. We have always stood up against the Conservative vision for the economy. We have always resolutely voted against the Conservative budgets and we are very proud of that record.

Some people have said that they may be taking \$57 billion from the EI account, but it is a notional amount. They are turning it into general revenue, so who really cares, because it does not change anything; it is all still government money. There is a huge mistake in that analysis. Every single company in Canada, whether it was making money, breaking even or losing money, had to pay into that employment insurance account for every single one of its employees.

That money was paid in by employers and employees for a dedicated purpose, to take care of the cyclical nature of our economy for a day like today in the middle of a recession when there are dramatic job losses. The fund would be there. That is what it was put in for. To add insult to injury, \$19 billion is calculated to be missing from the account now, because they have frozen contributions as part of the recession.

That means that the very same companies that were losing money in forestry or manufacturing and had made their compulsory contributions for every single employee into that fund saw that fund turned into a fiscal space that was given in the form of tax reductions for the most profitable corporations in Canada, stimulating even more rapidly the Canadian economy, with regard to the oil

sector, at least, and pushing the Canadian dollar higher as those petrodollars came in.

The result, in the clearest possible terms, is that companies that were already losing money in the forestry and manufacturing sectors were directly subsidizing the very petroleum sector that was causing the high dollar and making their exports even more difficult because of the very high Canadian dollar. It is similar to one being asked to pay one's executioner. That is exactly what happened here with regard to the Canadian economy.

That is the Conservatives' way of doing business. That is what they wanted to do. That is what they set out to do. They set out to destroy the manufacturing and forestry sectors at the altar of the expediency of the rapid exploitation of the tar sands. As if that were not enough, projects like Keystone, one of the many pipeline projects that the Conservatives have put in place in the west since they arrived in government, are exporting the rawest form of the production of the tar sands straight to the United States.

We are exporting jobs. Keystone alone represents 18,000 lost jobs for Canada. We are not only stupid enough to send all of this south without any added value here, but we are sending it so fast that we are not even holding on to anything. We are not even internalizing the costs to the environment today and the costs for future generations.

The internalization of costs is a principle that Canadians all understand. When we buy tires for our car, the province adds a \$3 fee to take care of the recycling of the tires. That is the environmental cost of the tires being paid by the person who is buying the tires. That is only fair. If people take the metro or the bus to work, or they take their bike or walk and they do not own a car, why should they pay for that recycling out of their general tax obligations? Why should they be paying to recycle their neighbour's tires? Everybody gets that.

It should be the same thing with the tar sands. It is an important resource, but it is not immune from the application of general principles of sustainable development. What one does is internalize the cost on a barrel of petroleum produced out of the tar sands. That would be the equivalent of approximately \$3 to \$4 a barrel. The internalization of the cost of sequestration of the greenhouse gases or their reduction and the treatment of all the pollution that is now being held back is going to be a problem that we are shovelling forward for future generations.

It is wonderful to watch the Conservatives, those great moralizers, wagging their index fingers under our collective noses, always telling us how to be and allowing the worst pollution on the planet to take place here in Canada in the Athabasca tar sands. Right now, the dykes at the tar ponds are the longest dams in the world. They are holding back what is not seeping right into the underground water. This is the greatest source of pollution right now in Canada.

● (1250)

We are destroying ecosystems. We are destroying groundwater. We are causing cancers that are exceptional, that can only be traced back to the chemical products being produced in the tar sands. At the very least, we should be internalizing the cost of that, instead of sending the bill to future generations.

*Government Orders*

Contrary to their theoretical position on all these matters, what we are doing with the Conservatives is enjoying ourselves today, taking everything we can for ourselves and letting the future generations of tomorrow fend for themselves. At the very least, a fund could be put aside out of those important revenues.

Both the internalization of costs and the setting aside of that fund would reduce the pressure on the Canadian dollar. This would make it possible to go back to a more balanced economy like the one we had built up since the second world war. It would be easier to export than it is right now with the high Canadian dollar. We could at the same time put in place an infrastructure of green renewables, hydrogen, wind, hydro and others that can be developed in this great country of ours.

However, there is a singular lack of vision among the government benches on this issue. The Conservatives do not care about future generations. They love to pose with future generations. There is nothing easier than to get a Conservative to pose at a hockey rink on a Saturday with a bunch of kids. What about the day when we will no longer be able to play hockey outdoors in Canada because of global warming and because of their incompetence and their negligence? That is the issue that has to be discussed.

We in Canada are in a unique position in the world. We have extraordinary resources that we can and should be developing, but we should be doing it cleanly.

The Conservatives are so much at the beck and call of our American neighbours. They are in such a hurry to get everything through the National Energy Board. They are in such a hurry to get all their approvals for these pipelines straight south, the raw agreement, to export not only our wealth but also jobs. That is the scandal of the Conservative approach. There is \$60 billion in tax decreases for the richest corporations. Some \$57 billion has been pillaged from the employment insurance account. Businesses that have already subsidized the oil patch are going to be asked to re-contribute in the order of \$19 billion.

Right now, the government is saying, "We have a plan. We are going to look at the premiers of Ontario and British Columbia, the provinces which were the hardest hit by our previous plan to destroy the manufacturing and forestry sectors. Now, we are going to bring them to the table. It has been part of the plan since day one".

The current finance minister said four years ago in his first budget:

The Government invites all provinces that have not yet done so to engage in discussions on the harmonization of their provincial retail sales taxes with the federal GST.

Do not try to convince anyone who has looked at the file that this is not the responsibility of the Conservative government. It is the Conservatives' plan. This has been laid out for the past four years. Without the Liberals, it would not be possible. That is the real problem.

In Ontario and British Columbia, the pusillanimous Liberals, because they have allowed the Conservatives every step of the way to destroy their manufacturing base, to destroy their primary resources, mostly in forestry, are now saying, "We are too broke. We have to give in to their plan".

A regressive tax is one that hits the poorest hardest. By definition, this HST is a regressive tax. People have no choice. A retired couple living on a modest fixed income in northern Ontario or B.C. who have to buy home heating oil is going to be spending 8% more for that heating oil. That is what the Conservatives are doing.

It has nothing to do with one's revenue. It is not like an income tax, which is progressive: the more one earns, the higher the percentage; that has been accepted and understood in our country for a long time. This is a direct hit on the people who can least afford it.

What is interesting is it is not just those of us who work every day with people and with communities and groups who are saying this. I have a letter that was sent to me by the Canadian Federation of Independent Business. It is really worth noting that it is as opposed as we are to this new HST. This used to be the bailiwick of the Conservatives.

● (1255)

The CFIB says this, and it is worth reading:

While governments did not consult with small firms in either Ontario or British Columbia, I should note that our members continue to have a mixed reaction to sales tax harmonization. Certainly, the expansion of input tax credits to the provincial portion of sales tax administration is a considerable improvement over the current tax-on-tax system we now have...[however, we have] a lack of trust that tax reforms will, in fact, lower the overall tax burden. We have heard many comments from members in Ontario and British Columbia that suggest concern that sales tax harmonization will not end up as revenue neutral or a tax reduction, but lead to an overall increase in the tax burden on Canadians.

What is interesting is it is bringing up one of the points that everyone has raised, and that is what is happening here today. The government has the temerity to use closure without ever holding any consultation or debate on this tax. It is our irresponsible Minister of Finance who said, "It's not me, it's the Liberals in B.C. and Ontario".

Let us look at what the Canadian Federation of Independent Business says, which is that we have to do five things that are not being done now. It has to be a win for consumers through a lower combined rate.

The CFIB explains, in an interesting manner, how it was able to back the harmonization in the Maritimes and be against this one in B.C. and Ontario. It explains that what was done in the Maritimes actually produced a lower combined rate. What we have here is a tax grab on the backs of those who can least afford it. That is what the Conservatives have concocted this time, with the culpable complicity of the Liberals in both B.C. and Ontario and, of course, their squid in the House.

The validity of the tax and associated revenue stream has to also be one of the important principles, ongoing vendor compensation and introduction of a fairness code. This was said by Dan Kelly, senior vice-president, legislative affairs of the Canadian Federation of Independent Business.

*Government Orders*

This is the result of choices. The bleeding off of hundreds of thousands of jobs in the manufacturing and forestry sectors is a direct result of what the Conservative government chose to do. We are leaving a debt to future generations in terms of the current deficit structure that we are putting in place, which will be one that we will not be able to get away from for decades. At the very least, we should be leaving something that future generations can use. We should be bequeathing them something in terms of clean renewables. We should be moving to an economy less based on carbon.

As George Monbiot pointed out last week in the *Guardian* newspaper in the United Kingdom, and has been pointed out in a lot of other countries since then, the once diversified economy of Canada is being destroyed actively by the Conservative government. It is the same mistake that people have already seen.

There have been lots of treatises and papers written about this around the world. What Holland went through after the second world war in a similar petroleum bubble, which killed its manufacturing sector, Canada has not had the wisdom to avoid.

We have always understood in our country that it took a balanced approach to building the economy across our huge country. The Conservatives simply do not believe in Canada. They simply do not believe in the importance of maintaining jobs in diverse sectors like manufacturing and forestry. They think by pumping in petrol dollars from the United States that somehow we will be able to maintain the economy that we have had in the past.

• (1300)

[Translation]

In the time I have left, I would like to express my surprise at the Bloc Québécois' support for Bill C-62.

The bill is available on line for anyone who wants to double-check what I am saying. It includes a schedule that lists the participating provinces, and Quebec is not even mentioned. The whole bill is silent on the subject of reimbursing Quebec for harmonizing its tax. Quebec has been owed \$2.6 billion for over 15 years now. Monique Jérôme-Forget deserves to be congratulated for having once again raised the issue in debate. Quebec's decision to harmonize its taxes was historic. The minister was twice mistaken when he referred in the House to Quebec's harmonization.

Those of us on this side are against an unfair tax that will hurt the poor. We strongly condemn the Bloc's decision to support this bill.

[English]

**Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC):** Madam Speaker, I have listened to my friend attentively and I have a couple of questions for him.

First, he has obviously never been up to Athabasca oil sands because his assumptions are clearly dead wrong. I would invite him to come up there to see first hand what is going on, because it is quite remarkable what environmental steps have been taken to be good stewards of the land in that area.

The two questions I do have are this.

First, there is so much balderdash and BS coming out of his mouth. Has he ever thought about going into writing children's fairy-tale books full time? It seems it would be more appropriate for his skill set.

Second, since I want to hear something intelligent from him, could he spell the word "plenarius", which he used in his comments about Liberals? I have not used that word before, and it was quite interesting to hear it. Could he say something intelligent and spell that word?

**Mr. Thomas Mulcair:** Madam Speaker, I think all Canadians who just listened to that intervention now understand the level that the government is at and how we wind up with the problems we have in Canada.

I have the good fortune of coming from a family with 10 children. I have brothers and sisters across Canada, including in Calgary and in Edmonton. I have been there many times. I do know what I am talking about.

Yesterday an important study was produced by people who have no stake in this, from the universities. They say that the pollution and the toxic chemicals from the oil sand exploitation is 10 times worse than anything the industry has ever admitted to to date.

Those great givers of lessons, those wonderful preachers, those people who wag their index finger continually under other people's noses, should simply take note of this. They are harming their children, they are harming future generations—

**Mr. Brian Jean:** My children actually live there, how about yours?

**Mr. Ed Fast:** Hogwash.

**Mr. Thomas Mulcair:** —they are causing great economic harm to all of Canada because of their inability to understand what all governments before them have understood, that we require a balanced approach—

**Mr. Brian Jean:** You do not know what you are talking about. You have no clue, none, zero, zip, nada.

• (1305)

**The Acting Speaker (Ms. Denise Savoie):** Order, please. The hon. member can conclude.

**Mr. Thomas Mulcair (Outremont, NDP):** Madam Speaker, the only reason they are quacking is their wings are covered with the gunk from those vast ponds of tar that are left for future generations to clean up. They really wish they could fly, but they cannot. When it sounds like a duck and it quacks like a duck and it looks like a duck, it is a duck.

Those guys are zeroes when it comes to managing the economy. They have killed the diverse Canadian economy.

**Mr. Dennis Bevington (Western Arctic, NDP):** Madam Speaker, I would like to stand up and speak because I live on the river system directly north of the tar sands.

**Mr. Brian Jean:** They are called oil sands.

**Mr. Dennis Bevington:** I grew up in that area. We called them tar sands long ago and I will continue to call them tar sands.

*Government Orders*

**Mr. Brian Jean:** They're not tar sands. It's not tar; it's oil.

**The Acting Speaker (Ms. Denise Savoie):** I would like to call the member for Fort McMurray—Athabasca to order and to wait for questions and comments until he is recognized.

**Mr. Dennis Bevington:** Madam Speaker, the study that came out yesterday, for which we had waited quite awhile, examined the impacts on the environment of the air emissions that fell onto the ground from the tar sands, fell into the snow pack. The estimation is that the air emissions from the tar sands plants are the equivalent of a major oil spill every year in the region. The polycyclic aromatic compounds that are released into the atmosphere and then fall onto the snow and the ground end up in the water stream and end up in my constituency. I have a great deal of concern about it, and I am glad the hon. member has spoken up on this issue.

On the issue of the responsibility of the federal government towards Aboriginal people in our country, how does the fact that we are ramming this legislation through in such a hurry speak to the fiduciary responsibility of the Government of Canada to first nations in B.C. and Ontario?

**Mr. Thomas Mulcair:** As we had occasion to point out during our intervention, Madam Speaker, the fact that there has been no consultation means, among other things, that first nations, which will now be hit with a point of sale tax that was not applicable to them and should not be and will not be once it gets to the Supreme Court, will have to go through years, again, of fights before the courts to have their rights recognized.

To the extent that the Supreme Court has already repeated the obligation to consult, to be holding this session right now with the procedural guillotine of the Conservatives by imposing closure, there will be no consultation. Witnesses will not be heard. Nothing will happen that would allow the first nations to come before us and to say, "This is not on. You cannot do this".

However, that is what the Liberals want. Those are the same Liberals, it should be borne in mind, who love to remind people that after 13 years in office, they had a plan for first nations. They were calling it Kelowna, and they said it would really be good. The problem was that during 13 years, they had done absolutely nothing. That is why the Liberals have no trouble supporting the Conservatives to remove the rights of first nations. We find it scandalous.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, I am very pleased the member recognized that this is not a majority government. It is a minority government. In fact, the Liberals are responsible for driving this train and this rush to judgment on the HST bill.

For example, the Liberal caucus member, the Liberal finance critic, was quoted a while ago, when he talked about the HST. He said, "It is absolutely what the doctor ordered for the economy". He was 100% in support. Whereas the former premier of B.C., now a Liberal MP, said, "It is absolutely horrendous and it is criminal on the part of the Conservative government to be pushing this policy in a time of deep economic recession".

Clearly the Liberals are all over the map, as usual, on this issue. Would the member like to make further comments on this situation.

● (1310)

**Mr. Thomas Mulcair:** Madam Speaker, the actions of the Conservative government, with the help of its Liberal henchmen, have been devastating for the Canadian economy. We had already bled off hundreds of thousands of jobs prior to the current recession setting in. The addition of this \$6 billion tax on the backs of those who can least afford it will simply exacerbate the situation.

People are on fixed income. A lot of people have lost their jobs. A lot of people are on social assistance. People cannot find 8% more for their heating oil. Yet that is exactly what the Conservatives have decided to do, to use the very weakness they created by their choices and their policies, where they killed manufacturing and forestry, to go in now for the kill on the Liberal governments in Ontario and B. C., their willing co-conspirators.

It is commonplace that for a scam to work, it requires two dishonest people. It requires the person conceiving the scam, and the Conservatives have said from the beginning what their plan is with regard to this tax, and it requires the henchmen in the Liberal Party, both here and in the provinces. It requires two dishonest people and that is what they have.

[*Translation*]

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Madam Speaker, since we are talking about economic statistics, I would like to remind my hon. colleague that, according to the numbers for the month of November, the unemployment rate dropped by one tenth of a percentage point from 8.6% to 8.5%. Experts predicted that 15,000 jobs would be created in November, but in fact, 80,000 jobs were created, which means that, in fact, our economic action plan is producing results for the country. I think that if the member wants to talk about the government's record, he should take that into account.

**Mr. Thomas Mulcair:** Madam Speaker, in their document, the Conservatives made a prediction for December 2009. There are exactly 250,000 fewer jobs than they predicted. They have killed Quebec's economy. They have killed the manufacturing sector. They have killed the forestry sector. This is no time for them to start lecturing others. The Conservatives and the Liberals are guilty of imposing a regressive tax on the most vulnerable members of society. That is the reality.

[*English*]

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, it is an honour to rise and talk about this issue while we can in the House of Commons.

*Government Orders*

I agree with my colleague that it is also important to mention the tar sands. My community of Windsor, Ontario is going to be significantly affected by the tar sands, because the refining of that gunk is going to be done across the border in Detroit. Windsor is downwind of the refining facilities that are being expanded, so we are getting the consequences of it on both ends. That is a real issue. Progressive environmental groups from all political parties, both on the Canadian and American sides, have been trying to work together to prevent some of this from happening. It is critical because it affects not only our economy but also our health, as we are the people who are going to breathe this in.

On this bill, I think it is important to talk a bit about the process in the House of Commons and the “hypocrisy” of the Conservative government. It is really outstanding because on this issue, the government is ramming the bill through the House really quickly, whereas on other issues where the government could actually get support from all political parties and affect the economy, it could get a lot of benefit from but does not.

I would point to the process that the government is going through with infrastructure funding. The Conservative government is not using the gas tax, for example, as a model to get some of these projects out the door.

What we are getting here is not only a procedural ramming through of legislation in this session of Parliament, abetted by the Liberals and the Bloc, but we are also missing out on the important work that takes place in this place to ensure that when legislation goes through, it is done properly. The government is behaving similarly to the American-style Republican Party, adding riders to money bills to change legislation as opposed to actually doing the good work that usually happens at committees and providing the due diligence necessary to investigate the impact of legislation on various groups.

Specifically, we would have a debate here in the House of Commons and then we would move the bill to committee if there were interest. Then at committee there would be witnesses who would be called from all corners of Canada to provide testimony on the impacts of a policy.

The impact of the HST is certainly going to be significant for Ontario and British Columbia. It does involve other provinces, as was noted in the House before. There is actually a history of Conservative governments trying to ram such legislation down the throats of residents, aided and abetted by some of their provincial support mechanisms. This time it is the Liberal Party in the provinces of Ontario and British Columbia.

However, in the past, I can think of the Grant Devine government of Saskatchewan, for example. That corrupt government was eventually thrown out of power and the HST was repealed by the Roy Romanow NDP government. That government then brought in great legislation, balanced the books, cleaned up corruption and set a significant mark for that province. Everyone remembers the corrupt Grant Devine Conservative government. That is important because it is tied to the HST.

We also see what has taken place with the Darrell Dexter NDP government in Nova Scotia. That government has rebated the home

heating portion of the HST right away, as it starts to delist items from the HST.

Meanwhile, what we have here in Ontario and also in British Columbia is the new tax that is to be introduced. These provinces are not even considering removing a percentile point off the tax or delisting items that are important to consumers. We are not talking about luxury items, like jewellery or home entertainment devices or whatever; we are talking about haircuts or things that kids need to do, like going to camps or hockey practices. All of these things will now be subject to another level of tax.

Ironically, the supposed fiscal wizards on that side of the House are actually going to be borrowing money from Canadian taxpayers at a time when Canada is running a deficit, and that money will be taxed back from Canadians. Canadians are waking up to this. It is a sensitive issue and it is also an issue where they understand the economics.

Right now, the government has a large deficit and it is going to increase that deficit through some of its policies. One of its policies was large corporate tax cuts, and I will talk about the effects of those in a few minutes.

It is important to note that I had the parliamentary research bureau do some research for me. The bureau is available to every member. I submitted some information to the bureau and asked it to look at the costs of borrowing the funds from the public purse.

● (1315)

The bureau ran a model, and I am going to cite the results of this independent report from the economists at the Parliamentary research service. They said that the average annual interest rate on the market debt of the federal government from 1998-99 to 2007-08 was 5.3%. Should the federal government borrow \$5.9 billion in order to finance the proposed transfer to British Columbia and Ontario, and should it repay that amount in exactly 10 years, and assuming an average interest rate of 5.3%, the total nominal cost to the federal government would be about \$9.9 billion.

That is important. We do not know if we will, but the report assumes that we are actually going to be recovering and getting out of recession.

The minister mentioned a few minutes ago that the jobless rate was going down, but one of the reasons it is actually falling in a place like Windsor West is that people are running out of benefits.

There has been high employment for years. We have been warning the government and the previous government of a lack of sectoral strategy for the manufacturing sector. The member for Outremont was quite right in talking about how the petrodollar has raised the Canadian dollar so high and so quickly that we have been shedding tens of thousands of jobs in the manufacturing sector over the last number of years.

Therefore, in communities like Windsor, we now have people who are exiting the benefit system that was available to them.

*Government Orders*

It is important to recognize what we are going to borrow and what we are going to get in terms of a return. I have seen some of the documents and read through the argument on why do this for the manufacturing sector? The HST will eliminate some taxation that is happening on multiple levels. There is no doubt about that, because it does happen, and that is a fair argument to make.

However, then we have to believe that those savings will get passed on to the consumer. I do not believe that is going to happen. Those savings would have to be passed on to the consumer and then the theory is that people can buy more and can stimulate the economy.

I mentioned in earlier exchanges in the House that it was the argument put forth when we had no conditions put on the reduction of the GST on gasoline prices. What we saw was the GST reduced on gasoline. So the coffers of the nation lost that revenue coming in, but we have not seen that passed on to consumers. I have yet to see a study that shows that those savings have been passed on to consumers.

I would suspect many Canadians justly question gasoline prices, especially because the government killed the only program capable of monitoring that, a monitoring agency, a watchdog program, that would have been fairly and independently out there. We have the industry that is policing itself, which is ludicrous.

One of the reasons I talk about the important process when the legislation passes is that we do figure out ways to ameliorate problems when we have legislation in front of us. Earlier this past week, we had the Minister of State for Small Business and Tourism before us at committee, who admitted there had been no study done on the effects on tourism of this particular HST grab.

That is critical, because there was a study done by the Tourism Industry Association of Ontario and another done in British Columbia by Butchart Gardens, which show that tourism is going to be affected significantly by this HST grab, because hotels, restaurants, theme attractions, travel, and all of those things are going to have a big whack tax put right on top of them right now.

The tourism industry is the fourth largest sector in the Canadian economy, when all of its components are put together. It has been facing a perfect storm as well. Not only was there the introduction of the U.S. passport requirement, which is a real challenge, because only about 35% of Americans carry passports; but we have also had the petro dollar affecting the tourism industry, all the way from the Niagara region across Ontario, and even in my region, where the high dollar, especially its rapid acceleration, has resulted in a shift. It used to be an advantage for Americans to come over and take advantage of that.

Then the government whacked the tourism industry again when it cut out the GST rebate. This is the party of our good friend Brian Mulroney, who brought in the GST, and there were severe economic repercussions for the tourism industry from that.

● (1320)

In fact when he introduced the GST in 1991, the food service industry in Canada suffered a 10.6% decline in real sales, 7.3% of which was attributed to the GST. Once again, it was our Conservative friends who introduced that tax on Canadians.

We have a situation now where we have had a couple of hearings and some witnesses yesterday at the tourism committee. As we happened to be studying another sector of the economy in committee, we were able to get some testimony from them on the HST. They see this as a significant challenge. We had some good testimony, and that is important because they are calling for some rebates and a series of things to be delisted, but we cannot really get to that full evidence and analysis because there is no actual study at committee on this bill.

It is shameful for the Conservatives, and the Liberals in particular, not even to allow public debate to take place, not even to allow that evidence from witnesses who are important in our sectoral economies to come forward and to show what challenges would take place. There is complete ignorance on that. They prevented some really good evidence being heard on how this will affect the tourism industry.

People have to be wondering about their representation, when they are in southern Ontario and look at the Niagara region and elsewhere, where we have to compete so hard for dollars. What is interesting is that our tourism deficit has ballooned under this government, and I will get into that later. We have seen U.S. visits to Canada, which account for three-quarters of all tourist visits here, decline significantly. On top of that, we have actually seen that deficit expand quite significantly, and so we have been suffering job losses in those industries.

A number of different independent studies have been done by the Tourism Industry Association of Ontario. It looked at a number of different scenarios as examples of what the HST is going to increase and what the industry is going to face. Keep in mind that Canada is already one of the most expensive places in the world to visit. I believe we rank fourth in the world in terms of the overall expense of a visit, and now on top of that, we are going to have another level of taxation that will further add to that component. That is a real problem, especially given the fact, as I mentioned earlier, that the dollar is high and U.S. visits are down and we have a struggling economy.

Therefore, borrowing from our own taxpayers and from these businesses to throw another tax on top of them is going to affect a number of different scenarios.

One scenario is the weekend getaway, which has a base cost of \$1,603. Currently we have an 8.3% tax on that, but when we actually add the HST and future taxes and incremental taxation, taxes on these visitors are going to increase by 43.6%. When we look at the incremental taxation related to activities in that type of vacation and take all the different components of that vacation and visit, we see that taxes are going up significantly.

*Government Orders*

Another scenario is a one week camping holiday. The government cannot even leave camping alone. This is one of the ironic things about this in Ontario. This is another Dalton McGuinty tax day on Canada Day; he cannot help himself, apparently. Maybe we need to have a motion in the House of Commons to have Dalton leave our Canada Day alone, because he brought in his health care tax a number of years ago after not telling the public about that, and then once again went through an election and did not tell the public about that. Now the Ontario government is introducing a new tax on camping.

My son is a Beaver and his Beaver group will be an example of the new taxation. We have to do fundraising for them as it is. We live in the inner city, where some of the kids cannot afford some of these events. In fact his troop, because there are kids in it that cannot afford the different events, was recently subsidized by the other troops for a fun day that we had in Windsor. I thank all the volunteers for that at the Cleary International Centre. It was a terrific family event day.

Now when they go camping they are going to get taxed. When they go camping now, the estimated base cost is \$2,173 with current taxes of \$188 at a rate of 7.9%. That will go up and there may be future taxation on the other things that are added on. So the association is estimating there will about a 33.2% tax increase overall when all of the activities of a camping trip are put together.

We could not even exempt camping in Canada. We could not even have a discussion or a debate about that; we just have to accept this is going to happen.

● (1325)

We also looked at a shopping weekend in Toronto where good friends of the Conservatives, the Liberals, are right now in the Toronto area. A shopping weekend of \$4,856 is the average shopping weekend in Toronto according to the study and there is going to be a 14.2% increase on that when we add in the hotels and all the different things that people would have. So that is going to make it more challenging for Toronto as a destination.

We have already had a number of challenges such as SARS for example. In my riding people from the Detroit area refused to come to Windsor or Toronto explicitly because of the SARS issue and we had to debunk all that. It has taken years to recover from that issue.

There have been challenges and tourism destinations are very important for the country, not just for Toronto. Tourism is our fourth largest industry and once again we have not been able to study this issue or to have any meaningful input on it other than these outside measures others have been doing. They are from credible companies. HLT is the advisory group for this one.

A family ski holiday of \$4,363 ends up with the incremental taxation resulting in a 25.3% increase. That is the estimation because things like lift tickets and a whole series of other things that did not have any tax now are subjected to this new tax grab.

In terms of the impact on the overall economy, it was good to have the Canadian Tourism Commission at our committee. It does a very good job. Madame McKenzie runs it. It has many challenges. It has a small budget, small department. Interestingly enough, the Liberals moved it toward the Olympics and that is a big event and destination

that hopefully does take place. We hope that will turn some things around. The CTC said, "Canadian outbound travel spending continued to rise in light of a strong Canadian dollar to reach a record level of \$26.9 billion in 2008, an increase of 15.5% over 2007. As a result Canada's international travel deficit, the difference between what Canadian residents spend abroad and what international travellers spend in Canada, rose to a record of \$12.6 billion in 2008".

That is devastating. When there is a significant deficit like that in one of our largest industries, it is critical to turn that around. We are not just talking about Americans or other destination marketers coming in that are going to have to pay the HST. When the government scrapped the GST rebate, they were very upset about that and many people said that was one of the reasons they would not come back.

With the HST imposed in Ontario and British Columbia there could be more incentives for more Canadians to spend their tourism dollars outside of Canada. Part of the CTC's mandate is to have Canadians spend money in their own communities or to travel around Canada. But now we are adding another level of cost when we are competing for tourism dollars at a time when we have the significant challenges of a crumbling economy.

This is just absolute utter nonsense that we would not get into a responsible evaluation about the impacts of this, whether we agree or disagree with the ideology of the bill, but we should be concerned about getting some empirical data to analyze and propose some solutions that would look at this and show some leadership. To simply say we are washing our hands of it is unacceptable.

It is important that Canadians realize this is the agenda. When the Conservatives brought in the GST supported by the Liberals, I remember the big scrap that was supposed to happen. It never took place and there have been successive attempts to bring in provinces. This is exactly what the Minister of Finance said on May 2 in budget 2006:

The Government invites all provinces that have not yet done so to engage in discussions on the harmonization of their provincial retail sales taxes with the federal GST.

That is what the minister said. That is the reality. Nothing happens without this. We need to have a proper study before we tear this at Canadians.

● (1330)

[*Translation*]

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Madam Speaker, I would like to come back to what my colleague said and talk again about the harmonized tax.

We believe that the provinces should be treated equitably and have the right to make their own decisions. Why would this Parliament object to the idea of a province harmonizing its sales tax with the federal tax? On what basis should we tell British Columbia and Ontario that we will not let them harmonize their tax with the federal tax?



*Government Orders*

It is healthy and democratic, in a country that wants the system to work, to enable the provinces to make things easier for taxpayers to understand and to harmonize their taxes. We are not forcing them to do this. They asked us to bring in legislation that would let them harmonize their sales tax if they wanted to. That decision will be up to the governments of British Columbia and Ontario.

I would also like to quote some statistics, because my colleague also said that the country was not in good shape. He mentioned the unemployment rate. Not only did the unemployment rate go down from 8.6% to 8.5% in November, but 80,000 jobs were created in this country. That is significant. It means that the economic action plan is working and is producing tangible results. We do not wish anyone ill, but while Canada gained 80,000 jobs, the United States lost 15,000 jobs. That shows that this government made the right decisions to help workers and stimulate the economy. All sorts of statistics prove it.

I would remind this House that the government has introduced four different measures to support unemployed workers, in addition to new measures to help self-employed workers. Because of a whole series of actions we have taken, Canada's economy is in relatively good shape at present. Of course, it is still fragile, but at least we made the right decisions in taxpayers' interests.

• (1335)

[English]

**Mr. Brian Masse:** Madam Speaker, I appreciate the minister's comments. It is really symptomatic of the government's Jekyll and Hyde approach to this. It is saying that the world economy is collapsing, that it had nothing to do with it, and that it has no role or responsibility. We have all these job losses. However, it can become the government that creates all these jobs and takes credit for it.

I used to work on behalf of persons with disabilities. When we look at the way in which we gather statistics through Service Canada and other measures, it is interesting that we do not count the people who have fallen off the system or are no longer looking for work. They no longer count. They almost do not exist in our society. About 50% of people with disabilities are unemployed in this country and many of them are not even counted in the actual roles that are out there.

In ridings like mine and other places, people are running out of employment insurance. That is why it was important to get some extension of benefits. I did appreciate working with the government on that extension of those benefits. It is an important thing that is helping some people, but the clock is ticking down on them. It is turning into a situation where people are getting a little bit more desperate. The statistics are very deceiving as to what the real economy is right now.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, the member for Windsor West correctly pointed out in his speech what the complicity is here between the government, the opposition and the premiers of the two provinces.

The reality is that the government knew that this legislation had to be introduced months ago and yet it waited until the very last week of Parliament. It introduced time allocation and closure motions to ram it through when people are paying the least attention. This is very obvious to people on our side of the House and probably

obvious to anybody listening to the debates over the last couple of days.

Why does the member think the government had to go this way? Why could it not have at least let the process go through its natural course and have public hearings, as we proposed just yesterday?

**Mr. Brian Masse:** Madam Speaker, this is really the most offensive thing and I think Canadians understand this. They understand the issue, not only in Ontario but in British Columbia where the polls indicate 80% of people understand the implications of the HST, what it means to them and their families. They are opposed to it.

The most offensive part about this is that the Conservatives and Liberals are telling people, who have concerns about the HST, that they do not matter. The Conservatives and Liberals do not care. It does not matter whether it is ordinary citizens who are now going to have to pay the HST when they buy something for their kids or a necessity of life. All the experts in the different industries that have analysed the effects of this type of policy have been told to get lost.

The government says it is not going to hear from them. It will not hear their concerns. It will not listen to ways that may improve the situation or soften the impact or look at a transition of some of the measures. All the concepts that are out there want to be proposed and are available from people who want to testify. The government, on the other hand, aided and abetted by the other parties, is basically saying it does not matter and it does not care.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I thought it was interesting when I heard one of the member's last comments about getting some input on how we could ease the imposition and make some changes on the impacts of the tax on people.

Bill C-62 has nothing to do with that. The legislation that is coming before Ontario and B.C. does. He has contradicted himself and I want to know whether he is aware of anything in Bill C-62, the bill we are debating right now, which would assist solving the question that he has raised, or is he in fact simply going to admit that what he is asking for is what should be handled in the provincial legislatures?

• (1340)

**Mr. Brian Masse:** Madam Speaker, I know the member has been in the chamber trying to talk himself into believing this is good.

It is important to note that this legislation can contain what it wants. It can contain exemptions. We have heard about aboriginal people who are being affected. There could be all kinds of different things attached to this legislation, there is no doubt about it, but the whole point is that it should go through the proper process so that amendments can be made. We amend government bills all the time.

In fact, it is even done by the unelected Senate. On Bill C-6 it brought in a number of amendments that the government does not agree with and I do not agree with, either. I am concerned about some of those as well. However, that is the normal process we go through.

*Government Orders*

I do not know how the member can actually participate in this debate with any sincerity. He always argues for due process in committees like the one he is on. We should go through that due diligence. We have seen the effects on this.

When the Conservatives changed the Investment Canada Act, they did not run it through the normal process. They attached it to the budget, then it got support from the Liberals at that time and the Investment Canada Act never went through committee. The result of that is there is actually a loop-out clause.

Nortel, just a few months ago, sold for over \$1 billion. After the sale took place, Ericsson then suggested the listed price was under \$321 million, which is the threshold for the Investment Canada Act to be triggered. What happened? The government agreed and it did not have to go through the Investment Canada Act. That was despite the fact that the day before it paid over \$1 billion for Nortel.

It is an example of the problems that emerge if we do not do our job right and we are not doing our job right here. This is going to have an impact across a number of different sectors that are critical to the Canadian economy. It is going to create an imbalance.

Why would we not actually want to know what the issues are going to be, whether the concerns are valid, and how we could address the ones that are valid before we shove this out the door? It is unacceptable.

**Ms. Irene Mathyssen (London—Fanshawe, NDP):** Madam Speaker, I would like to share my time with the member for Sault Ste. Marie.

I believe it is essential for me to speak today, on behalf of my constituents, against this insidious new tax. I say this because when it became clear that the party in power was determined to inflict a new tax on the people of Ontario and British Columbia, I sent out a mailing to the residents of London—Fanshawe. I asked them what they thought of the HST, the new tax that Conservatives and Liberals plan to enact on July 1, their gift to Ontario and British Columbia on Canada Day.

I communicate quite regularly with my constituents and they respond in significant numbers. We have a good dialogue, and I always appreciate hearing from them.

However, the response to the HST survey was astounding. I received hundreds and hundreds of mail-backs, emails and letters. I have never had such a response. Despite nearly four years of mismanagement by the members from across the aisle, four years of cynically telling Canadians that our environment does not matter, that child care can be had for \$100 a month, that housing does not have to be affordable, that first nation children do not need a school, after four years of ideological agenda from this group that basically says that there is no room for the aspirations of Canadians or the values that we cherish, my constituents have responded with renewed and greater anger, greater than I have ever seen. Because of those nearly four years of bad government, my constituents said, with absolutely clarity, that they had enough. This tax grab was the last straw and they counted on New Democrats to defend their interests.

We have heard repeatedly from the Minister of Finance that this legislation is the will of the provinces, that this is democracy in

action. The truth is we are fighting a bill, in the name of the Minister of Finance, to amend the excise tax and enable the HST.

The party in power insists it is innocent. According to the Minister of Finance, the bill is to accommodate the provinces. Despite his insistence that this is not a federal bill, despite his persistent attempt to wash his hands of this bill, it stands in his name. I would suggest he has much greater responsibility than he cares to admit.

I can understand his desperate need to distance himself from the HST because it is, quite simply, the wrong tax, at the worst of times. It will increase the cost of haircuts, home heating, gasoline, firewood, Internet, cell phones, snow removal, newspapers, magazines, camping fees, veterinary care, taxi fares, carpet cleaning, landscaping, utilities, commercial property rentals, postage stamps, courier fees, domestic air, rail and commercial bus tickets, funerals, all of these and more, by an additional 8%.

Imagine one earning minimum wage, trying to raise a family and, now, despite all the sacrifices, is hit with an additional 8% cost of living. Many women in Canada will face particular hardships due to this increase in the cost of living. It is well known that single women and single mothers face higher poverty levels than any other group.

According to the Canadian Centre for Policy Alternatives, most anti-poverty strategies in Canada and elsewhere have concentrated on reducing child poverty, but other groups within the population are even more disadvantaged. In 2007, for example, 9.5% of young people under age 18, the child poverty measure, had low incomes and 23.6% of Canadian women heading lone-parent families had incomes below the after-tax level. In fact, the incidents of low income for female lone-parent families was almost five times as high as that of two-parent families with children.

At the same time, 14.3% of women aged 65 and over, who are on their own, had low incomes. Seniors living on their own experienced a low income rate almost 13 times higher than seniors living in families in 2007. The depths of poverty of these groups was significant. On average, the after-tax income of senior women on their own was \$2,400 below the poverty level. However, the average after-tax income of women who had lone-parent families was \$7,500 below the after-tax income level.

● (1345)

To a large extent, these groups of women might be described as the forgotten poor. They are generally not mentioned in budgets or stimulus packages, and with one or two notable exceptions, no specific programs are developed to address their needs.

Of course it goes without saying that children are poor because their parents are poor. Many poor children live in low-income lone-parent families headed by women, but it has become more acceptable to talk about child poverty than women's poverty.

*Government Orders*

I would like to make special note that according to CCPA, while many people seem to believe women to choose to work part-time or on a temporary basis so they can more easily combine their paid employment with family responsibilities, in 2008 among women in the main childbearing age group, 25 to 44, 27% of those who were employed part-time worked part-time because they were unable to find full-time jobs. About 38% of women in this age group were working part-time because they were caring for children.

Women in Canada still have unacceptably high rates of poverty, especially if they are on their own as lone-parent heads of families or as older women living alone. While we used to talk about the feminization of poverty, addressing women's poverty no longer seems to be a high priority among policymakers.

The HST is a policy that continues to ignore the feminization of poverty in our country. The worst of it is the tax is inherently regressive. It disproportionately hits those who have no choice but to spend all or a large part of their income and it favours those with income to save. This is doubly true in a recession where less than 50% of the unemployed qualify for EI, where social assistance rates are well below the poverty line and the cost of essentials looms larger and larger.

Those with the lowest income have no choice but to pay the tax and sacrifice consumption elsewhere. The HST is hitting those who can least afford it harder than anyone else. The tax is quite simply unfair.

The Conservatives have demonstrated a callous disregard for the plight of low and moderate income households. They cannot be trusted to apply the HST fairly. It has been argued a sales tax is bad for investment compared with a tax on profits. Then why is the removal of sales tax from inputs not matched by an increase in corporate income taxes? In fact, the opposite is true.

The HST is accompanied by corporate income tax cuts, both at the federal and provincial levels. In other words, the HST is part of a general and indiscriminate tax shift, shifting the burden from corporations to individuals and families without adequate compensation.

The claim that it will lower prices assumes businesses will pass along their savings to consumers. Studies show that much less than 100% of the savings are passed on to consumers. Price increases are virtually inevitable. Remember when the GST was introduced? Prices to consumers did not decline.

One of the arguments the Conservatives put forward states that because it applies to a wider range of goods, it is more efficient as a generator of revenue and hence, under progressive governments, provides support to high-quality public services. Scandinavian countries depend on HST for much of their revenue. This, of course, does not apply to the current situation because the party in power is far from progressive and it has done nothing but undermine services to Canadians.

It should be noted that I have refused to call this a government. A government leads with integrity and places the needs of people before its own. A real government would never have done what the Conservatives have done to undermine women's rights, deprive first

nations, use the resources of government to mislead and create dissension among its citizens.

Finally, last evening the members across the aisle invoked closure to stifle debate, to force through its undemocratic and unfair tax. It wants, like its finance minister, to wash its hands of responsibility for the people of Ontario and British Columbia, just as it washed its hands of its obligations to this nation and to its people.

That is a group I cannot call government because, quite simply, it is not.

● (1350)

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, I note the member pointed out that she had an outpouring of support from her constituents for her position against the HST. She is backed up in that by the Ipsos Reid Canwest News survey just out yesterday, which shows a whopping 74% of the people in Ontario are against this tax.

The fact is just yesterday the member for Vancouver East introduced an amendment which would have allowed the Conservatives, the government, a way out. It would have allowed them to do the right thing by having hearings on the bill, which they should have had. It would have allowed the finance committee to go on the road, hear from witnesses and then come back with a report to the House before February 28. This still would have given them ample time to get their legislation through and would have taken away the cloud of suspicion that hangs over their heads and will continue to hang over their heads because of the way they have operated the House on this bill.

**Ms. Irene Mathysen:** Madam Speaker, it is interesting that I did receive an overwhelming response from my constituents. They were very clear. They do not like this tax. They see it as a tax grab. They see themselves as the victims of this tax. They are willing to fight back, and I can assure the House that I am willing to fight back.

I have also had consultations with first nations. They are particularly angry because their treaty rights have been violated in terms of point of sale. They will be required to pay a tax that they have never been required to pay before, and that group across the aisle refuses to listen. It is simply not interested.

In terms of hearings, those are essential. In any democracy we have to listen to the people. That is the first rule. The Conservatives refuse to listen to anyone. They do not want this aroma of tax to linger too long.

I remember some time ago when the Conservatives talked about cowardice. They talked about cutting and running, not living up to one's responsibilities. I would say we have seen a prime example of cutting and running.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskaing, NDP):** Madam Speaker, before I ask a question of my colleague, I want to read a letter from one of my constituents, Carole Lalonde, from Elliot Lake. She says:

### Statements by Members

Hope U are fighting for us NOT to have HST in Ontario. It may help the Ontario gov't, but it sure would NOT help us, the seniors, and lower income people. This is going to cost us an additional 8% on so much, and our income stays the same. I don't hear of any plans to increase our pensions, and we could sure use it. Everyone gets a raise except the ones that need it the most.

My colleague spoke about pensions and she spoke quite eloquently about the needs of women. Could she maybe speak a little more on that and respond to the fact that too many seniors live in poverty, especially single women seniors, and why we would not move forward on legislation right now to increase the pensions of seniors as opposed to taxing them more on something they cannot even afford right now?

● (1355)

**Ms. Irene Mathysen:** Madam Speaker, the committee for the Status of Women has been looking at women who are seniors and their pensions. We have found, very clear, that a lot of women who had to leave the workforce or who were never able to enter the paid workforce live in poverty. We do not have a pension system that is adequate.

When I get correspondence from my constituents, it is elderly women who are saying that they cannot afford rent, or food or any of the necessities. They want to know how they will pay 8% more. The answer is, they cannot afford to pay 8% more. Someone in the House, across the aisle, simply does not care.

**Some hon. members:** Oh, oh!

**The Acting Speaker (Ms. Denise Savoie):** Order, please. Could I have a little order on this side of the House.

Resuming debate, the hon. member for Sault Ste. Marie. He can begin his comments, but I will have to interrupt him in about four minutes.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Madam Speaker, I understand that I will only have a few minutes before question period, but I will be able to pick up where I left off after question period is over. I ask those who might be waiting to hear what I have to say to hang on. Question period will be interesting, for sure, as it always is, but what I have to say will be important as well.

What we are entertaining here in our short, limited opportunity to debate this bill is the imposition by the federal government on the provincial governments of Ontario and British Columbia to increase taxes on items that people have to buy for themselves and their children on a daily basis to keep themselves going.

The Retired Teachers of Ontario said it best. They indicated that the HST is basically a tax on daily living. They hit the nail on the head when they said that northerners will be hit with significantly increased heating costs due to long winters. Lighting, water and heating are necessary for survival.

An extra 8% tax on almost all goods and services will be difficult for retirees or for those on a fixed income. There are a lot of people across this province, particularly in northern Ontario and in my own riding of Sault Ste. Marie, who are living on fixed incomes and are already finding it difficult to get by. An extra 8% on the cost of basic necessities that they cannot do without simply will be devastating for them.

Today, I want to put on the record a few thoughts on behalf of northerners. I have already laid out a couple of things that are unique to northern Ontario compared to the rest of the province. It will be very challenging as this new 8% sales tax comes into effect. I also want to speak on behalf of the folks in Sault Ste. Marie and Algoma who have taken the time to phone, write or email, and speak to me in person about this issue.

They asked me very sincerely if I would do everything that I could to try to put the brakes on this and stop it before it comes into effect and begins to affect them and their families. I also want to talk about the impact of this new tax on the poor, the most marginalized and at-risk citizens who need less than anything else to be confronted with this 8% increase in their cost of living.

I see the Speaker is about to rise. I will finish after question period is over.

**The Acting Speaker (Ms. Denise Savoie):** The hon. member will have seven minutes when he resumes his comments.

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## STATEMENTS BY MEMBERS

[English]

### MAC ROBINSON COMMUNITY CENTRE

**Mr. Merv Tweed (Brandon—Souris, CPC):** Madam Speaker, on October 10, I had the pleasure of participating in the grand opening of the Mac Robinson Community Centre in Cartwright, Manitoba.

Mac lived his entire life in Cartwright, where he earned the reputation as the on-call guy, as he was always available to help anyone in need. His reputation for impeccable workmanship placed him in high regard in Cartwright and the surrounding communities.

Mac's many contributions to the community include involvement in the curling club, Kinsmen Club and countless boards, as well as being a volunteer firefighter and ambulance driver. Mac also worked diligently on the save our school committee to ensure that a school remained in Cartwright.

Supporting Mac throughout his remarkable life was his family, his wife Jean, and his children Greg, Jeff and Lindsay, for whom this arena will be a lasting memorial to their husband and father. I know without a doubt that the Mac Robinson Community Centre will be a constant reminder of the countless contributions this great man made to Cartwright and area.

\* \* \*

● (1400)

### SALVATION ARMY

**Ms. Martha Hall Findlay (Willowdale, Lib.):** Madam Speaker, I stand today to praise the work of the Salvation Army.

*Statements by Members*

At this time of year, we know the Salvation Army for its ubiquitous donation kettles, but I know the army also from my late father who, after his return from fighting in Europe in World War II, spoke often and admiringly of the army's work on the ground there. When my dad passed away, it was indeed the Salvation Army to which we asked people to make contributions in his honour.

Affectionately known as the Sally Ann, the Salvation Army does its good work in 118 countries, in 400 communities in Canada alone, and it provides direct assistance to 1.5 million Canadians annually. It is the largest non-governmental provider of direct social services in Canada.

I would like us to welcome here today and to thank Commissioners Bill and Marilyn Francis, Territorial Leaders for the Salvation Army in Canada and Bermuda, and their colleagues. I ask this House to join me in saying thank you on behalf of so many people to the Salvation Army.

\* \* \*

[Translation]

**JEAN-HUGUES CHICOINE**

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Madam Speaker, today I would like to pay tribute to Jean-Hugues Chicoine, who this year is celebrating the 20th anniversary of his ordination to the permanent diaconate.

Mr. Chicoine provides assistance and support to the most vulnerable members of society on a daily basis. In 1984, he founded Auberge Galilée, a community organization that helps the needy in the Terrebonne region. Auberge Galilée remains to this day a very important player in the field of community and volunteer services in Terrebonne.

The Knights of Columbus also recognized the steadfast contribution of Mr. Chicoine and his family to their community by awarding them the title of "Knights of Columbus family of the year" in 1989. That was the same year that Mr. Chicoine was ordained a permanent deacon.

Throughout his life, Mr. Chicoine has been unconditionally supportive of his fellow citizens, and his kindness knows no bounds. On behalf of the community of Terrebonne—Blainville, I would like to thank and congratulate Mr. Chicoine for his years of dedication—

**The Acting Speaker (Ms. Denise Savoie):** Order.

The hon. member for Sudbury.

\* \* \*

[English]

**INDEPENDENT LIVING SUDBURY MANITOULIN**

**Mr. Glenn Thibeault (Sudbury, NDP):** Madam Speaker, thanks to the volunteers and staff at Independent Living Sudbury Manitooulin, people with disabilities in my riding of Sudbury are able to overcome obstacles and participate fully in all aspects of our community.

Fourteen per cent of the people in my city have some form of disability. The Independent Living Resource Centre in Sudbury's downtown has become the centre point from which people with

disabilities can make a difference. According to Nicole Blais, director of ILSM, the programs are not just about ensuring that people have the tools and resources they need for everyday living, but that they have the right to choose for themselves.

To celebrate the International Day of Persons with Disabilities, Sudbury welcomed Canadian Paralympian Jeff Adams, who described the importance of acceptance and engagement in his life, as a young person with a disability who went on to worldwide success. The event raised over \$15,000 to support the centre's important programs.

Canadians with disabilities deserve nothing less. Together with Independent Living Sudbury Manitooulin, we are working to build a truly inclusive community.

\* \* \*

**JUSTICE**

**Mr. Ed Fast (Abbotsford, CPC):** Madam Speaker, Canadians are taking notice of our Conservative government's commitment to fighting crime.

We have eliminated the faint hope clause and tackled murders and drive-by shootings by organized crime. We have introduced laws that get tough on fraudsters and identity theft. We have made it mandatory for Internet service providers to report child pornography. No longer will serious criminals get out of jail after serving only one-sixth of their sentences.

Yet the opposition parties continue to oppose our efforts to fight crime. The NDP resists every effort to introduce mandatory prison sentences for serious criminals, and for six months, Liberal senators have refused to pass laws which impose tougher sentences on drug dealers and serial auto thieves. They even voted against our bill to eliminate the two for one sentencing credit for convicted criminals. It is shocking.

Why does the opposition insist on being tough on law-abiding citizens but soft on criminals? When will they finally listen to the cries of victims?

\* \* \*

● (1405)

[Translation]

**225TH ANNIVERSARY OF THE SOUCY FARM IN SAINT-BASILE**

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Madam Speaker, this year the Soucy farm in Saint-Basile will be celebrating its 225th anniversary.

This farm was established in Saint-Basile in 1784 before the parish was officially founded. The Soucy farm is the only ancestral farm in northern New Brunswick. In other words, it is the only farm that has stayed in the same family since it was founded.

*Statements by Members*

Paul-Émile Soucy, the current owner, is the seventh of his line to run the family farm. Before him, the farm was run by his father Conrad and his grandfather Léonide. Today, Paul-Émile Soucy raises sheep and rotates crops between potatoes and grains, in addition to owning wood lots and thus being involved in the forestry and maple syrup industries.

I want to congratulate Paul-Émile Soucy on his fine operation of the farm, which is an integral part of the historic and cultural heritage of Saint-Basile. The Soucy family, and the Madawaska community have reason to be proud.

Congratulations to the Soucy family on its 225 years of dedication and success.

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[English]

**COMMUNITY SERVICE**

**Mr. LaVar Payne (Medicine Hat, CPC):** Madam Speaker, for the past 34 years Dr. Kenneth Sauer has enriched the city of Medicine Hat through his volunteerism and public service. A former educator and city alderman, Dr. Sauer has held many leadership roles in the community with the Palliser Health Region, the Medicine Hat Public Schools' Education Foundation, and the Kiwanis Club.

One of his lasting contributions has been to promote sports locally, as well as provincially. His leadership was key in securing Medicine Hat as the host for the 2002 Alberta Winter Games and the 2008 Alberta Summer Games.

Dr. Sauer's steadfast community service has boosted civic pride for the people of Medicine Hat and the province. He is most deserving of Alberta's highest honour and Canada's highest honour, the Alberta Order of Excellence and the Order of Canada.

On behalf of my constituents, I offer Ken, his wife Valerie and their family our sincere congratulations on his receipt of these two prestigious awards.

\* \* \*

[Translation]

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Mr. Nicolas Dufour (Repentigny, BQ):** Mr. Speaker, I was stunned to learn that the Business Development Bank of Canada sent a unilingual English publication to a number of homes in my riding.

The publication, *Canadian Small Business Week*, recognizing Small Business Week from October 18 to 24, could not have intended—at least I hope not—to inform the citizens of my riding of Repentigny given that they are for the most part francophones.

How could it ignore this incontrovertible identifying characteristic while claiming to respect the people it addresses? A number of constituents were shocked by this incredible lack of respect.

I therefore wish to sincerely thank the Minister of Industry—responsible for the Development Bank of Canada—who has reminded my constituents, with his lack of respect for them, of why it is so important for Quebec to become a nation.

**ECONOMIC ACTION PLAN**

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Mr. Speaker, our economy relies on the success of our businesses.

Canada's economic action plan helps these businesses by providing the necessary tools to consolidate, innovate and increase their prosperity.

That is why our government has invested in the Tandem Expansion Fund. Announced yesterday, this investment will support the growth and expansion of technology companies by helping them conquer new markets, increase production capacity and generate additional working capital.

Canadian firms will be able to obtain funding from the Tandem Expansion Fund, which will help them grow and also create jobs for Quebeckers and Canadians.

Our government is determined to implement its economic action plan and ensure that Canada emerges from this economic slowdown stronger than ever and positioned to become the leader of the future global economy.

\* \* \*

**VANCOUVER 2010 OLYMPIC GAMES**

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** Mr. Speaker, I am very happy today to acknowledge the torch bearers from the three municipalities in my riding, Brossard, La Prairie and Candiac.

Having the Olympic flame visit a community is a unique and memorable experience.

It is a privilege to see the glowing flame pass along the streets of our community. It shows us that sports can play an important role in building a better and peaceful world.

We are all very proud to encourage a brother, sister, friend, neighbour or colleague who is participating in the torch relay. In a way, these torch bearers are our champions, and it makes this historic moment even more intense.

I would like to pay tribute to two residents of Brossard, Michel Simard and his daughter Jacinthe, who are working for the Canadian Olympic torch relay organization until the opening of the Vancouver 2010 Olympic Games.

I am also pleased to highlight the participation of dozens of other torch bearers in my riding, especially Valérie Dewald, who is 14 years old.

Congratulations to everyone and thank you.

\* \* \*

• (1410)

[English]

**ASIAN CARP**

**Mr. Ben Lobb (Huron—Bruce, CPC):** Mr. Speaker, I rise today to speak about the danger our Great Lakes face from the threat of invasive Asian carp migrating north up the Mississippi River.

Our Great Lakes are a national treasure and a significant boom to our economy through the multi-million dollar tourism as well as sport and commercial fishing industries.

Therefore, our government has taken proactive steps to halt the northern migration of carp before they arrive at our doorstep.

Our government has been working closely with the Americans to ensure that carp do not gain access to Canadian waters through the Chicago Sanitary and Ship Canal.

The Department of Fisheries and Oceans contributed extensively to activities in Illinois by providing staff and equipment to successful fish eradication and removal this past week. Therefore, we are cautiously optimistic that we have been able to halt this impending ecological disaster.

This is yet another example of our government acting in unison with our American neighbours for the good of the Canadian environment while protecting vital Canadian industries.

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#### THE ENVIRONMENT

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, this is a historic week in world history. Leaders from across the globe are converging on Copenhagen to discuss the state of our climate.

The decisions we make today will be remembered, the impacts felt by generations to come.

This government must step up and commit to reducing greenhouse gas emissions to 25% below 1990 levels in the next decade and 80% by 2050. These targets are not only achievable but absolutely critical to the health and future of our environment, our communities and our economy.

I stand today to call on the government to go to Copenhagen and come back with a meaningful plan that achieves these targets. The future of our planet depends on it.

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#### ABORIGINAL AFFAIRS

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, our government is making progress on multiple fronts to improve the lives of aboriginal people. These include economic development, education, safe drinking water, land claims, and the extension of human rights protection.

Canada's economic action plan invests \$1.4 billion in strengthening partnerships with aboriginal Canadians and is yielding tangible results.

With respect to child and family services, we are implementing a prevention-based approach for long-term benefits for first nations children and their families. Five tripartite agreements with provincial governments and first nations have already been signed.

We are proud of our investment in education, the key investment in the future of aboriginal communities. We have committed \$268 million over five years in new and necessary investments for education.

#### Statements by Members

We know there is still much work to be done. We look forward to building on the successes we have made to date.

\* \* \*

[Translation]

#### ÉMILE “BUTCH” BOUCHARD

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, on Friday, during the Montreal Canadiens' 100th anniversary celebration, those in attendance paid tribute to two outstanding players, Elmer Lach and Émile “Butch” Bouchard, by retiring their jersey numbers. Émile Bouchard played defence and was captain of his team in the 1940s and 1950s.

Émile Bouchard, now 90, is one of the world's hockey greats. As he explains it, “A good player must play with his head, not waste energy, and take advantage of good opportunities”. That is how he has lived his life. This man, who helped the Canadiens win four Stanley Cups, has always been involved in his community in Longueuil. Among other things, he was a municipal councillor and a member of the Optimist Club.

The members of the Bloc Québécois, the staff at the Henriette-Céré de Saint-Hubert CHSLD, where he has been living for the past few years, and his goddaughter, Anne-Marie Desroches, who is also my political attaché, would all like to express their heartfelt congratulations.

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● (1415)

[English]

#### ISRAEL

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, grotesque methods in Conservative ten percenters and in House debates designed to smear Liberal policies toward Israel prompted a public rebuke from the real head of the Israeli delegation at Durban I.

I quote further from the then also deputy foreign minister, Rabbi Michael Melchior, from a letter published today in the *National Post*:

...I requested from the Canadian delegation that they lead and coordinate the work at Durban to combat the dangerous anti-Semitic language in the final resolution. The Canadian delegation, with its fine record on issues of human rights and combating anti-Semitism and xenophobia, made a remarkable contribution in rallying an unprecedented majority—in UN terms—to remove the hate language from the final official resolution.

Will the Prime Minister now apologize for the gross distortions committed by him and his party, or will he acknowledge that there is no depth to which he will not sink for political gain?

\* \* \*

#### TANDEM EXPANSION FUND

**Mr. Peter Braid (Kitchener—Waterloo, CPC):** Mr. Speaker, strong, successful businesses are the backbone of our economy. Canada's economic action plan is helping businesses by providing the tools necessary to become innovative, strong and prosperous.

### Oral Questions

That is why our government is investing \$75 million in the Tandem Expansion Fund. This investment announced today will support the growth and expansion of tech companies by helping them pursue new markets and expand production capacity.

The Tandem Expansion Fund will benefit 20 to 40 Canadian firms providing late-stage venture capital and helping to commercialize new products. With this fund, companies will be able to grow and expand and create jobs for Canadians.

Our government remains committed to implementing our two-year economic action plan, making sure Canada emerges stronger than ever and well-positioned to lead in the global economy.

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## ORAL QUESTIONS

[Translation]

### AFGHANISTAN

**Mr. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, 23 ambassadors have condemned the smear campaign against Richard Colvin. These former ambassadors say that the Colvin affair could create an atmosphere of intimidation in Canada's public service.

When will this government stop showing contempt for public servants who are trying to do their jobs, and when will it stop intimidating Canadians who are trying to tell the truth about torture?

[English]

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, I think the characterization that the member opposite makes is quite an exaggeration, even a fabrication, of the actions of this government.

We have seen our military men and women in uniform do an outstanding job. We have seen our outstanding members of the public service, both here and in Afghanistan, work hard to ensure that we bring peace and stability to a very difficult part of the world.

Our officials and our military have always, when presented with credible and substantiated evidence, taken the appropriate action.

**Mr. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, not just the diplomats but Canadian military are not being listened to by the government. Field notes by Canadian soldiers make it clear that a detainee was beaten in Afghan custody after being transferred by Canadian troops, way back in June 2006. Our soldiers saw it first-hand. They took photographs. They did the right thing. They rescued the man. They reported it up the chain of command. However, the government did nothing.

What kind of Canadian government refuses to act on first-hand accounts by its own troops, credible accounts, of detainee abuse in Afghan jails?

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, let us be very clear. Let us talk about the facts.

The then vice chief of the defence staff, General Walter Natynczyk, a decorated war hero, someone who has served our country in uniform for decades, stated very clearly more than two

and a half years ago that the Afghan in question was not detained, was not captured by Canadian Forces, and he repeated that statement yesterday.

I ask the Leader of the Opposition why he cannot trust General Walter Natynczyk.

**Mr. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, the issue is much simpler than this. It is an issue about what happens when Canadian soldiers report credible accounts of detainee abuse; those accounts are not in question; they take photographs of the abuse; they report it up the chain of command and, for a year, the government does nothing about it. That is the issue.

Why will the government not account for that year in which it did nothing?

• (1420)

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, let us be very clear. When our Canadian men and women in uniform, doing an outstanding job in incredibly difficult circumstances, are presented with credible information in this regard, they act. They have acted in the past. They did an extraordinary job. In the circumstances which the Leader of the Opposition described, it was not even a Canadian detainee, but they still did the right thing. They still acted. That is why we are so proud of our men and women in uniform.

**Hon. Ujjal Dosanjh (Vancouver South, Lib.):** Mr. Speaker, at every opportunity, the Conservatives have misled this House on detainees. Every day, new information belies their claims.

Today we find out that as they were denying detainee abuse and torture, they were preparing media lines on how to handle the truth if it is discovered by Canadians.

They hide the truth. Once discovered, they spin themselves into an even deeper hole.

Will the government call a public inquiry so that Canadians can learn the truth?

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, we have been clear. We have been credible. Whenever presented with credible information, we have acted. We have invested in improving the justice system in Afghanistan. We have invested in the prison system. We continue to make improvements in human rights, in Afghanistan. We inherited a flawed transfer arrangement. We improved that.

I have tremendous faith and respect for the men and women in uniform, and for our diplomats and the work that they are doing in Afghanistan. I wish the member shared that confidence.

**Hon. Ujjal Dosanjh (Vancouver South, Lib.):** Mr. Speaker, I have confidence in the military, but I have no confidence in that minister right now. The Conservatives refuse to tell the truth on detainees. They censor documents. They intimidate public servants.



The only real source of information on detainees has been some brave public servants and the media. However, they are branded as liars by the Conservatives. A public inquiry is the only way Canadians will discover the truth.

Can the minister stand and say today there has not been a single proven case of detainee torture abuse in Afghanistan?

Why will he not call a public inquiry?

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, again, we have been clear. We have been consistent.

The hon. member is again making up facts. Acting on the evidence, acting on the advice of senior diplomats, and acting on the advice of decorated, trusted senior military, we acted ethically and responsibly.

When we heard from all of these witnesses ironically before the committee, as the member did, they said the same thing.

So the hon. member has to get his facts straight. If we were acting on the evidence of a number of witnesses, from senior diplomats, senior military, and acting on their advice, acting responsibly, he cannot condemn what the government has done.

That is the inconsistency that he cannot deal with.

\* \* \*

[Translation]

#### THE ENVIRONMENT

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the political lieutenant for Quebec said he did not have any lessons to learn from anyone when it comes to managing the Canadian federation. Let us take a closer look.

While Quebec takes 1990 as the reference year, the federal government uses 2006. While Quebec has decided to reduce its greenhouse gas emissions by 20%, the federal government sets a 3% reduction target.

Is that how the political lieutenant for Quebec manages the Canadian federation for the federal government, against the interests of Quebec?

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, I am pleased to respond to Pauline Marois' spokesperson in the House, who mirrors the ideas from headquarters.

To manage the Canadian federation is to recognize the efforts Quebec has made towards climate change. There are results from these efforts. In 2007, Quebec received a transfer of \$350 million, which was more than Pauline Marois' spokesperson asked for in the House. The Premier of Quebec himself said that this would help Quebec achieve its climate change goals.

• (1425)

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I am not ashamed to say the same thing as Pauline Marois, but I would be ashamed to misrepresent the interests of Quebec.

#### Oral Questions

Efforts made between 1990 and 2006 by paper and aluminum manufacturers in Quebec to reduce their greenhouse gas emissions have been completely ignored by Canada. Quebec's environment minister has said she is disappointed in the federal government.

How can the government have the nerve to tell us it is representing Quebec in Copenhagen, when Ottawa is misrepresenting everything Quebec proposes?

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, Pauline Marois' spokesperson may not be embarrassed in this House, but one thing is certain: he does not have a monopoly on Quebec's values.

The people of Rivière-du-Loup sent him that message recently. Some of them still believe in the Canadian federation and we will succeed in our approach. We will sign a binding agreement. Canada will assume its share of responsibility. We will have a North American plan because the Obama administration has decided to adopt targets similar to ours.

Those are results.

**Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ):** Mr. Speaker, the Minister of the Environment says that he wants to align his climate change policy with that of the United States. The U.S. has just acknowledged that carbon dioxide and five other greenhouse gases are a threat to public health.

Does the minister, who says he wants to follow in the footsteps of the United States, intend to do the same here and acknowledge that greenhouse gas emissions pose a threat to public health?

[English]

**Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, the member well knows that Canada is committed to reducing greenhouse gas emissions, 20% by 2020. That is one of the toughest targets in the world. It is definitely the toughest that Canada has ever had.

Canada wants an agreement. It is in our best interest to have an agreement. We are prepared to accept our fair share of the responsibility.

I call on that member to stop the bickering and the political games. Let us work together in the interests of Canada and a cleaner environment.

[Translation]

**Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ):** Mr. Speaker, studies show that oil sands extraction is five times more polluting than the oil industry will admit.

Does the fact that the minister refuses to acknowledge that greenhouse gas emissions are a threat not prove that he has chosen to protect Alberta's oil sands to the detriment of the health and the interests of Quebecers?

[English]

**Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, the member knows that is nonsense. Canada emits 2% of the world's GHGs. The oil sands account for about 4% of Canada's total greenhouse gas emission output and for the transportation sector it is 27%.

### Oral Questions

That is why yesterday the government released features of the draft regulation on greenhouse gas emissions for newer vehicles. Our challenge is to be a clean energy superpower and that includes clean oil, clean vehicles and clean technology.

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, Canada has just received another fossil of the day award. Meanwhile, other countries are moving the debate forward. We have the example of the head of the U.S. Environmental Protection Agency who is speaking in Copenhagen tomorrow, and here is what she is saying:

This administration will not ignore science or the law any longer, nor will we avoid the responsibility we owe to our children and our grandchildren.

Could the Conservative government say that it is doing everything it can for our children and our grandchildren when it comes to the climate change crisis?

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Absolutely, Mr. Speaker. We are in Copenhagen working hard for a strong and effective agreement to fight global warming. We are in Copenhagen because it is in our national interest to be in Copenhagen. We are in Copenhagen to work with our partners and not to play partisan games.

We are in Copenhagen standing shoulder to shoulder with the Obama administration to seek a meaningful agreement that will deliver the goods for our environment, and we welcome the NDP aboard our fight.

[Translation]

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, if the government were serious we would be treated to some good news. However, the Conservatives have made bad choices. I will give an example. While the government provides billions of dollars to the oil industry and oil sands, the Zenn electric car plant in Saint-Jérôme has to close its doors.

Why must Zenn close? What are the Conservatives waiting for to take sustainable transportation in Canada seriously?

• (1430)

[English]

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, when it comes to sustainable transport, our government has taken more action in the last four years than any government in Canada's history.

Under the leadership of the previous minister, we took substantial actions with respect to public transit. This past year, despite difficult circumstances, the government doubled the gas tax transfers to the municipalities. We are investing in public transit, whether it is the Canada Line in British Columbia, whether it is in Montreal, whether it is in Toronto or right across this country.

The government is making unprecedented capital investments in public infrastructure and we are proud to do it.

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### PUBLIC TRANSIT

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the municipal governments, directly or indirectly, control up to 44% of the emissions in Canada. They could bring forward 55 megatonnes

of reduction if the government were to be serious about forming a partnership with them.

A strategic approach, led in part by the government and working with the municipalities, could achieve a lot, and a strategy around public transit for the country could achieve even more. They need \$40 billion for transit alone and all they are getting is 8¢ on every tax dollar raised.

When will the government get serious about a strategy to work with our communities?

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, this government is taking the issue of public transit incredibly seriously. We are matching our talk with action. We are putting substantial new investments in British Columbia, whether it is the Canada Line or the Evergreen Line. We are making substantial investments in Toronto with regard to the subway extension on the Spadina line to the new Scarborough LRT.

This government is making significant investments in public transit. We are transferring more money to the municipalities to support these types of activities than any government in Canadian history.

Finally, public transit has a strong voice on the government side of the House.

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### AFGHANISTAN

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, in June 2006 a Canadian soldier found an Afghan detainee with blood running down his face. He recorded in his field diary that he “assumed positive control of the individual and removed him”.

Photographs and medical examinations, which the government refuses to release publicly, corroborate the eye witness account. Other notes show clearly the abuse. The detainee was “a person in custody detained by Canadian troops”.

Why are the Conservatives attempting to discredit these two front line Canadian soldiers? Why are they calling them liars?

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Simply put, Mr. Speaker, we are not. We are applauding them. We are encouraging all Canadian Forces personnel to continue to do what they always do, which is marvellous, which is spectacular, something we are all very proud of.

Let us look at what was said by General Natynczyk, who testified this morning, and three years ago he also answered this question. He said, “This was an operation where our Canadian troops were assisting the Afghan national security forces. We had no interest in the individual, but the ANSF did, and they took control of him”.

He went on to say, "We didn't take this person into custody". He went on to say, "We did not take this person under our control. What we did on the ground was just basic routine questioning". That is what he said.

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, either the Conservatives believe the eyewitness accounts of our soldiers on the ground or they do not. It is as simple as that.

In 2007-08 two senior Canadian officers further corroborated the accounts of the soldier and the medic under oath in court. Detailed notes show the name of the Canadian platoon that captured the Afghan before he was handed over and beaten. There are even photos.

The Conservatives not only refuse to release this information but they deny it exists. Why will they not come clean? Why will they not believe our soldiers?

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, last time I checked, the Chief of the Defence Staff is not only a soldier but the top soldier. I will take his word. He said that what Canadian soldiers "did on the ground was just basic routine questioning". He also went on to describe this in a sequence. He said, "The notes you see are from the military police who were called in at that time".

So it was after the fact. This is a recitation of an after the fact description of the event. He said, "We didn't take this person into custody".

If the hon. member does not accept my word on this, she should accept the word of General Natynczyk, and not like the hon. member opposite who suggests that somehow it is morally weak and—

**The Speaker:** Order. The hon. member for Beauséjour.

[*Translation*]

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Mr. Speaker, in 2006, the Red Cross gave warnings about the conditions that detainees transferred by the Canadian Forces to the Afghan police were being exposed to.

What was the Conservative Party's priority? Its priority was not to ensure that Canada was respecting its international obligations, but rather to come up with a communications strategy to cover up the matter.

Why was making better arrangements for the transfer of detainee at the bottom of the Conservatives' priority list?

• (1435)

[*English*]

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, it is quite the contrary. Our first priority was to clean up the mess that we had inherited. That was to improve the transfer arrangement. We have been clear and consistent in telling the House, committees and everyone that we acted upon credible evidence that was presented to us at the time, two and a half or three years ago.

We have been clear. We have been consistent. We acted at the time. We continue to act and we rely on the credible information we receive from senior diplomats and senior military. We have heard

them all testify. They all corroborate the government's position. Why would they not? They were acting at the time. We were acting on their advice. I wish the hon. member would take the advice of the individuals closest to this issue.

[*Translation*]

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Mr. Speaker, a Department of Foreign Affairs document from 2007 on the strategy for managing Afghan detainees demonstrates that the Conservatives were more worried about their image than they were about protecting human beings, including our soldiers.

In a document entitled "Strategic (Macro) Level Engagement", the possibility of establishing a better transfer and oversight mechanism is last on the list of priorities.

Why was it more important to cover up the matter than to solve the problem?

[*English*]

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, it was not. It was in fact our priority to go about improving the transfer arrangement, investing in the justice system, mentoring the police and prison officials, improving the physical surroundings where Taliban prisoners were being held, and ensuring that the Canadian Forces had the necessary resources to do that important work.

Again, that is a mess and a failing by the previous government. It deployed into Afghanistan with inadequate equipment and forest green uniforms. We should be having a public inquiry into that move by the members opposite.

[*Translation*]

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, no fewer than 23 former ambassadors have released a letter criticizing the Conservative government's attitude and its treatment of Richard Colvin. They are denouncing the personal attacks against him and reminding us that diplomats must be free to produce reports that accurately reflect their observations.

Does the government realize that, instead of imposing a code of silence on our diplomats, it should make public any information that could shed some light on the torture of Afghan prisoners?

[*English*]

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, let us take it out of the highly charged, accusatory place called question period. Let us look at what impartial senior public servants had to say. Paul Chapin said, "I think what set me back is how serious the allegations are and how flimsy the evidence was". This is a colleague of the individual in question.

Senior Ambassador David Mulrone said:

This is where I think he went from an observation to speculation.

Mr. Chapin went on to say, "To summarize, persons were not qualified to make certain assessments. It was irresponsible to make a charge without hard evidence".

*Oral Questions*

We act on hard evidence. We act on allegations that can be proven. We made changes and improved it. We continue to do so.

[*Translation*]

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, the government does have the right to do is to say that, under the Geneva Convention, our soldiers did not have the right to transfer prisoners if there was any chance of them being tortured.

The government still refuses to shed any light on its role in the torture of Afghan prisoners transferred by Canada. The Minister of National Defence cannot say why he waited a year and a half before taking any action. Several ministers have tried to discredit Richard Colvin, and the government still refuses to disclose relevant information.

Since we cannot count on the government to tell us the truth, when will we have a public inquiry?

[*English*]

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, we have been clear and we have been consistent.

We did not wait. We acted on the advice of senior military and senior diplomats. We acted on the advice of people like David Mulroney, Colleen Swords, Scott Proudfoot, Linda Garwood-Filbert, Generals Hillier, Fraser, Gauthier and now Natynczyk who all testified today. All corroborated the position of government and all rejected and refuted one lone witness.

Why would members opposite not accept the evidence given by those credible individuals closest to the ground, closest to the mission, all giving advice to the government upon which we acted to improve the situation in Afghanistan?

It is a straightforward situation. Those members refuse to accept it.

• (1440)

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, not only is the government trying to muzzle the people who are sounding the alarm about the allegations of torture in Afghanistan, but documents show that in 2006, the Conservatives put much more energy into developing their propaganda on this issue than protecting Afghan detainees' human rights.

Will the government finally admit that it prepared propaganda messages because it knew there were allegations of torture as early as 2006?

[*English*]

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, we have complied. We have released documents. We continue to do so with information that will not endanger troops, that will not endanger our relations with allies or international organizations and that will not identify confidential sources.

Those redactions are done by non-partisan, independent officials at the Department of Justice. They are applying provisions that the previous government implemented in the wake of the September 11

attacks. We have continued to provide legally available information for tabling for the purposes of the MPCC and for the purposes of the parliamentary committee.

I am not sure what the hon. member is suggesting. We have been straightforward, clear and consistent.

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, in 2006, the International Red Cross repeatedly called on Canada to shoulder its responsibilities with regard to detainees transferred to the Afghan authorities. Canadian officers have admitted under oath that they were informed of at least one case of torture in June 2006. Richard Colvin also informed the government of these allegations at the time.

Does the government realize that by refusing to act, despite everything it knew, it violated the Geneva convention in 2006 and continued to do so until May 2007?

[*English*]

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, those are more ridiculous, unfounded allegations that cannot be substantiated.

When our military and when our diplomats provide information to the government, we act on that advice. When we have credible sustained information or evidence, we take appropriate action.

With respect to the Red Cross, this was a case with notifications to the Red Cross about prisoner transfers. While lengthy delays in the notification to the Red Cross occurred under the previous government, we made changes to improve that, just as we did with the transfer arrangement, just as we did with investing in our military, just as we did with improving the mission and picking up where the previous government dropped the ball.

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## THE ENVIRONMENT

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, in 2007 Canada blocked a Commonwealth resolution to support binding targets for industrialized countries. In 2008 Canada received the fossil of the year award for being the most disruptive at climate change talks.

Last week, Britain's former development secretary said that countries that failed to reduce global warming should be suspended from Commonwealth membership. She was referring to Canada.

When will the Prime Minister understand that Conservative denial and obstruction will not wash?

**Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, Canadians are always shocked when a Liberal asks questions about the environment. We know the Liberals did absolutely nothing for 13 years when they had the responsibility. That is why their leader said that they committed a mess. I would ask the leader of the Liberal Party to stand up right now and tell the House why they did not get it done.

*Oral Questions*

[Translation]

**Mr. Justin Trudeau (Papineau, Lib.):** Mr. Speaker, eight out of ten provinces have a climate change plan with targets that are three to seven times more aggressive than what this Conservative government is offering.

On average, the provinces are aiming to reduce their greenhouse gas emissions by nearly 15% below 1990 levels by 2020.

How can this government, which has no plan of its own, go to Copenhagen and take credit for what the provinces have done?

[English]

**Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, that is a good question. As the member well knows, this government consulted with all the provinces, territories, our international partners, even the Obama administration, that we would go to Copenhagen with a harmonized approach, an absolute reduction of 20% by 2020.

I am so proud of this government which is taking action. We take action on lowering taxes. Communities are safer. We are taking action on the environment.

\* \* \*

[Translation]

**GOVERNMENT CONTRACTS**

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, the Minister of Public Works and Government Services has not given us many details about the investigation that is currently underway within his department. Let us hope that there will soon be some transparency.

Can the Minister of Public Works and Government Services assure us that all of the rules for awarding contracts were followed for the work done on the north tower of the West Block of Parliament?

• (1445)

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, the rules were followed. The process used was fair, open and transparent.

I remind my colleague that since the beginning of last week, the Liberal Party has been making up all kinds of stories and allegations. I almost expect these members to start asking if we are searching for Elvis in the department.

We cannot comment on ongoing investigations. However, once they are complete, we will proactively post the results on the website. That is the law.

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, I hate to disappoint the minister, but Elvis is dead.

[English]

The work being done on the north tower of the West Block of Parliament is very close to home for all Canadians. It would indeed be an outrage if anything pertaining to the Parliamentary precinct were tainted by any impropriety.

Could the minister confirm that there was no political interference of any kind in the tendering process for this contract?

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, I have been perfectly clear. Once again, we see the Liberal Party is creating fictional stories and playing cheap politics instead of working with our government to deliver for Canadians.

I have been perfectly clear. This government does not comment on internal department staffing matters. On the other hand, I can assure the House that all the processes that are being done on the bidding process are fair, open and transparent.

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**INFRASTRUCTURE**

**Mr. James Bezan (Selkirk—Interlake, CPC):** Mr. Speaker, when the global economic situation began to threaten Canadian livelihoods, our government acted immediately with an economic action plan that included significant investments in infrastructure all across our great country. From coast to coast to coast, our plan is fighting the recession by stimulating the economy and putting Canadians back to work.

Could Canada's Minister of Transport, Infrastructure and Communities tell the House how our economic action plan is affecting local economies, like the ones in my riding of Selkirk—Interlake, and helping Canada's recovery?

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, I want to thank the hard-working member for Selkirk—Interlake. If the Liberals do not believe what I say, they should believe what was in the *Globe and Mail*. This is what I read in the *Globe and Mail* this morning, "Ottawa's infrastructure money is lighting a fire under parts of Canada's construction industry. The value of non-residential building permits jumped 42 per cent in October". It said that institutional spending, some of the good work being done by the Minister of Industry on his knowledge infrastructure program, jumped 51% in October. But—

**The Speaker:** I am afraid that the minister can make a statement by ministers, when he wishes, if he wishes to go on with this.

The hon. member for St. John's East.

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**AFGHANISTAN**

**Mr. Jack Harris (St. John's East, NDP):** Mr. Speaker, the Minister of National Defence's response to the testimony of Richard Colvin was a slanderous low blow. Today, 23 former ambassadors have attacked the government's response to Mr. Colvin's testimony and its approach to Afghan detainees.

The minister on nine separate occasions has told the House that there is not a scintilla of evidence of mistreatment, even as the entire country was shown evidence that torture did take place. Canadians no longer have confidence in this minister. Will he apologize for his slander of Mr. Colvin and will he resign?

*Oral Questions*

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, I have been clear and I have been consistent. We have disputed the credibility of the evidence, not the credibility of the individual. I want to be clear about that. We have acted upon credible evidence. We have heard now from a number of senior bureaucrats, senior military upon whose advice we acted.

The hon. member cannot accept the evidence of those who have testified before the committee who have rejected the one lone witness and then suggest the government should have done anything differently. We acted upon the advice of those individuals. We cannot act on allegations that are put forward that are not substantiated.

**Mr. Jack Harris (St. John's East, NDP):** Mr. Speaker, Canadian soldiers rescued one guy they witnessed being beaten and saved another from execution. The soldiers did the right thing. What is needed now is some accountability by the minister.

The Minister of National Defence has blamed military leaders and senior diplomats for filtering information. He said that he was only acting on their advice. If the minister really believed in accountability, he would have already accepted our call for a public inquiry. Now he must do the right thing, and that is stop blaming others, accept responsibility and offer his resignation.

Will the minister resign and will there be a public inquiry so we can finally get to the bottom of this matter?

• (1450)

**Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, we acted upon the advice of senior officials both in the Department of Foreign Affairs and on the part of the military. We acted responsibly, we acted decisively. I have been clear, I have been consistent, as has General Natynczyk.

If the hon. member does not want to take my word on this incident, let us look at what he said, "Based upon the soldier's assessment they had no interest in the individual...We didn't take this person under custody...what we did on the ground was just basic routine questioning. We have taken the individual away from the Afghan police".

They did do the right thing. That is one thing we can agree on. The soldiers in Afghanistan are doing a magnificent job and we back them 100% on this side of the House.

\* \* \*

[Translation]

**AEROSPACE INDUSTRY**

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, the aerospace industry, which is concentrated in Montreal, is concerned that it will pay the price for the fight against the deficit. Moreover, unlike the auto sector, it did not receive any one-time assistance to make it through the economic crisis.

Quebec's aerospace sector faces stiff competition from foreign competitors that get a lot of support from their governments.

Can the government provide some reassurance to companies and workers by announcing plans to implement a real aerospace industry support policy?

**Hon. Tony Clement (Minister of Industry, CPC):** Mr. Speaker, we have already invested over \$350 million in Bombardier Aerospace to help it acquire the CSeries program. SADI has invested over \$400 million in Canada's aerospace industry. That was our government's decision, and we have already invested over \$300 million in an innovative CAE flight simulator program. That is our position, and we are supporting the industry with—

**The Speaker:** The hon. member for Shefford.

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**TEXTILE INDUSTRY**

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, the Quebec textile industry needs some assistance in order to enhance its competitiveness and develop new markets. The CANtex program helped meet those needs. However, the CANtex budget envelope for 2009 is empty.

Does the government plan to inject new funds into the CANtex program, or into another program, in order to meet the specific needs of the textile industry?

**Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC):** Mr. Speaker, throughout 2009, we put money into the CANtex program to continue our support of the Quebec textile industry. The reason there is no more money is because it has all been allocated, because we gave money all year long.

Of course we will continue to support the economic diversification of Quebec regions, including the textile industry. We plan to review the programs in the coming weeks.

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[English]

**INTERNATIONAL AID**

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Speaker, KAIROS is a Christian coalition of faith groups, ranging from the Mennonite Central Committee to Catholic, Protestant and evangelical denominations. For decades it has promoted social justice in Canada and across the world, helping people by putting their faith into action.

After 35 years of funding from Liberal and Progressive Conservative governments, KAIROS had its funding cut off because it dared to criticize the Reform-Conservative world view. Thirty-five years of funding is gone.

When will the government stop punishing good people with whom it disagrees?

**Hon. Bev Oda (Minister of International Cooperation, CPC):** Mr. Speaker, since day one of taking office, our government was committed, and is committed, to making Canada's international assistance effective. We have not only made promises like the previous government did, but we are actually acting on aid effectiveness. We are making a real difference and that means making a difference in the lives of those who are living in poverty.

*Oral Questions*

As the Auditor General has said, we need to be more focused. We need to have a set of priorities and we have to follow through on them. That is exactly what this government is doing.

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Speaker, KAIROS has been funded for 35 years, has been recognized for its good work by successive Liberal and Progressive Conservative governments, putting its faith into action from fighting climate change to promoting human rights by helping victims of rape in the Congo.

At a time when the government has wasted \$100 million in a few short months on partisan advertising, how do the Conservatives justify cutting \$7 million over four years from KAIROS, a cut that will cripple this internationally respected organization? Will the minister apologize to KAIROS for this ill-treatment?

• (1455)

**Hon. Bev Oda (Minister of International Cooperation, CPC):** Mr. Speaker, as I have said, aid effectiveness means making a difference, having an impact on the lives of those living in poverty, over a billion people who are now in extreme hunger. That is why we announced \$30 million for more food aid.

Members of the opposition benches also agree with our actions because they have said that if success is to be measured in terms of numbers of lives saved, we must focus on outcome-based, proven, cost-effective solutions that work to prevent needless suffering and death. We cannot afford to funnel money into an unaccountable abyss and—

**The Speaker:** The hon. member for Nickel Belt.

\* \* \*

[Translation]

**INDUSTRY**

**Mr. Claude Gravelle (Nickel Belt, NDP):** Mr. Speaker, if a foreign corporation does not fulfill its obligations, the government will take it to court. At any rate that is what the Minister of Industry replied to the member for St. John's South—Mount Pearl yesterday regarding the failure by United States Steel Corporation to honour the agreement in the takeover of Stelco, which is exactly the same type of situation Xstrata and Vale Inco find themselves in.

I have a very simple question. Why hide the agreement between the government and Xstrata and Vale Inco? Why not take Vale Inco and Xstrata to court?

[English]

**Hon. Tony Clement (Minister of Industry, CPC):** Mr. Speaker, in fact the agreement between the Government of Canada and Xstrata has expired. The hon. member probably knows that already. With respect to answering directly his question, the reason I do not share the particulars of the agreement between the Government of Canada and those investor companies is that it would be against the law to do so.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, foreign mining giant Xstrata has just announced it is shutting down the copper smelter in Timmins. This is the same company that slashed 700 jobs in Sudbury in defiance of its obligations under the Investment Canada Act. Under the act, a company must prove itself a net benefit to Canadians before it is allowed to walk away with our resources.

We warned the government about Xstrata and it did nothing. Will it go after Xstrata the way it is going after U.S. Steel, and stand up for our copper and nickel communities of the north?

**Hon. Tony Clement (Minister of Industry, CPC):** Mr. Speaker, indeed in my responsibility as minister responsible for FedNor, I have already had a discussion with the mayor of Timmins to, on a go-forward basis, deal with how we can best help that community in the state of this terrible loss of jobs. I would say to the hon. member opposite, he demands that we live within the law. We are living within the law and the hon. member is trying to get me to defy the law, which I will not do. That is not good for anybody, least of all Canadians.

**Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC):** Mr. Speaker, our government responded to the global economic downturn by introducing Canada's economic action plan, a plan to stimulate the economy, create jobs for Canadians and help businesses weather the economic storm. Strong businesses are the backbone of our economy and Canada's economic action plan is helping these businesses by providing the tools necessary to become strong, innovative and prosperous.

Would the Minister of Industry please inform the House of what our government is doing to support the growth and expansion of tech companies?

**Hon. Tony Clement (Minister of Industry, CPC):** Mr. Speaker, indeed today I was pleased to announce a \$75 million investment by the Government of Canada for a new venture capital fund. The fund will be a total of \$300 million.

This will help Canadian companies grow, expand and create new jobs for Canadians. They will be able to promote their economic activity for new markets, expand production capacity and provide additional working capital. This is another fine example of the economic action plan growing jobs for Canadians.

\* \* \*

**UKRAINE**

**Mr. Gerard Kennedy (Parkdale—High Park, Lib.):** Mr. Speaker, under a previous government, Canada has had a special relationship with Ukraine, including assistance with free and fair elections. For the presidential election in January, the Ukrainian Canadian Congress has asked for 300 observers, as in the past, but the Conservative government only wants to send 60.

I have seen first-hand trained Canadian volunteers play a crucial role in the Ukrainian elections. Last week, Mr. Davidovich, the former head of the electoral commission, told MPs how important a strong international force is for a fair result or democracy will be threatened.

Will the government now change its mind and properly support the right number of Canadian observers for the next Ukrainian elections?

*Oral Questions*

**Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC):** Mr. Speaker, the question is not the number of people who should be there. The importance is the contribution that Canadians make toward that effort. We do so through different organizations. We do work in co-operation with the European Union as we are going forward with this file.

I know that those members do not appreciate the work that Canadians are doing there. That is why they are doing all the yelling and screaming, but we are getting it done and in the right way of doing it.

\* \* \*

• (1500)

[*Translation*]

**INTERNATIONAL CO-OPERATION**

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** Mr. Speaker, NGOs are asking the Conservative government today to maintain funding for KAIROS.

For 35 years, this organization has worked with CIDA to promote human rights. The cuts to KAIROS and the threats hanging over Alternatives come as we learn that the Prime Minister is preparing to create his own organization to promote sound governance, thus adding to the organizations already working in this field.

Why is the government scuttling organizations that have a proven track record?

[*English*]

**Hon. Bev Oda (Minister of International Cooperation, CPC):** Mr. Speaker, as I indicated, we want to ensure that our international assistance is effective, transparent, accountable and that it is going to make a real difference.

We are in fact supporting the building capacity of justice systems. We support the human rights commissions in many countries. We also support ombudsmen who fight for those who do not enjoy all the benefits to which they are entitled.

\* \* \*

**EMPLOYMENT INSURANCE**

**Mr. Malcolm Allen (Welland, NDP):** Mr. Speaker, the latest in a long line of Conservative government failures is the EI retraining program for long-tenured workers. The Conservatives bragged it would help 50,000 of those thrown out of work in the manufacturing sector, but it did not. Because of the ridiculous restrictions, only about 6,000 have so far managed to jump through all of the hoops.

The economic crisis started last year, not this year. Was the program about helping Canada's unemployed or just pretending to help? Will the minister remove this unreasonable restriction?

**Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC):** Mr. Speaker, we are very concerned about helping all those who have been unfortunate enough to lose their jobs in this global economic recession. That is why almost a year ago we brought in five extra weeks of benefits, but the NDP voted against it. We brought in an expansion of work sharing to protect Canadians' jobs, but the NDP voted against it.

We also brought in assistance for long-tenured workers recently. Because we know that they are having trouble getting jobs, we are offering them additional training in unprecedented amounts because we want to get the job done.

\* \* \*

**ECONOMIC DEVELOPMENT**

**Mr. Ed Holder (London West, CPC):** Mr. Speaker, southern Ontario has been hit hard during this global economic crisis and my city of London is not immune.

I know this is why our government created the Federal Economic Development Agency for Southern Ontario. It allows us to stand up for workers, stand up for businesses and stand up for communities like London and other areas across the region. It provides programs that allow them to take advantage of opportunities as the Canadian economy recovers.

With so much going on, would the Minister of State please inform the House about recent investments made under the southern Ontario development program?

**Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC):** Yes, I will, Mr. Speaker. Let me just tell the House that the government continues its investments through FedDev.

We recently put \$8 million into the London International Airport; over \$5 million into COM DEV's brand new, made-in-Canada micro-satellite technology; \$12 million to provide workers in the manufacturing sector with advanced skills training; and 54,000 new jobs in the last six months.

That is this government getting it done for businesses, communities and the people of southern Ontario.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** Order. I would like to draw to the attention of hon. members the presence in the gallery of a number of distinguished visitors, first, His Excellency Gordan Jandrokovic, Minister of Foreign Affairs and European Integration of the Republic of Croatia.

**Some hon. members:** Hear, hear!

**The Speaker:** I would also like to draw to the attention of hon. members the presence in the gallery of the Hon. Daniel Shewchuk, Minister of the Environment and Minister of Human Resources for Nunavut.

**Some hon. members:** Hear, hear!

**The Speaker:** I would also like to draw to the attention of hon. members the presence in the gallery of Commissioner William Francis, Territorial Commander for Canada and Bermuda of the Salvation Army.

**Some hon. members:** Hear, hear!



*Points of Order*

● (1505)

[Translation]

**POINTS OF ORDER**

## ORAL QUESTIONS

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, earlier, during question period, my colleague, the member for Joliette, who is also the House leader of the Bloc Québécois, asked a legitimate and very important question. That question, which—

**The Speaker:** Order.

One moment please. There is a problem with the interpretation. Is it working now?

The hon. member for Montmorency—Charlevoix—Haute-Côte-Nord may continue with his point of order.

**Mr. Michel Guimond:** Mr. Speaker, I find it ironic that, at the beginning of each parliamentary session, the four whips meet to discuss ways to improve decorum and discipline in the House of Commons. Once again, we have proof that those meetings are just for show. They are completely meaningless, because each party ends up doing whatever it wants anyway. This kind of behaviour does not do our offices justice.

On to my point of order. Earlier, our colleague, the member for Joliette and House leader of the Bloc Québécois, asked a very legitimate and important question about the Geneva convention with respect to the torture of detainees handed over to Afghan authorities.

While my colleague from Joliette was asking his question, members on this side clearly heard the Parliamentary Secretary to the Minister of National Defence say the word “bullshit”. At the time, he was seated on the front bench next to the Minister of National Defence.

I regret having to repeat—

**Some hon. members:** Oh, oh!

**Mr. Michel Guimond:** Does that hurt you people over there?

I regret having to repeat such an unacceptable and utterly unparliamentary word, particularly given the parliamentary secretary's position.

For reference, I would like to read from page 614 of O'Brien-Bosc, which states that:

Remarks directed specifically at another member which question that member's integrity, honesty or character are not in order. A member will be requested to withdraw offensive remarks, allegations, or accusations of impropriety—

Lastly, Mr. Speaker, I would refer you to chapter 13, page 618, which addresses order and decorum, where the authors provide clear examples of unparliamentary language.

I would ask the Parliamentary Secretary to the Minister of National Defence to withdraw his words, if he is capable of acknowledging that he said them.

● (1510)

[English]

**Mr. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC):** Mr. Speaker, the words were not spoken. The words were mouthed. I applaud the leader of the Bloc's ability to lip-read in English. That is very commendable. I do apologize for mouthing inappropriate comments. The next time I will mouth something more appropriate, like “bovine scatology”.

Since the hon. member is so good at lip-reading, I assume he can read minds, so I would like to apologize for what I am thinking right now.

**The Speaker:** I did not hear the language complained of.

[Translation]

We received an explanation for what was seen, at least.

The hon. member for Montmorency—Charlevoix—Haute-Côte-Nord would like to add something.

**Mr. Michel Guimond:** Mr. Speaker, the member should not be making jokes about something so serious. He is laughing, and still thinks it is funny. The other Conservative members think it is stupid. This is why television viewers or people in the gallery sometimes lose respect for the position of member of Parliament.

We heard the word “bullshit” in the interpretation. The member should stop cracking jokes and retract his comment.

[English]

**Mr. Laurie Hawn:** Mr. Speaker, I already apologized for mouthing inappropriate words. That apology stands.

**The Speaker:** I will treat the matter as at an end. We have had this word used recently in the House. I would also urge hon. members to refrain from using the word.

[Translation]

I believe that this word is unparliamentary, and members should avoid using it when speaking or responding to another member. I always encourage members to use more appropriate words.

[English]

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Speaker, I rise on a point of order. In answer to my second question, the Minister of International Cooperation continued to speak after the microphone cut her off. I heard her say that KAIROS was unaccountable for their funding. I would like to be certain that those words are on the record, notwithstanding that the microphone was turned off.

**Hon. Bev Oda (Minister of International Cooperation, CPC):** Mr. Speaker, I thank the member for pointing this out. In fact, it gives me an opportunity to fully read the quotation. It says:

If success is to be measured in terms of number of lives saved, we must focus on outcome-based, proven, cost-effective solutions that work to prevent needless suffering and death. We can't afford to funnel money into an unaccountable abyss and hope for the best.

That is a quotation from the member for Ottawa Centre. I was reading the quotation.

**The Speaker:** That appears to clarify that point of order.

*Government Orders***GOVERNMENT ORDERS***[English]***PROVINCIAL CHOICE TAX FRAMEWORK ACT**

The House resumed consideration of the motion that Bill C-62, An Act to amend the Excise Tax Act, be read the second time and referred to a committee.

**The Speaker:** When this matter was before the House previously, the hon. member for Sault Ste. Marie had the floor with seven minutes remaining in the time allotted for his speech in the debate. I therefore call upon the hon. member for Sault Ste. Marie.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, I appreciate the opportunity to finish what I started before question period.

Before I continue, however, I want to say how proud I am to be sharing my time this afternoon in this debate with the member for London—Fanshawe. She is a really wonderfully hard-working, intelligent, articulate member with whom I have had the pleasure of serving for a number of years in government and in the Ontario legislature, where she served as a parliamentary assistant to the Minister of the Environment and then subsequently as a junior minister with the Ministry of Culture, Tourism and Recreation.

The member for London—Fanshawe has worked tirelessly in her own community as an advocate, particularly on behalf of women, the at-risk and the marginalized, and she continues that work as a member and critic in our caucus in speaking out on issues that particularly affect women and their livelihood.

I am always pleased to stand up beside caucus members in the NDP caucus because we have such a wealth of talent here. They are people who work very hard and are very sincere and committed to the issues that we as a party continue to champion in the instance of fairness of justice for all.

That brings me to the debate we are having here this afternoon, the debate on the imposition by the federal government of a harmonized sales tax program that will see, at the end of the day, an increase of 8% in the cost of a lot of goods and services that those in our communities who are finding it very difficult to make ends meet as it is will not be able to afford.

Before question period I said that I wanted to speak on behalf of the people from northern Ontario. I listed a few of the ways that they will be impacted. I said also that I wanted to speak on behalf of the communities of Sault Ste. Marie and Algoma in my riding. I continue to get emails and phone calls from people from across the riding. I want to share a few of their thoughts with you this afternoon. This is only a small sampling of the strong feeling and opposition that I am hearing from my constituents.

There is a gentleman, Bob Kehoe, who wrote to me that we need to block the HST at Parliament.

Another person, Mr. Foster, also said, “Please stop the HST. I struggle enough as it is”.

I will share with members a little note that was sent to me by Charles Dawson from my riding. He says, “My name is Charles Dawson and I consider myself to be a middle class income

Canadian. I am very upset about the whole HST that is basically being forced upon us. I have two children and have them involved in lots of sports and activities, and to be honest, I have very little extra money. This extra 8% imposed on more items would definitely make things much harder for my family. I wanted to let you know in hoping that my voice can make a difference”.

I place those thoughts on the record here this afternoon as symbolic of a larger strong feeling coming out of the Sault Ste. Marie riding about this imposition of the HST in partnership with the provincial Liberal government in that province.

I also want to share a brief comment from a local editorialist in *The Sault Star*, who lives out in the district, so that people will realize and understand that I speak not only on behalf of people from the city of Sault Ste. Marie but also on behalf of the folks out in the district, the rural part of my riding.

As Mr. Keenan points out, there are often differing views on issues, depending on whether people live in the city or in rural Canada. In this piece, Mr. Keenan says:

Spending half my time in the Algoma district and the other half in the Sault, it is nice to get two perspectives on things, and on this proposed HST, all I hear is condemnation.

That is the strong view of many in my riding. It is certainly the strong view of my caucus, the member for London—Fanshawe and the constituents on whose behalf they speak here in this House today in this very limited debate on this very important public policy, a policy that will in fact cost people dearly.

• (1515)

I said earlier that I want to also put on the record my very sincere and deep concern. I have travelled the country twice now to hear from people in at least 15 communities on the issue of poverty and about the struggles of those who live on the margins and are most at risk and vulnerable in our society in this great, wealthy country of ours.

Certainly one of them, the most important, and often the first that comes up, is the question of how they can afford the basics. It is the question of how they can, with the limited income they have, pay for the things they need, the things that keep them, their children and family members going from day to day.

They tell me that they are stretched to the very limit. There is no place else for them to go. Some people who work all year, full time, for minimum wage, particularly if they are living in large centres where the cost of living is high, are saying very clearly that they cannot make ends meet.

They cannot pay for the basics in life. They cannot feed themselves and their children with healthy, nutritious food. They cannot pay the rent. They cannot involve their family members in the things they should be able to be involved in to participate in their communities. Another imposition of a further cost to them will be devastating. They are saying they do not know what they will do.

*Government Orders*

I plead with the government to please think twice. It still has a few hours today. This will end tonight; we will vote on it tomorrow, and ultimately, next July, there will be another 8% added to the cost of some very basic items for ordinary citizens in my riding and across northern Ontario, and for the poor in Ontario and British Columbia.

This is going to be very difficult, and I would ask those who are supporting this measure to please rethink it.

• (1520)

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, I want to thank the member for a terrific speech on Bill C-62. I know he has been involved in political life for a great many years and I would hazard a guess that in terms of response, this is probably one of the biggest issues that he has had to deal with, by the sounds of it.

It is also borne out by the fact that just yesterday Ipsos Reid and Canwest news released a survey that showed that a whopping 74% of the people of Ontario are opposed to this HST. That is without their knowing the sneaky way the government has gone through the time allocation and closure motion process to try to ram this through just before Christmas, when in fact it could have introduced this legislation a couple of months ago.

In fact, it does not have to do it right now. An amendment moved by the member for Vancouver East just yesterday was rejected by the other three parties, the axis of taxes. It proposed that we would deal with this bill in the normal process: it would go to the Standing Committee on Finance, and public hearings would travel around Ontario and B.C. to hear from the public. What could be wrong with hearing from the public?

Preston Manning would be absolutely disappointed to see what the government has been doing. Complicit with the government are the Liberal members. They are the enablers here. They are the ones who are actually making this happen; without them, this would not be happening.

I would ask the member if he would like to make some further comments on the whole sorry process we are dealing with.

**Mr. Tony Martin:** Mr. Speaker, my colleague is absolutely right. Today we are witnessing a real lack of democracy, a shortcoming in the approach of the government toward pieces of legislation that very directly affect every man, woman and child in this province and in the province of British Columbia. We are not willing to take the time necessary to hear them and to go through the public consultation process.

Last week I travelled to northern Canada, to British Columbia and Alberta, to talk to people about some very basic issues, such as how poverty is affecting them and what they think we as a federal government could do. Certainly no one in those consultations suggested for a second that we bring in the HST and raise the cost of living for them.

• (1525)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, throughout the debate, members have been calling for consultations with the public. If they look at Bill C-62, which is an enabling legislation amending the Excise Tax Act, they will see that there are no clauses to do with the HST, at least none that I could see. There are a number of changes on issues such as the provisions for direct

sellors and some other consequential amendments, but there is nothing in here that the public would actually be able to comment on, unless the member is aware of any clause in Bill C-62 that has something to do with what he was talking about.

I suggest to the member that the consultation process with the public has to do with the legislation of the Province of Ontario and the Province of B.C., which are harmonizing their provincial taxes with an existing federal tax. The body that will deal with that legislation in fact is a provincial legislature.

Therefore, I would like the member to explain what exactly would happen with the public at our finance committee meetings, if they came before us on Bill C-62. What exactly would they be discussing, other than saying, "We don't want you to pass this bill so that the Province of Ontario can't pass its bill"?

If that is the point, then say so.

**Mr. Tony Martin:** Mr. Speaker, I have listened to the member for Mississauga South make the same argument all day in this House to my colleagues as we fight on behalf of men, women and children across this province and the province of B.C., who are going to be hit with an 8% increase in the cost of almost everything come July of next year.

He is a Liberal. He is trying to wiggle off the hook, trying to have it both ways here. He cannot have it both ways: Either he is for it or against it.

If we held public hearings, I guarantee that the members would have hundreds of people coming forward, wanting to appear before the committee to tell us to stop this business and to stop the imposition of the HST.

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, I will be splitting my time with the member for Elmwood—Transcona.

I rise today to speak against the HST. However, before I do, let me take a moment to say it is an honour for me to stand in the House of Commons, representing the communities of New Westminster, Coquitlam and Port Moody. I am humbled by the trust and faith that voters have recently placed in me. I am committed to building a sustainable community that is socially just, inclusive and economically vibrant. This is why I am so strongly opposed to the harmonized sales tax.

First, let me tell members about the community I represent and the concerns of the people in New Westminster, Coquitlam and Port Moody.

My riding is made up of three unique communities, bordering the Fraser River and the Pacific Ocean.

New Westminster is British Columbia's first capital city and the oldest city in western Canada.

Port Moody is the home to the last spike of the transcontinental train track and is known as the city of arts.

*Government Orders*

Coquitlam, the youngest of the three municipalities, is home to one of B.C.'s first francophone communities, Maillardville. It is also known for its green spaces and quality education system. Coquitlam literally means "red fish up the river", so named by the Kwikwetlem First Nation for the abundant sockeye salmon that historically travelled up the Coquitlam River.

The history of these communities is intertwined with that of the Fraser River, through settlement, trade and economic activity, and bound by the environmental attributes of this great river and linked to the salmon.

The Fraser River sockeye salmon recently faced one of the most devastating collapses in Canadian history and are in jeopardy of going the way of the Atlantic cod unless immediate action is taken.

This is why I called for an independent public judicial inquiry into the collapse of the Fraser River sockeye salmon. It is also why, as the New Democrat fisheries and oceans critic, I have been actively calling the government to phase out open-net fish farms and move to closed containment; to immediately move existing fish farms away from important wild salmon migration routes; and to invest in habitat protection and salmon enhancement programs to protect our wild salmon.

It is no secret that I am incredibly passionate about the fate of British Columbia's wild salmon. This is why I twice swam the length of the 1,400 kilometre Fraser River to draw attention to the negative impacts we have on this mighty river system.

I feel so strongly because the demise of our wild salmon is really an indication of the broader problems that my community faces.

Homelessness has nearly tripled in the tri-cities and more than doubled in New Westminster since 2005.

We have seen the closure of several mills in our community, and this latest recession has brought some of the highest unemployment in over a decade.

At a time when my community is struggling, at a time when British Columbians need us most, at a time when the world is calling on Canada to take a major role on the international stage in Copenhagen, the government is making life less affordable for students, seniors, families and small businesses.

The HST is more than a new tax on British Columbians; it is a tax shift from big business to B.C. families.

What is worse, British Columbians were not given a chance to vote on it provincially. Students, seniors, families, small businesses and working people were not consulted on this new tax, and they are furious with the government about it.

I know. I have talked with them. This was the number one issue raised on the doorstep. I have knocked on thousands of doors over the past six months.

● (1530)

For instance, I talked to a family, James and Patty, with two small kids and who live in New Westminster. James has recently lost his job and Patty is now the sole breadwinner in the family. If this tax comes in, they will now have to pay 7% more for clothes and basic

items for the family. This means they will have to make tough choices in that household. It means they will have to cut things they need to thrive.

I talked to a student, Angie, who lives in Coquitlam and goes to Simon Fraser University. She told me that another 7% on text books, which are already very expensive, will affect her bottom line. She said that if she wants to do the right thing for the environment and purchase a bicycle, that will be another 7% impacting her bottom line that is already faced with some of the highest ever tuition costs.

I talked to Anne, who is a senior in Coquitlam. She told me that another 7% on her strata fees will impact her bottom line. She also said that 7% on taxis to get around will affect her daily choices about what she can and cannot afford.

These are just some of the impacts on hundreds of people I have met over the past month. The HST will hurt people in my community, and when given the chance to voice their opposition to this new tax, constituents in New Westminster, Coquitlam and Port Moody have overwhelmingly rejected it. It will hurt small businesses. It will hurt students and seniors. It will hurt working families.

Having grown up in this riding, I have seen our community go through many changes. The mills were working at full capacity in New Westminster. My father worked in one. Young families were buying their first homes in Coquitlam, and residents were able to walk to work in Port Moody. All of that has now changed. Most of the mills in New Westminster are closed. Average housing costs in Coquitlam have spiralled to over three-quarters of a million dollars. Residents in Port Moody now commute across the Lower Mainland to get to work.

What did I hear from constituents? No to HST. Instead, create jobs and increase infrastructure funding in New Westminster. No to the HST. Instead, implement a national affordable housing strategy and help families in Coquitlam. No to the HST. Instead, fund the Evergreen Line and help small businesses in Port Moody. No to the HST. Instead, increase funding for community policing and crime reduction programs. They said no to the HST. Instead, set meaningful targets to reduce emissions, stop climate change and protect our air, green spaces and our waterways.

Today, on day two of the Copenhagen summit on climate change, world leaders are meeting to discuss the most pressing issues facing the planet. People in New Westminster, Coquitlam and Port Moody understand these connections. They see the changes taking place in our community, in our rivers and around the world and they know things are not right.

*Government Orders*

Not one penny of this new tax will make life better for their families. This tax takes money out of their pockets, the pockets of working people, and puts it right back in the pockets of big corporations. Today I am calling on all parties to listen to the people of British Columbia and, like our mighty Sockeye salmon, to swim against the current and vote no to the HST.

• (1535)

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, I would like to welcome the new member and congratulate him on his maiden speech.

I know the hon. member recently returned from the campaign trail and his successful by-election, and I know his province of British Columbia had an election in May 2009. I understand the harmonized sales tax might have been an issue in that campaign. He certainly suggests it was in the byelection.

Does he not recognize that under a federal state such as Canada, it is up to a province such as British Columbia to decide for itself whether or not it wishes to have a harmonized tax? I come from Alberta, where we have no sales tax. Our neighbour to the east, Saskatchewan, has a provincial sales tax but does not harmonize it.

Therefore, it is really up to the legislature in Victoria. What is his comment in response to that suggestion?

**Mr. Fin Donnelly:** Mr. Speaker, this harmonized sales tax was not brought up during the provincial election at all. In fact, it was brought up months after the provincial election. There was absolutely no opportunity for people to provide their input. There was no consultation. However, in the local byelection, there was an opportunity to provide input. When I spoke to people in New Westminster—Coquitlam and Port Moody about the HST and the implementation, they were extremely angry over its implementation. They were extremely upset that they had not been consulted.

When they elected me, they overwhelmingly rejected the notion of implementing the tax framework act we are looking at today. This has not been handled well at all. Unfortunately most Canadians do not have an opportunity to debate on this. This is a lack of democracy and we need consultation on things like the HST.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I rise mostly to welcome the new member to the House. It is a great honour for all of us to be here and constituents have shown great honour to him. I wish him all the best for a successful career here.

However, he talked about fisheries which inspired a question from me. I am very happy there is another person knowledgeable about salmon. I am from Yukon. The king salmon and chinook salmon runs have been way down in the last few years. Would he support my calls for more investigation into the causes of this in the north Pacific, whether it is the Japanese fish, disease or climate change and also a reduction of the bycatch of the pollock fleets in the Bering Sea?

• (1540)

**The Deputy Speaker:** I am not sure if there is an aspect of the question that touches on the bill before the House, but I will let the hon. member for New Westminster—Coquitlam try to answer it.

**Mr. Fin Donnelly:** Mr. Speaker, during the byelection, not only did I hear about the HST, I also heard about the collapse of the

sockeye salmon and the call for a public inquiry into that matter. I welcome the judicial inquiry that has been called, however, there needs to be action on this important matter. Not only is the state of the fishery in British Columbia of concern, but right up and down the entire coast of salmon nation, including Yukon.

I welcome the question and the comment. I look forward, as a new member of the fisheries committee, to work on that issue in the new year.

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** Mr. Speaker, I, too, wish to congratulate the new member for New Westminster—Coquitlam. I congratulate him on his inaugural speech, which was very well put. I know the rest of the House would join me in supporting him as he swims through the many hurdles that we face in trying to represent our constituents.

A lot of members, in speaking against the bill, have objected to the fact that there has been no opportunity for Canadians to speak to it. As a member representing residents of Alberta, what does the member have to say about the fact that we have also not consulted with people in Alberta and do they wish to shell out \$6 billion, which could be spent on climate change and saving the fisheries instead of the—

**The Deputy Speaker:** The hon. member for New Westminster—Coquitlam.

**Mr. Fin Donnelly:** Mr. Speaker, this is a concern to all Canadians when decisions are made about harmonizing our tax and tax system. This question was brought up to me when I knocked on doors in New Westminster—Coquitlam and Port Moody. Where will this tax go and how will it help Canadians? I think all Canadians across the country need to ask that question. Will this tax go to help with social programs, programs that help working families, students and seniors? When they look at that question, the answer is clearly a “no”. It will go to help big business and corporations in our country and that is not what my constituents hope to see done with the tax that will be generated.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, I want to begin by thanking the member for New Westminster—Coquitlam for his initial speech in the House. He may inadvertently have a bigger effect on the House than he realizes at this point.

The member had a resounding win in the byelection, with the NDP taking 50% of the vote. We had never done this before in that seat. The major issue in that byelection was the HST.

*Government Orders*

All of a sudden the government turned itself into panic mode and developed the mess that we see in front of us today. I think the government sees some bad omens, particularly after the responses we have received from the public on this issue, as well as the recent poll I mentioned that came out yesterday, which showed that a whopping 83% of people in B.C. were opposed to this legislation.

In a way, the member for New Westminster—Coquitlam sort of rode the wave. He was the first to identify the HST as a big issue.

The government put its axis of taxes in line with the Liberals and Bloc and proceeded to come in with its closure motion and time allocation procedures to force the bill through before the Christmas holidays, when nobody pays attention, in an effort to save its skin.

The reality is the Conservatives could have saved themselves a lot of grief by simply dealing with the bill in the proper fashion and not draw special attention to it. The bill could have been brought in earlier. They knew months ago they were going to do this. The Conservatives could have gone through the normal process so committee hearings could be held across the country on the issue and still made its deadline of the end of January for implementation on July 1, 2010.

I really believe it was the byelection that short-circuited all of that and then drove the Conservatives into the panic mode we see them in right now. They are attempting to pull one over on the public. The point is the tax would take effect on July 1 and citizens will be even more outraged.

Members here have been around long enough to know the history of the GST and other tax measures taken by governments in Ottawa over the years. We know the public can react in a big way on taxes. They have a tiger by the tail here, the Liberals and the Conservatives, with the enablers being the Liberals. If it was not for the Liberal dupes, the Conservatives could not be doing what they are doing right now. It takes two to tango in this place, and we can see who the dance partners are.

The only part I do not understand is the Bloc. Those members have simply waffled back and forth on this issue. My guess is there is probably some sort of an understanding, that if the Bloc supports the bill, the government will look more favourably on its negotiations with the Government of Quebec, and Quebec will get the money it feels it should get, which I believe is in the area of \$2.6 billion.

I want to get into some of the history of the tax.

Our critic from Hamilton Mountain has certainly spelled it out. In addition to using the phrase axis of taxes, she pointed out that this is the wrong tax in the wrong hands at the wrong time. Nothing could be more correct than that statement.

The pattern of pursuing policies that boost returns to privileged corporate elite on the flimsy excuse that they will use those returns to benefit the rest of us continues under successive federal Conservative and Liberal governments.

• (1545)

This whole policy has been written and dictated by Bay Street. The Liberals recognize that if they do not do what their Bay Street

commanders demand, they will lose potential support and it will bleed to the Conservatives. The Liberal Party is stuck in the middle and, as usual, it tends to fall in behind what Bay Street and the corporate community want.

Even though the government had brought in restrictions on the elimination of union donations and corporate donations, one would think those parties would be freed from their loyalty to the corporations. It seems they remain very slavish to the corporate agenda.

By the way, we had speeches yesterday from some of my colleagues who have been here longer than I. They pointed out in detail how sad it was that the Reform Party was actually dead across the way and how Preston Manning would be, and must be, totally embarrassed to see how this group operated.

He favoured public participation and referendums on taxes and a lot of things. Those members used to support that approach. To have them now sit here and drive this through in the middle of the night, through time allocation and closure, has to be a big embarrassment to him and all that he fought for all those years. That party has come full circle and is basically nothing more than a mature government that has lost most if not all of its ideals.

Saskatchewan PCs, under Grant Devine, were the ones who brought in the first harmonized sales tax shortly after the GST was introduced in 1991. We should remember back to those days when Brian Mulroney brought in the GST legislation. At the time, his argument was that it would be revenue neutral. It was to get rid of the existing manufacturers' sales tax, which was a tax hidden from the public, but a tax on manufacturers.

It was at a period of time after Ireland, New Zealand and other countries in the world had developed VAT taxes and lowered the manufacturers' sales tax. The idea behind it is to lower the price of one's exports and make them more competitive. When we were growing up, most of us did not know what a kiwi was, but now there are kiwis all over the place in the stores.

When New Zealand got rid of its export taxes, it made the products cheaper to export. That produced some more jobs. Then it put a heavy VAT tax on the public, which could not escape. That was the whole ideology behind it.

Brian Mulroney probably would have been more successful if he had done what previous Liberal governments had done, and that was to make it a hidden tax. However, for some reason, he decided he wanted to make it visible. At the end of the day, that was his undoing.

Nevertheless, the GST was brought in. It was a visible tax. The manufacturers' sales tax disappeared. At the end of the day, I do not think it was revenue neutral. That was the claim at the time, but I think it was proven afterward that this was an untruth spoken.

*Government Orders*

We recall the Liberals saying that they were going to eliminate the GST. In 1993 Jean Chrétien's red book outlined all those famous promises that he made to get rid of the GST and never kept. The Liberals being Liberals, when they were re-elected in 1993, they proceeded to give up on practically every promise in the red book they used so successfully to win election.

The point is we have a history in our country of both of those parties being involved together in the whole business of getting the GST implemented originally. As I said, the Saskatchewan PCs brought in the harmonization tax in 1991. Roy Romanow of the NDP won the general election before it could be implemented and did not—

• (1550)

**The Deputy Speaker:** Order. Questions and comments, the hon. member for Northumberland—Quinte West.

**Mr. Rick Norlock (Northumberland—Quinte West, CPC):** Mr. Speaker, I have been listening to shall we just say a revisionist and selective way of looking at the history of taxation.

The hon. member does not talk about the fact that since coming to office in 2006 we have proposed over some 100 tax reduction measures in our various budgets and removed 950,000 low-income Canadians completely from the tax rolls. We reduced the overall tax burden on Canadians to its lowest level in 50 years.

The member also conveniently does not tell this House and Canadians what his leader says. His leader is quoted in the *Sudbury Star* as saying:

Further income tax cuts we do not believe are wise at this point or affordable, given the investment priorities. The GST proposal is one we think is wrong-headed.

Then the leader went on to say according to the *Victoria Times-Colonist*:

I've never campaigned on tax cuts and I've never promised not to raise taxes if it needed to be raised. I don't see taxpaying as a sin.

These are quotes from reputable newspapers about their leader.

I would say no tax is a good tax but some taxes are necessary because we have to pay for things like health care and the various things that the federal government is responsible for.

The members are heckling and asking for that, so I answered them. I have many more quotes that if they wish I could bring out. I wonder if he could respond to this—

• (1555)

**The Deputy Speaker:** Order. The hon. member for Elmwood—Transcona.

**Mr. Jim Maloway:** Mr. Speaker, I am going to deal with Bill C-62 and the issue of the Conservatives sneaking around with the Liberals to drive through in an unfair way a new tax on hundreds of items that people were not paying tax on before.

The Conservatives have made a big deal of their renovation tax credit that they see as a big success. We all know they are going to be announcing its extension next year.

Yet, on July 1 next year these two provincial governments, B.C. and Ontario, are basically going to be taking away the benefits that they would have received by participating in this program.

Whatever good effects their program has in the short-term is going to be taken away because starting July 1 next year people are going to be paying tax on all of these renovations.

This is an expansion of the tax. The government is trying to pretend that it is not involved and it is not the guilty party. However, we have read out time and time again how in its own 2006 budget the finance minister in black and white was pleading with the provincial governments to get on board.

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, I know my colleague must be very proud of the government of his home province, the NDP government in Manitoba, for the stand that it has taken on this whole issue of tax harmonization. He knows what was in the throne speech on November 30 in Manitoba where the Manitoba government said in that speech from the throne:

Manitoba is rejecting an invitation from the federal government to introduce a Harmonized Sales Tax. As proposed, the HST would impose more than 400 million dollars in new sales tax costs on Manitoba families at a time of economic uncertainty.

Clearly, there is an NDP government that is willing to stand up to this nonsense. I wonder if he could comment on that.

**Mr. Jim Maloway:** Mr. Speaker, actually we should be doing the math because Manitoba has just slightly over a million people. What the throne speech of November 30 in Manitoba says is that HST would have imposed more than \$400 million in new sales tax costs on Manitoba families.

That is with one million people. If we multiply that by eight million people or more that has to be in the \$4 billion or \$5 billion range. We can do the math, but it is a huge number. That is what Manitoba is giving up by not going along with this system.

The member from Edmonton pointed out that Manitoba residents, my constituents, will actually be subsidizing this process. The federal government is basically bribing the provinces with \$4.3 billion for Ontario—

**The Deputy Speaker:** Resuming debate, the hon. member for Churchill.

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, I will be splitting my time with my colleague from Burnaby—New Westminster.

People watching, people listening, may be wondering why an MP from Manitoba would be getting up to participate in a debate that is so very much focused on two of our provinces. It is with a real concern and it is in solidarity with my colleagues from B.C. and Ontario that I stand to point out that not only is the process by which the government is ramming through and silencing any opportunity for debate a problem but it is really the substance of the harmonized sales tax that is a real problem.

It is a real problem not just for the people in these two provinces and the provinces that have already had this tax imposed on them but also for provinces like Manitoba, which is the one that has stood up and said no, it is not going to put up with this new tax.

*Government Orders*

It is about recognizing that Manitoba and other provinces might be, down the line, subjected to even greater pressure if Ontario and B.C. are to accept this tax. It is about joining our voices to say how many ways the process, the substance of this whole harmonized sales tax debate, is flawed.

Many of my colleagues have stood in the House, the vast majority of us, time and time again to talk about how this is the wrong tax at the wrong time, something that has great resonance where I come from. Certainly, it is a regressive tax, as we know. Really, it places the burden on consumers at one of the worst times in recent history to bring in a new tax, a new tax that increases taxes on consumable items, items that people cannot go without: food, basic goods, basic services and transactions that average Canadians must make in their daily lives.

Instead of looking at taxing corporations and private companies that benefit from the labour and the resources in our country, this tax goes after the people who are suffering the most as a result of this recession.

This tax also has a very disproportionate impact on certain parts of our population, and I would like to speak in particular in terms of two areas: students and young people, and aboriginal people.

When we talk about students and young people, I am the critic for youth and also post-secondary education. This House has a pretty pathetic record in terms of talking about the challenges that young people face in general, but nowhere is this more the case than the imposition of the HST.

Young people, as we know in the case of this recession, have suffered much but in a very different way than many other generations. While we hear of the great job losses inflicted upon middle aged income earners, it is young people who have not gotten the jobs because they do not exist anymore. It is young people who are the first to be laid off. It is young people who have to put up with increased temporary, part-time, contract work, more than any other generation.

To have young consumers take on a tax at a time when they are making even less, when they are living in a much more insecure situation and looking at a very insecure job market, is extremely unfair.

If we look at the situation of students, I have had the opportunity to rise in this House on behalf of my party, the NDP, whose members are the only ones talking about the challenges that students are facing. We are seeing tuition fees increase at historic rates in Canada. Ontario, one of the provinces that is—

• (1600)

**The Deputy Speaker:** Order. The hon. member for Selkirk—Interlake is rising on a point of order.

**Mr. James Bezan:** Mr. Speaker, I wanted to raise the rule of relevance and ask my friend from Manitoba from the NDP to actually get to the point. We are talking about a tax measure here and she is going on and on about things that are completely non-related to this specific bill.

**The Deputy Speaker:** I appreciate the hon. member's intervention. I would just remind the hon. member for Churchill to keep her remarks relevant to the second reading motion of this bill.

**Ms. Niki Ashton:** Yes, Mr. Speaker, talking about relevance, why do we not talk to some of the students in our region and find out the costs that they will incur with this new tax and then we can talk about relevance.

I am familiar with the region my hon. colleague represents and I am going to get to aboriginal people which has extreme relevance to this debate, so stay tuned and hopefully he can pay attention.

When we are talking about students not only are we facing increased tuition fees and some of the highest rates of student debt but we are asking them to pay more money when it comes to textbooks and the food they need. We are seeing an increase of food banks at universities. Now we are going to impose a tax to make it more difficult for students who are already going into debt to achieve an education and contribute to our country. We are making it more difficult for them as a result of the HST.

The other group of individuals who have been so sorely missed in this entire debate by the federal government is first nations. I am proud to have stood with many of my colleagues in the House from the NDP to talk about the utter disgrace in the way that the federal government, which has a fiduciary obligation to first nations and a treaty obligation to first nations, has excluded them from any consultation and any debate.

It is shameful that first nations, which under the treaty are guaranteed the right to tax exemption in the case of the GST, will no longer have that right in terms of point of sale. It is absolutely horrendous that we are not only seeing a tax being imposed that would wipe away that treaty right, but we are seeing a complete and utter lack of consultation.

Have we learned nothing, from the way we work with first nations, regarding the most basic practice of the duty to consult? Chief's organizations in Ontario have been extremely vocal in this area. I had the opportunity to speak with chiefs that I have the honour of representing at the Assembly of First Nations congress yesterday. Many of them were also recognizing that this is a dangerous precedent. I am shocked to hear members of the federal government talk about this matter being up to the provinces when we know that federally it is obligated to work with first nations, obligated to respect treaty rights of which tax exemption at the federal level is most definitely one of them.

The challenge is that the substance of the tax does not work, the imposition on many vulnerable people, people who are already struggling to make it through, struggling even more as a result of the recession. We have a situation without consultation.

Before I finish I would like to note how proud I am to come from a province like Manitoba where we have an NDP provincial government that has stated clearly why it does not support a harmonized sales tax. It recognizes that it is unfair to the average Manitoban and notes the benefit that it does not provide to people who are struggling to make it by.



*Government Orders*

I would hope that across the country we could benefit from voices that are standing just as we are in the House to say no, no to a tax that does not work for Canadians, no to a process that excludes Canadians, and no to something that is going to put us further behind as we try as a country to move forward.

• (1605)

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, I appreciate that the member comes from a province that has a sales tax but is not harmonized. If she respects her own provincial legislature's decision not to harmonize the taxes, why will she not respect Ontario's and British Columbia's legislatures and their decision to harmonize the taxes?

**Ms. Niki Ashton:** Mr. Speaker, it sounds like a broken record in here. Every time we hear a Conservative get up and ask a question, we hear the same thing about respect. As we all know, the carrot that was provided to the provinces of billions of dollars was a clear indication of the way in which the federal government has very much encouraged this process and supported this process. So by no means was it the provinces in and of themselves.

We have also heard that in the B.C. provincial election this was never stated as part of the campaign platform. There has been no time for consultation, no opportunity for consultation in B.C. and Ontario. As for my province, I will tell members what else makes it a problem. We are subsidizing the imposition of this new tax, so it is unfair for all of our provinces and fundamentally for Canadians.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, it has been interesting to watch the Conservatives and their anemic friends over there called the Liberal Party. What they have tried to hide behind is the claim that this is a provincial matter, that this is strictly provincial jurisdiction. Yet this is an attempt to shut down the voices of senior citizens and of people with fixed incomes. If this was just an issue of provincial jurisdiction, then why are members of the Liberal Party, like the member for Esquimalt—Juan de Fuca, breaking ranks with their leaders? Why are Conservatives wanting to break ranks. We know the member for Surrey North is certainly concerned about this.

If this were simply an issue of provincial jurisdiction, the yahoos in the backbenches would not be afraid of bringing in witnesses. They are afraid to bring in witnesses because they know it will come back to them. They are not standing up for their people. They are not standing up for senior citizens. They know that the only party in the House that is standing up for senior citizens is the New Democratic Party of Canada.

• (1610)

**Ms. Niki Ashton:** Mr. Speaker, I would like to thank my colleague from Timmins—James Bay, somebody who, along with many of our colleagues, certainly from northern Canada and northern Ontario, has been very clear about the way in which this is impacting so many of our regions.

He brings up an excellent point. It is shameful the extent to which the Liberal Party members, certainly those from the provinces that will be impacted by the HST, stand against not just the interests, but the needs and the challenges that seniors, students and aboriginal people face in their regions and in their provinces. They should stand to support Canadians.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I just want to make a brief comment on what was said by the member for Timmins—James Bay about democracy. That is what it is all about. It is democracy.

**Mr. Peter Julian:** Closure, closure.

**Mr. John Cannis:** It is that New Democratic Party that is oppressing democracy. It is literally telling the provinces of British Columbia and Ontario that they cannot democratically choose how they wish to be governed. That is shameful on behalf of the NDP.

**Ms. Niki Ashton:** Mr. Speaker, when we talk about democracy, democracy is debate. After all, we have this space to debate, to discuss policies that will go forward. I respect that not all parties feel this is perhaps essential, but from what I understand, in elections, that is the mandate we are given. If there is nothing more important than when it comes to a new tax that is unfair on people who are already struggling to make it work, then what are we doing here?

**The Deputy Speaker:** It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre, Aboriginal Affairs; the hon. member for Etobicoke North, Health.

We will resume debate. The hon. member for Burnaby—New Westminster will have the floor. I am sure all members will accord him the same courtesy as he accords others when they speak, and listen intently and not interrupt.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I appreciate your diplomacy on this. Of course this is probably one of the most despicable episodes in Canadian Parliamentary history.

What we have right now is the sorry remnants of the Reform Party, which used to believe in popular democracy, which used to believe in consultation, which used to believe in actually consulting the public, allied with the sorry remnants of the Liberal Party that actually used to believe in due process. They are ramming through, with closure, a bill that is going to impose on the average family in British Columbia a \$2,000 bill. These families are struggling economically. These families are already finding it very difficult to make ends meet. The sorry remnants of the Conservatives and the Liberals are allying together to impose closure on all of those Canadians.

In this corner of the House, the NDP is not standing for it. We are speaking out.

I want to make it very clear that if people want to exercise their opposition to the HST, then in coming elections or in coming byelections, they should be voting NDP. It is as clear as that.

Why is closure being imposed this week? We all saw, the whole country saw, the results of the byelection in New Westminster—Coquitlam. The Conservatives pumped unlimited resources into that riding. What was normally a barometer riding, they were hoping to take it. The residents of New Westminster—Coquitlam and Port Moody unequivocally rejected the HST and the Conservative Party on November 9.

*Government Orders*

If we take those results of New Westminster—Coquitlam and Port Moody and we put them right across British Columbia, a dozen Conservative MPs will not be back in the next Parliament. That is because British Columbians are speaking with one voice. They are saying “no” to the HST.

What do we see? The Conservatives are now, in one of the most sorry Parliamentary episodes that we have ever seen in our country, imposing closure, imposing a motion and imposing a bill that provides for four hours of so-called committee work, between 7 p.m. and 11 p.m. on a weekday evening. It is absolutely despicable what they are doing to the Canadian public, what they are doing to British Columbians and Ontarians, which is almost half the country, if we take those two populations, by imposing closure and refusing the kind of public participation that we should have.

Only the New Democrats are standing in the House, saying that we do not agree. We are going to do everything we can to force the public consultations that the government should be performing.

There is no doubt that this plot was hatched by the Conservative government, that it forced the HST on British Columbians and Ontarians. It offered up the so-called bribe money to try to influence those governments. However, in the British Columbia election, which was held on May 12, not a single reference was made to the HST. In fact, the premier at that time said that he was not even considering bringing in the HST. British Columbians may have voted on that basis, but they were fundamentally lied to by B.C. government. There has been no public consultation. There has not even been a vote in the legislature.

For the Conservative government to impose closure on this bill, to impose closure on the HST, is nothing less than an attempt at damage control. The Conservatives have no legitimacy to bring this in. They have no legitimacy, aside from their sorry Liberal allies, to impose this on British Columbians. They are doing it because they are hoping that British Columbians are going to forget.

British Columbians are not going to forget. They understand the implications such as \$500 for the average British Columbian, \$2,000 for the average family of four. This is a tax shift for corporate CEOs who the Conservatives and Liberals seem to love. They just cannot give enough love to corporate CEOs. They will give them whatever they want, regardless of whether it makes sense fiscally or not. However, that massive and irresponsible tax shift has to be paid for and it will be paid by ordinary British Columbians and Ontarians. It is not only bad for the individuals involved, it is not only bad for British Columbia and Ontario families, it is bad for community businesses.

• (1615)

As these fees go up throughout the whole spectrum of necessary purchases that families make in this country, small businesses will find that their clients have less money to spend. That is why the restaurant industry, dry cleaners, hairdressers and barbers all oppose this incredibly misguided, irresponsible and outrageous tax shift. It does not just hit individuals. It hits community businesses as well.

We have another sop to foreign companies so the money can go to Houston and the Bahamas, but people and businesses on Main Street in small towns and cities across British Columbia and Ontario will

be negatively impacted. Some businesses will go under and some families will lose their homes because, quite frankly, \$2,000 breaks the backs of some families that are already suffering because of this recession.

This irresponsible move is something the NDP will oppose. We will oppose it here, we will oppose it as we go across the country and we will see the consequences of this irresponsible folly in the months to come.

Every NDP MP actually listens to his or her constituents. Unlike Conservatives and Liberals who seem to come in here with the idea of representing Ottawa to their home constituency, the NDP members listen to our home constituents. We have all been flooded with emails and letters that talk about this appallingly irresponsible tax shift.

I am going to read just a few of the many emails and letters. I could spend 12 hours reading them into the record, but I only have a few minutes.

Marie from Burnaby says, “I oppose the HST. I supply much of the clothing for my great grandchildren, as well as my grandchildren. I am 68 years old and will be unable to keep this up as the extra 7% will make a big difference”.

Patricia from New Westminster says, “I strongly oppose this tax on the basis that the B.C. Liberals have no mandate to create such a tax. It is being unfairly implemented in B.C. and will place too great a burden on consumers struggling to cope with the recession.

Doug from Burnaby wrote to the leader of the Liberal Party, who is not listening, as the leader of the government is not listening, and asked, “Does it not concern you that the overwhelming majority of citizens of B.C. have spoken loudly and clearly against the HST?”

Nadia is from Burnaby and works in the food service industry. She says, “I am very worried about the impact of the HST on our business. Consumers today don't have money to spare and higher prices will mean fewer customers”.

A new Canadian who has come here from overseas says, “I am strongly against the application of the HST. I am extremely disappointed with my decision of immigrating to Canada because this is a country discouraging positive endeavour. The HST will be just like frost on the snow of our future lives”.

Members can laugh about new Canadians opposing the HST, but we are their voice in the House. The government should start listening to ordinary British Columbia and Ontario families and new Canadian families. It should start listening for the first time. It should actually listen to the voices coming from across the country opposing the HST. Rather than invoking closure, what it should be doing is holding public hearings and allowing the real voices of Canadians to be heard.

*Government Orders*

The NDP has opposed this unfair tax shift not only nationally, but we opposed it in each of the provinces. In Saskatchewan we stopped it cold, rolled it back and abolished the HST. We knew it was bad for ordinary families. In Manitoba we stopped it cold and refused to implement it in Nova Scotia. The new NDP government in Nova Scotia has cut it out on heating fuel because it knows what this means for ordinary families in Nova Scotia.

Across the country we oppose the HST. It is unfair to ordinary families, and British Columbians and Ontarians deserve better from the government.

• (1620)

**Mr. Stephen Woodworth (Kitchener Centre, CPC):** Mr. Speaker, most Canadians operate on the basis that a democratically elected government represents the people who elected it. Most Canadians accept that a democratically elected government has the right to make decisions on behalf of the people who elected it.

Now we see the NDP advancing the anti-democratic idea that the House should dictate and impose its will on the democratically elected governments of B.C. and Ontario. If the people of B.C. and Ontario do not like the HST, they will have their chance to change it.

Why do the NDP not trust the people of Ontario and B.C.? When did the NDP abandon the idea of democratically elected governments for the provinces?

**Hon. John Baird:** Dalton couldn't get any work done. I had to come here to help him. Dalton couldn't get any help from the Liberals. I had to come here and help him.

**The Deputy Speaker:** Order, order.

The Minister of Transport will have a chance to ask a question if he chooses to get up and asks to be recognized.

The hon. member for Burnaby—New Westminster.

**Mr. Peter Julian:** Mr. Speaker, I doubt very much that the Minister of Transport will get up because he cannot defend his actions in this House. He cannot defend them to his constituents either. I very much doubt he will actually care to stand up and speak on this.

However, I want to reply to the question that was asked by the Conservative member, who insinuates that standing up against closure and allowing for public hearings on this issue, so that real British Columbia and Ontario families can be heard in the House of Commons and heard in committee, is somehow anti-democratic. One has to wonder what kind of stuff is in their water.

One would have to be incredibly irresponsible to say that a closure motion, refusing public hearings and committee consultations on this bill, is somehow in any way democratic. Maybe in Colombia, but not here in Canada.

• (1625)

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I am glad the Minister of Transport did not get up. He gets enough time during question period; it is our time now.

Nevertheless, the member for Kitchener Centre placed it one way, and I would like to place it a different way. The member for Burnaby—New Westminster said that Manitoba, for example, rejected it.

I know he believes in democracy, and democratically, the question is not up to us. The Conservative government of the day has made a proposal to these two provinces, British Columbia and Ontario. It is up to those two provinces to accept or decline. Who is he, or I, or anybody else to decide? I say to the member, who believes in democracy, let those provinces make up their own minds. They will either pay the consequences or reap the benefits. Let them make that decision.

**Mr. Peter Julian:** Mr. Speaker, those provinces have made their decision. Nearly 80% of the people in Ontario have said they reject the HST. Over 80% of the population of British Columbia has said they reject the HST.

Very clearly the public in both of those provinces have spoken out. What they are not getting from either Conservatives or Liberals is any sort of respect for the democratic process. This is closure. This is not allowing any sort of public participation, any sort of public consultation, any sort of committee work, nothing at all.

This is nothing but anti-democratic closure, pure and simple. That is why one party is standing up for British Columbians and Ontarians.

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, I want to thank the member for being so clear about the effect on ordinary families.

One of the other effects this legislation will have in British Columbia is that it will end the exemptions that were improving environmental behaviours. Things like bicycles are now going to be taxed for the first time in 30 years in British Columbia, and things like insulation and energy star windows and doors and refrigerators.

How can we stand by when that kind of policy change is going to be possible because of this legislation?

**Mr. Peter Julian:** Mr. Speaker, it affects the environment and environmental legislation. It also affects community hockey. What could be worse than an attack on hockey in this country?

As many of the minor hockey associations are realizing, they are going to have to spend tens of thousands of dollars more to access ice time. Is that absurd or what, that in British Columbia and Ontario the Conservatives are even attacking hockey through this HST?

They simply have gone low beyond belief. They simply do not understand why this is such a hated tax, but they do understand it is hated and that is why they are invoking closure in the most fundamentally anti-democratic way. They are trying to ram the whole thing through this week and are hoping that British Columbians and Ontarians are going to forget.

We are not going to forget and Ontarians are not going to forget. By targeting hockey, environmental programs and everything else, they will suffer the consequences.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP):** Mr. Speaker, I will be sharing my time with my colleague from Vancouver Kingsway.

*Government Orders*

I rise to speak against the implementation of the HST by the Conservative government and the rush to push the HST legislation through with the help of the Liberal and Bloc opposition parties.

We should really be debating measures that would actually help people. While workers from Nortel watch their pensions evaporate at the same time as the executives of the company receive ludicrous bonuses, while foreign ownership wages attacks on the workers of the Canadian mining industry, and while pulp and paper producers reel from body blows inflicted by a government that refuses to stand up to unfair trade practices in the United States, we debate saddling the average consumer with a tax bill to replace the revenue lost to irresponsible corporate tax cuts.

It is obvious that the NDP is the only true opposition party in this place. We are the only party willing to stand up for Canadians on the issues that matter most to them. If some are wondering why we are opposing the HST and its fast-tracking, let me tell them why. It is because it is the wrong tax at the wrong time. It is because people continue to feel the impact of an economic downturn and do not need another burdensome tax.

Families, laid off workers, people on fixed incomes, students, pensioners and especially single women pensioners, who are some of the poorest people in Canada, will now have to dish out more of their limited incomes to buy basic necessities, or do without them.

While Ontarians and residents of B.C. receive a bigger tax hit on everything from haircuts to funerals, big corporations walk away with an additional \$4 billion in tax cuts.

Do we really think that corporations like Scotiabank, which boasts a quarterly profit of \$872 million and a CEO who is paid \$7.5 million, should get additional tax cuts while people in northern Ontario will have to pay an average of \$330 more for gas? Gas prices in places like Wawa, Manitowadge, White River, Hornepayne, Elliot Lake, Blind River, Nairn Centre, Kapuskasing, Hearst and Smooth Rock Falls border on the insane and now will be 8% more.

There is no recognition from the government that the cost of living in northern Ontario is much higher than in the south, which means that the impact of this tax grab will be disproportionately larger among northerners. Does that seem fair or equitable? Another reason we are against the implementation of the HST is the shirking of Canada's statutory, contractual and common law obligations to consult with first nations.

First nations will be impacted greatly by the implementation of this blended tax. They are currently some of the most marginalized, vulnerable and poorest people in Canada. In Ontario, the point of sale has proven beneficial for them and their ability to better provide for their families while on very limited incomes. Having gone through years of this kind of treatment at the hands of the federal Liberals, first nations had hoped they would finally get a government that would address these inequities affecting first nations. This is certainly not the case.

Earlier today, I shared a message from Chief Franklin Paibomsai. For the record, I would like to add a few more of the names of those who sent me similar messages from Birch Island on beautiful Manitoulin Island, these being Kyle McGregor, Gabriel Paul and Valerie McGregor. As mentioned yesterday, Grand Council Chief

Patrick "Wedaseh" Madahbee of the Anishinabek First Nation has written government officials to raise objections on behalf of the approximately 52,000 people within 42 first nations communities in Ontario and other first nations people in Ontario. They are outraged by the government's violation of statutory and contractual rights to consultation.

I would like to remind the government that it is not only first nations people who will be impacted by the removal of the point of sale tax exemption. Ontario farmers, who are already facing a very difficult time, will also be impacted. Farmers currently present their farm organization card and sign for the exemption. Not under the HST. They will now have to fork out taxes ahead of time and hopefully will receive some of those back at tax time.

I just want to backtrack a little bit and talk about first nations again. I have a couple of letters I would like to read from some of my first nations communities.

● (1630)

The following letter is from Roger Boyer:

It is our hope that you are standing strong with your Anishinabek voters against this colonial HST. Remember us when you vote and the enormous impact it will have on your Anishinabek population and other individuals who will be impacted as well.

He signs it, "I.e. Disabled", because he is disabled.

I have another one here from Peggy Domingue, the health care coordinator of the Chapleau Cree Health Services:

I just wanted to go on record to object to the proposed HST tax. I would also ask for your support in protecting our Aboriginal Treaty rights and for your vote against this tax.

Thanking you in advance for your assistance in this matter.

Peggy, you can be reassured that the NDP will be voting against this tax.

I have another one from Chief Irene Kells of the Zhiibaahaasing First Nation on beautiful Manitoulin Island:

On behalf of Zhiibaahaasing First Nation, I wish to express to you, as Chief of our community, our opposition to the Ontario-Canada proposed Harmonized Sales Tax (HST).

Our community, alongside with most other First Nations people in Ontario, have treaty and Aboriginal rights to tax exemption. The HST, as proposed, takes away that right. This new system does not provide for point of sale tax exemption for our people-which currently exists within the Ontario Retail Sales Tax system. All purchases made by First Nations people are potentially taxable especially if the purchased goods are not delivered to the reserve.

We have voiced our concerns to both the Province and Canada-calling on them to work with us in finding acceptable resolution to this; in essence to maintain the point of sale tax exemption.

But the reactions and/or inactions are extremely disconcerting to us on many levels.

First of all our communities were never consulted before Ontario and Canada entered into the agreement to negotiate the new system-Integrated Tax Co-ordination Agreement-CITCA.

Furthermore, the impacts of HST will hit our communities and citizens hard.

Many of our people live in poverty or close to it and with HST in place as proposed their struggle will be endured even more.

*Government Orders*

Impacts will be similar among non-First Nations people—especially those on fixed incomes—lower to middle class families. A single sales tax system will now see goods and services taxed, that weren't before, ie: gasoline, heating fuels, tobacco, taxi fares, fast foods, professional and personal care services—essentially what most people need or use every day.

Again, on behalf of Zhiibaahaasing First Nation, I express our opposition to the HST and we will do everything necessary to stand alongside our brothers and sisters province-wide in voicing our opposition—standing up for our rights.

Please find enclosed a Band Council Resolution which speaks of our community's unity against the interference of tax exemption rights for our people.

It is unfortunate that our people are yet again, forced to defend our rights against governments who chose to ignore them.

Chief Irene Kells can rest assured that the NDP is doing just that today.

• (1635)

[*Translation*]

The Conservatives would have people believe that they are the defenders of the tax. Let us look more closely at the NDP and Conservative records on sales taxes.

In 1990, the Conservatives, under Brian Mulroney, passed the GST in the House of Commons by a vote of 144 to 114. The NDP members voted against the GST.

In 1991, the Conservative federal government entered into an agreement with the Premier of Saskatchewan, Grant Devine, to harmonize the GST with the provincial sales tax.

When he was elected as premier of Saskatchewan, the first thing Roy Romanow did was announce that he was doing away with tax harmonization.

In 1996, the Conservatives backed the Liberal plan to harmonize the GST with the PST in Nova Scotia, New Brunswick and Newfoundland and Labrador.

The NDP voted against that harmonization.

By the way, the government responsible for the largest tax reduction in Canadian history is the NDP.

Under an NDP government, Saskatchewan's PST went from 9% to 5%, a 44% reduction. This is an even bigger reduction than Stephen Harper's two-point decrease in the GST, which amounts to a 29% reduction.

[*English*]

I know my time is just about up. I do have a lot of other letters that I will read, but I am sure I will have time to read them during questions and comments.

**The Deputy Speaker:** I will just remind the hon. member not to use proper names but titles or riding names when referring to members in the House. I believe I heard the proper name of the Prime Minister. I know the member will try to avoid that in the future.

**Mr. Jeff Watson (Essex, CPC):** Mr. Speaker, I listened intently to the member's speech. She talked about the insane price of gasoline in the northwest part of Ontario.

Today Bill C-311 passed out of the environment committee and went back to the House. That is the NDP's climate change bill.

Experts told us that would peg gas at about \$2.50 a litre, about triple the price of gas in Ottawa today.

I wonder if the member is as concerned with that and if she has been as honest with the same people on fixed incomes about what the NDP's climate change bill will do as she has been about what she thinks the effects of the HST will be.

**Mrs. Carol Hughes:** Mr. Speaker, I am glad that the climate change bill is finally coming back to the House because the government has not done anything to move it forward. It is coming back to the House but it is not going to be passed in time for the Copenhagen conference.

Again the member is trying to mislead the public with regard to the price of gas. We are not misleading the public because we see what is going on. Let me read a couple more letters:

I'm writing to express my opposition to Bill 218, Ontario Tax Plan for More Jobs and Growth Act, 2009. Homebuyers and sellers will pay 8% more on legal fees, appraisals, real estate commissions, home inspection fees, moving costs, gasoline, personal and professional services, plane tickets, vitamins and cellphone charges. It will impact my family's quality of life in a negative way by taking more of our hard-earned money to fund government initiatives.

That is from Carol Rott, who is a real estate agent. She is concerned because this will affect her income.

I will wait for the next question before I read another letter.

• (1640)

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** Mr. Speaker, I would like to thank the hon. member for her very thoughtful presentation, particularly on behalf of the first nations of Canada.

I would like to bring to the attention of the House, if members did not pay attention to the latest Auditor General's report, a series of reports by the Commissioner of the Environment and Sustainable Development. The commissioner identified a serious lack of attention by the federal government in addressing potential impacts to first nations water sources due to the lack of attention to waste management. The Commissioner of the Environment and Sustainable Development and the Department of Indian Affairs have identified serious problems with the lack of legislation to protect aboriginal safe drinking water.

I wonder if the member would speak to the fact that if we actually provide the opportunity to the people of Canada to discuss this proposal, including the first nations people, perhaps they would like to provide us with their advice on how we could better spend this \$8 billion. Perhaps it would be by providing safe drinking water to all Canadians.

**Mrs. Carol Hughes:** Mr. Speaker, certainly there is a better way to spend those dollars that are being advanced to the provinces to implement the HST.

There are many communities, especially first nations communities in northern Ontario, that do not have schools. Some of them still are having some difficulties with their water systems. All of them are in need of affordable housing that would house one or two families instead of three or four families.

Let me quickly read another letter.

*Government Orders*

A definite "NO" to Harper's Conservative HST July 1—

**The Deputy Speaker:** Order. I will just remind the hon. member that we cannot do indirectly what we cannot do directly, even when we are reading a quote.

I will take this opportunity to try to get one more question in. The hon. member for Scarborough Centre.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, the member for Algoma—Manitoulin—Kapuskwasing read letters and then talked about no consultation and what is going to happen with the first nations people, and she is right.

I am not here to defend the current government, but for the sake of transparency and democracy, the question is, why is she not asking her provincial counterparts to do the consultations, to do the town hall meetings, to do all that is needed to consult people? After all, for another time, it is up to the province to decide whether it wants to implement this tax. The Conservative government is simply making a proposal to Ontario and British Columbia. They can say no if they wish to.

**Mrs. Carol Hughes:** Mr. Speaker, Bill C-62 makes this very clear. We are debating this bill in the House today because it is the responsibility of the federal government at this point to move this forward.

The Liberals are the ones to talk because over and over they failed to consult properly with first nations; otherwise, we would not be in this situation.

I just want to finish this letter:

A definite "NO" to [the Prime Minister's] Conservative HST July 1, 2010 tax. Canadians and pensioners are paying too high taxes. No more.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, it is truly an honour to stand in the House and speak against what I think is one of the most regressive pieces of legislation that has been put forward in Parliament this year. The reason it is a real honour is that only occasionally in politics can one discern when a measure that has been proposed by government is roundly disliked and opposed by the population that we come here to represent.

I can tell the House, as a member of Parliament from British Columbia, one of the two provinces that is about to have this HST imposed on them at the hand of the Conservatives with the help of the Liberal Party of Canada, the province that I represent, British Columbia, is absolutely overwhelmingly opposed to this measure.

The other thing is that in a democracy, the people are always right. In this particular case the people are not only right, in that a vast overwhelming majority of people are opposed to it, but they actually understand very well the reasons why this tax is bad policy and is bad for them. I am going to go through some of those reasons.

The number one reason this tax is bad is that it will hurt consumers. Context is everything. Think of the timing. Right now we are in the middle or perhaps the late stages of a recession, when our economy is operating at approximately two-thirds of its effectiveness. Many people are unemployed. Many people are worried about their paycheques. They are worried about their jobs. They are worried about their pensions. Businesses are having trouble as well. What happens? We bring in a tax that is going to shift the tax burden of this country from corporations on to consumers.

Putting aside political rhetoric in the House, which is always a difficult thing to do, I have heard members on the other side of the House say that they are the party that champions tax cuts. They say that we are the party that is always in favour of tax increases.

Let us tell the truth about this tax. This tax is a tax increase. The HST represents the addition of a tax on the people of British Columbia. I will tell the House why. While harmonizing the GST with the provincial PST, as that is being implemented by the government, that combined tax is now going to apply to many goods and services that previously were not subject to the PST. That means many dozens and dozens of goods and services in British Columbia that are not subject to the PST will in fact be subject to the PST after July 1, 2010.

I am going to list some of them: restaurant meals and catered foods, snack foods, prepared foods and heated foods, school supplies, taxi fares, movie and theatre tickets, accounting services, veterinary care, classes for yoga, dance, cooking and martial arts, membership fees for clubs and gyms, acupuncture and alternative medicine, haircuts, repairs to home appliances, laundry and drycleaning, carpet and upholstery cleaning, janitorial services, car washes, local residential phone service, basic cable TV service, new homes over \$400,000, vitamins, dietary supplements, even the cost of a funeral.

Here is the truth. The truth is that the HST represents a tax increase of 7% on British Columbians on all of those goods and services. My friends opposite do not want to acknowledge that. They just want to ignore that fact and use political rhetoric, but that is the truth.

We have to ask ourselves, at a time when Canada is in a recession, when middle and working class families across the country, particularly in British Columbia are struggling to stay ahead, is this the time that we should be making a comprehensive list of goods and services, like the one I just read out, more expensive? I do not think so.

Number two, this tax is going to hurt business. It is not just me who is saying this. I have gone to public fora in British Columbia and I have heard representatives from organizations as diverse as the British Columbia Restaurant and Foodservices Association, the British Columbia Real Estate Association and representatives of small business associations of every type. They have made it very clear that the HST is bad for their business. It is bad for small business. Why? They know that the consumers that they count on to patronize their businesses and keep them healthy will not be able to do so in the future to the same degree that they are doing now.

The government has talked about how the HST will reduce paperwork. Yes, it may in fact do that. It may reduce certain inputs. Yes it may in fact do that. However, the very best measure one can take for a business and what businesses depend on is having customers. Measures that actually attack a customer base, and these are the types of retail businesses that count on healthy customer bases, will suffer as a result of the HST. That is a bad thing for our country.

● (1645)

Number three, this tax represents an unfair tax shift.

*Government Orders*

Again, if we put all politics aside and just tell the truth about tax policy in this country over the last 20 years, the numbers are absolutely clear. There has been a complete tax shift from corporations on to individuals. That is a fact.

Members in this House who want to dispute that should bring forward their numbers and let us have a debate on that. But that is the truth. It represents a philosophy that I say is outmoded, that began in the early 1980s with Ronald Reagan and Margaret Thatcher. It is trickle down economics, where if the tax burden on large corporations is reduced, then what they will do is magically cut their prices and those benefits will flow right down to the consumer.

Let us look at the evidence. Over the last 25 years in North America, and Canada in particular, the inequality gap between the wealthy and the poor has grown dramatically. The proposed so-called benefits of giving tax breaks to the wealthy and large corporations because that will trickle down to all of us has not materialized. In fact, it has been the exact opposite, just as New Democrats said would happen in the early 1980s, and we say it again in 2009.

Number four, this tax is a regressive tax.

What is a regressive tax? A regressive tax is applied to someone regardless of the person's income. On July 2, 2010, a poor, single mother will walk into a store in British Columbia and she will pay the same 12% tax on a good that a billionaire walking into that store will pay. That is unfair. It is bad economic policy, but most of all, it is unjust. That 12% to a person making \$22,000 a year represents a much larger percentage of the person's income than that 12% does for someone making \$300,000 a year.

The Conservative government, of course, carrying on the tradition started by the previous Liberal government, has presided over the flattening of our tax system, the regressing of our tax system over the last 25 years. It has made Canada a much more unfair and a much more unequal place today.

We cannot sit and ignore the reality that people make less in real dollars today. Middle-class earners or working-class earners make less money in 2009 than they did in 1999. That is not progress. However, I can say that large corporations and the wealthy make disproportionately more money today than they did in 1999. That is a tragedy for our country. It is going in the wrong direction.

The fifth reason that this tax is a bad idea is that it is born of dishonesty.

I was in British Columbia in May 2009 when journalists asked Premier Gordon Campbell directly, "Are you considering bringing in an HST?" I was in British Columbia when the minister of finance in British Columbia, a member of the Liberal Party, was asked whether the party was considering bringing in an HST. What did they say? They said, "No". That is an act of political dishonesty. If it is such a good idea to bring in an HST, if there are arguments that they think will convince the majority of the population that it is a good policy and should be brought in, why did they not have the guts to talk about it?

That dishonesty has been compounded by the federal government. I sit in this House every day and watch as the Minister of Finance

stands and says that this is just a provincial issue, that it is not the federal government.

I have a copy of the memorandum of agreement signed between the federal government and the Province of B.C. It says:

...both parties will make substantial investments into implementing the BC VAT... both parties commit to using their best efforts to negotiate a new Canada-British Columbia Comprehensive Integrated Tax Co-ordination Agreement.

It says:

Subject to both Parties having signed the Canada-British Columbia CITCA...will work toward the imposition of the proposed BC VAT...

...Canada will make payments totalling \$1,599 million to British Columbia conditional on the execution and ratification of the Canada-British Columbia CITCA by British Columbia.

It is an act of political dishonesty for that side of the House to stand and say that this is just a provincial decision. This is a decision made by the Conservative government and it goes back to 2006 when the Minister of Finance said:

The Government invites all provinces that have not yet done so to engage in discussions on the harmonization of their provincial retail sales taxes—

● (1650)

**The Deputy Speaker:** Order. Questions and comments. The hon. member for Saskatoon—Wanuskewin.

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I listened with great interest to my colleague and to the previous speeches by other members of his party. It appears that many of them have a great passion for provincial issues and are fairly knowledgeable, I would concede, as well. I know the member has not been long in the House, but he may want to take his speeches and some of the issues he shared to the provincial realm and make that argument before the public there, the good citizens of British Columbia.

The member would also be aware that if it so chooses, the Province of British Columbia will have discussions in terms of exemptions or a zero rate on certain things. He listed a number of things; it is a possibility, within the latitude they have, to actually eliminate or to have an exemption for some of the things the member listed.

Because the member has great concern and knowledge and understanding of provincial issues and of the impact, and because this is primarily a provincial issue, I want to know if he will tender his resignation in this place to go to pursue provincial politics before Christmas, or when the House resumes in February?

● (1655)

**Mr. Don Davies:** Mr. Speaker, the main supposition of that question is totally false, and in fact it is ridiculous. The hon. member says he listened to my speech but, with respect, I question that, because I have gone through a number of points that make the facts clear, and this is not just a provincial issue. The HST is the product of an agreement between two parties, the federal government and the Government of British Columbia.

I have another quote from the Minister of Finance: "We are also calling on the remaining provinces that have not harmonized their PST with the GST to work with us to accomplish that goal of harmonization". That is the finance minister, Jim Flaherty, in a speech to the C.D. Howe Institute on April 10, 2008.

*Government Orders*

**The Deputy Speaker:** I will take this opportunity to remind the member for Vancouver Kingsway not to use proper names, but to use ridings or a title.

On questions and comments, the hon. member for Timmins—James Bay.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, I watched the Conservatives squirming in the back seats. In fact, they have been so bad that they are taking to cheering on their anemic friends in the Liberal Party, because both of them are facing the same issue: they do not want the debate. They do not want this issue coming home to roost because of the issue of senior citizens and because of the issue of first nations.

My hon. colleague would know that this party has crunched the numbers on what is going to happen on gas prices. We have done the number-crunching. We know the phenomenal cost that is going to hit people at the pumps.

Why does he think this party is trying to hide behind Dalton McGuinty and Gordon Campbell for something that they initiated? It is because they know that when they go home and people in Ontario find out about the extra billion-plus dollars they are going to be paying at the gas pumps, they are going to look to the Conservative Party and say that this is the party of Mulroney, who ripped us off with the GST, and this is now the party of the present Prime Minister and the HST and their little friends in the Liberal Party. Why will they not have the evidence brought forward? It is because they do not want the public—

**The Deputy Speaker:** Order. The hon. member for Vancouver Kingsway.

**Mr. Don Davies:** Mr. Speaker, I have a different proposition for the members opposite. Next election, let them come to the province of British Columbia, let us go onto the hustings, and let us debate in every gymnasium, every auditorium and every household about whether the people in British Columbia want the HST and whether they think it is good policy.

I do not remember anyone on that side of the House bringing up the HST during the last federal election. I do not remember that. I do not think it was in their platform. It was the same thing with respect to their Conservative cousins in the Liberal Party of British Columbia.

This tax has been introduced by stealth. The reason is that they know they have just put a tax increase on working- and middle-class Canadians and they do not have the courage to stand up before those people and acknowledge it—

**The Deputy Speaker:** Order. I am going to try to get one more 30-second question in. Hopefully it will have a 30-second response.

The hon. member for Brampton West.

**Mr. Andrew Kania (Brampton West, Lib.):** Mr. Speaker, first I would like to state that I respect my friend greatly. I have had a chance to get to know him on the public safety committee.

He will agree with me on two points. The first is that this was instigated by the Conservative government. In the Ontario example, it agreed to pay \$4.3 billion, and in British Columbia I believe it is \$1.5 billion. Second, we are all suffering through the greatest

economic crisis since the Great Depression. We have lost 500,000 full-time jobs across the country, thanks to the government.

The point is this: the provinces have the right to try to do something to try to create jobs. In Ontario the experts say that through this HST, approximately 600,000 new jobs will be created. I am going to ask—

**The Deputy Speaker:** Order. There is only a few seconds left for the member for Vancouver Kingsway.

**Mr. Don Davies:** Mr. Speaker, I think the idea that jobs are created by implementing a tax on working- and middle-class Canadians is not only untested but fallacious. I do not think that is the kind of job creation project that we want in this country, and that is not the kind of strategy that we should have.

● (1700)

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, I will be splitting my time, if there is any left, with the member for Western Arctic.

It has been interesting to listen to the debate in this House, because what we have heard is a radical attempt by the Conservatives to distance themselves from this tax. Part of the challenge with this is that if there is no role for the federal government, why are we debating Bill C-62 in this House?

In addition, we have an agreement here entitled “Memorandum of Agreement Concerning a Canada-British Columbia Comprehensive Integrated Tax Co-ordination Agreement”. Throughout its text, this agreement defines the parties as the Government of Canada and the Government of British Columbia, so we have two parties involved in this agreement, and we need to have this debate in this House because Canada is party to this agreement. To say there is no federal role is simply false.

I want to touch on a couple of points here.

This one is still relevant, even though it occurred back on September 19, 2009. *The Globe and Mail* ran an article on the tax reform and HST. The headline in this article was:

HST's price tag revealed: consumers hit hardest. While businesses will save \$6.9 billion, consumers will pay higher prices on wide range of goods and services, report shows

This was a report done by the TD Bank. They are hardly left-wing, anti-tax folks. The article says:

The TD report adds fresh fuel to accusations...that harmonization is little more than a tax grab aimed at benefiting businesses at the expense of consumers.

They go on to say:

Businesses will reap huge savings because they will be able to claim rebates. But consumers will end up paying the new tax on goods and services that are currently exempt from any tax.

It is no wonder that in the province of British Columbia, the sentiment is the same as in Ontario. Ipsos Reid's poll for Canwest and Global National last week indicated that 82% of British Columbians oppose the harmonized tax, and 56% of B.C. respondents said that they think the HST will hurt the provincial economy. We know that there has been an attempt to sell this as a job creation effort, yet 56% of British Columbians simply feel that it will impact on the provincial economy and on their jobs.



We fundamentally disagree with the idea that there is no federal role in this, and I want to point to the issue around first nations. First nations, both in Ontario and British Columbia, are opposed to the HST. That is clearly within the federal jurisdiction. In fact, an article by the Canadian Press in *The Chronicle Journal* in Thunder Bay on December 4 says that the Ontario aboriginal affairs minister stated that “the province supports demands for a point-of-sale exemption for first nations and is urging Ottawa to get behind the move. Premier Dalton McGuinty has written to Prime Minister Stephen Harper to ask him to grant the exemptions”.

We heard in this House previously that the province needs to look after it, but in fact what we have is the Ontario provincial government writing to the federal government, writing to the Prime Minister, to ask why they are not honouring this point-of-sale exemption that is in place in Ontario, and in British Columbia the first nations are saying the federal government has a duty to consult when it is looking at any additional taxes for first nations.

I want to turn to the jobs front for a moment. There have been a number of reports, and this is one that came out in the *Victoria Times Colonist*. It says:

The implementation of a 12 per cent harmonized sales tax in B.C. will cost the tourism industry as many as 5,174 jobs and see visitor spending drop by as much as \$545 million annually...

This was done by the Council of Tourism Associations of British Columbia. I know people like Bob Wright from the Oak Bay Marine Group in Victoria have been loudly speaking out in opposition to this tax, which they see as directly impacting on the tourism business in British Columbia.

School districts have been calling. In British Columbia we already know that school districts have been particularly hard hit in these tough financial and economic times, and this is probably true in Ontario. What we have seen in British Columbia is that the school districts are looking at their budgets and recognizing that having to pay this additional tax, this HST, is going to impact on their ability to deliver education to students, which is the whole goal of a school board.

• (1705)

They are asking that the provincial government provide the same HST rebate that is available to municipalities so they can continue to provide quality education.

The Canadian Food and Restaurant Association ran some articles saying that it estimates that British Columbians would pay an additional \$694 million on restaurant meals alone if the HST is introduced. It estimates that in 1991 its members lost 9.5% of their business when the GST was introduced.

The B.C. Care Providers Association wrote a letter to the B.C. members of Parliament. The care providers are very concerned about their ability to provide seniors' care. The letter states:

—It is estimated the HST will result in a negative economic impact on B.C. seniors' care providers of over \$10 million/year. Furthermore, it will penalize care providers that have rightfully been encouraged by our provincial government to contract out certain services to maximize direct patient care dollars.

The bottom line is that without HST mitigation, care providers will be forced to lay-off staff and reduce service....

### *Government Orders*

However, it is our strong belief that the Government of Canada should also play a more direct role in mitigating the negative impacts of the HST on seniors' care in BC - and Ontario....

More specifically, we are asking the federal government to include all providers of publicly funded and regulated long term care services in the same HST rebate category as hospitals.

That is another role for the federal government.

I have received emails, phone calls, faxes and letters from my constituents and other people in British Columbia. As I noted earlier, overwhelmingly people in British Columbia are opposed to the HST. I have referred to it in the past as the hated sales tax, the HST.

This email came in from a concerned citizen:

The Government and Liberal position that the HST matter is totally the responsibility of the provinces is fallacious because the VOTERS in the two provinces have not had the opportunity to vote on the matter, therefore it is being imposed without the support of 82 percent of the provincial electors. The federal government is effectively conniving with the provincial governments to pass this without public support.

This is not democracy in action. It is equivalent to the proroguing of Parliament affair—underhand and manipulative....

Inga from Gabriola said, “I am on assisted income and I have no money”. We have heard from many of our constituents that those on fixed incomes and pensions will be adversely impacted by, as my colleague from Vancouver Kingsway pointed out, this regressive tax. Laura from Duncan said, “As an abandoned mother, I am barely getting by now, and I cannot afford a 7% tax hike. Thank you for opposing the harmonized sales tax”. Another constituent said, “It is outrageous that the Liberal and Conservative governments are again hitting the poor Canadians. Hopefully Canadians will be hit so severely that we will all protest. Keep fighting for all Canadians”.

Another constituent said, “As a business owner, I am disappointed to hear it will help us and ease our paper burden. In my case, two businesses we have do not have PST, so it will increase our taxes, no change to our paperwork and yet again, no increase in my bottom line income”.

Another constituent said, “This HST tax on middle and lower class earners is outrageous and a crime. Our standard of living is disappearing fast”. Another constituent said, “I never realized just how tight a fixed income could be, where every cent counts”. Another constituent said, “I do not see how increasing taxes during difficult economic times can help. There is more money in circulation when people feel confident and I bet they have more spare dollars to spend”.

*Government Orders*

● (1710)

There are more letters that I could read into the record. The bottom line is that they are all on one theme: this is the wrong tax at the wrong time. This is not a time, when Canadians are already struggling to make ends meet, when people are worried about their jobs and seniors and pensioners are worried about being able to make their payments on their rent, on their medications, on their food. This is just the wrong time to pass on an additional cost to them. This is simply a tax shift from businesses, but not from all businesses. We have heard that this will not help the service sector at all. However, there is an overall tax shift from the business sector to consumers. This is not the time to pass on those costs to consumers in British Columbia and Ontario.

Mr. Speaker, I urge members of the House to reconsider their position, to vote against the HST, the hated sales tax, and oppose Bill C-62.

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, I enjoyed listening to the hon. member's speech regarding her opposition. She spoke passionately about how she feels this tax will deal with people who are recently unemployed, seniors and people on fixed incomes. I am curious as to why the member, who has been a member of the House for a lot longer than I, voted against reducing the GST from 7% to 6% and then from 6% to 5%, if she is so concerned about individuals who are unemployed and on fixed incomes.

**Ms. Jean Crowder:** Mr. Speaker, of course it is always convenient when members of the government pick isolated line items out of a particular budget and ignore all of the other things that New Democrats and their constituents were adamantly opposed to. When the member talks about not supporting the reduction in the GST, he ignores all of the other aspects of the budget.

We in the House would love to pull out the parts of a budget that we could support. We would love to pull out those parts of the budget and deal with them, but that is not the way budgets are presented in the House. I would continue to vote the same way as I have in the past. Those budgets were wrong for Canadians.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I am not going to pick isolated comments. The member said in her speech, and I quote, "This is not democracy". The NDP professes to be very democratic. The title of this bill is, and I will read it for the record, "Provincial Choice Tax Framework Act". The key word is "Choice". Why is the NDP today being so undemocratic in not allowing the provinces to choose? That is the question I want to ask.

**Ms. Jean Crowder:** Mr. Speaker, if the member wants to talk about undemocratic, we are in a House that put forward a motion to limit debate. I want to point out to the member that the debate is happening right here in the House in Ottawa. If the federal government has no role, I put the question back, why are we debating it in the House of Commons?

When we talk about democracy, if both the Conservatives and the Liberals were truly committed to a democratic process, they would allow a fulsome debate here. They would allow more than four hours for the committee to call witnesses from across this country.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, we see the Conservatives are getting increasingly agitated because

they know that folks back home, senior citizens and people on fixed income who are trying to acquire savings, are calling on us to keep this going because they want scrutiny over this bill.

In terms of the credibility of the Conservative Party on taxes, I would use one word, "Mulroney". Mulroney brought in the GST. Mulroney was the most hated prime minister in Canadian history. The entire party was booted out. The Canadian people forgot because they saw so much corruption by the Liberals.

Now what do we see? The first thing Conservatives do is go from the GST to the HST. They are trying to put across to Canadians that they are somehow their friends. They are not. We have seen the largest shift of taxation in Canadian history from corporations to senior citizens to people on fixed income. I would ask my hon. colleague, why does she think it is that they are afraid to hear from senior citizens, real estate agents and all the people who will be affected by this regressive Mulroney style—

**The Deputy Speaker:** Order. The hon. member for Nanaimo—Cowichan has 30 seconds remaining.

**Ms. Jean Crowder:** Mr. Speaker, the Conservatives do not want to hear from realtors, the tourism association, hairdressers and seniors because they are opposed. In the B.C.-Canada agreement, British Columbians are going to be on the hook for five years. When this agreement is signed, they have to agree for a period of at least five years following the implementation of the tax. This is why New Democrats are fighting so hard in the House to bring attention to it because we do not want our constituents to be locked in for five years.

● (1715)

[*Translation*]

**The Deputy Speaker:** It being 5:15 p.m., pursuant to order made on Monday, December 7, 2009, the time provided for debate has expired.

[*English*]

The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And five or more members having risen:*

**The Deputy Speaker:** Call in the members.

● (1740)

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 148)*

## YEAS

## Members

Abbott  
 Aglukkaq  
 Allen (Tobique—Mactaquac)  
 Ambrose  
 Anderson  
 Andrews  
 Arthur  
 Bagnell  
 Baird  
 Bélanger  
 Bennett  
 Bernier  
 Bezan  
 Blackburn  
 Blaney  
 Bonsant  
 Boucher  
 Bourgeois  
 Breitzkreuz  
 Brown (Leeds—Grenville)  
 Brown (Barrie)  
 Brunelle  
 Calandra  
 Cannis  
 Cardin  
 Casson  
 Clarke  
 Coady  
 Crombie  
 Cuzner  
 Davidson  
 Dechert  
 Demers  
 Desnoyers  
 Dhalla  
 Dosanjh  
 Dryden  
 Dufour  
 Duncan (Etobicoke North)  
 Eyking  
 Fast  
 Flaherty  
 Folco  
 Fry  
 Galipeau  
 Gaudet  
 Glover  
 Goodale  
 Gourde  
 Guarnieri  
 Guergis  
 Basques)  
 Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)  
 Hall Findlay  
 Harris (Cariboo—Prince George)  
 Hiebert  
 Hoback  
 Holder  
 Ignatieff  
 Jennings  
 Kania  
 Kennedy  
 Kerr  
 Kramp (Prince Edward—Hastings)  
 Laframboise  
 Lalonde  
 Lavallée  
 LeBlanc  
 Lemay  
 Lessard  
 Lobb  
 Lunn  
 MacAulay  
 MacKenzie  
 Malo  
 McCallum  
 McGuinity  
 McLeod

Ablonczy  
 Albrecht  
 Allison  
 Anders  
 André  
 Armstrong  
 Asselin  
 Bains  
 Beaudin  
 Bellavance  
 Benoit  
 Bevilacqua  
 Bigras  
 Blais  
 Block  
 Bouchard  
 Boughen  
 Braid  
 Brison  
 Brown (Newmarket—Aurora)  
 Bruinooie  
 Byrne  
 Cannan (Kelowna—Lake Country)  
 Cannon (Pontiac)  
 Carrie  
 Chong  
 Clement  
 Cotler  
 Cummins  
 D'Amours  
 Day  
 Del Mastro  
 Deschamps  
 Devolin  
 Dorion  
 Dreeshen  
 Duceppe  
 Duncan (Vancouver Island North)  
 Dykstra  
 Faille  
 Finley  
 Fletcher  
 Foote  
 Gagnon  
 Gallant  
 Généreux  
 Goldring  
 Goodyear  
 Grewal  
 Guay  
 Guimond (Rimouski-Neigette—Témiscouata—Les

Hawn  
 Hill  
 Hoepfner  
 Holland  
 Jean  
 Kamp (Pitt Meadows—Maple Ridge—Mission)  
 Keddy (South Shore—St. Margaret's)  
 Kenney (Calgary Southeast)  
 Komarnicki  
 Laforest  
 Lake  
 Lauzon  
 Lebel  
 Lee  
 Lemieux  
 Lévesque  
 Lukiwski  
 Lunney  
 MacKay (Central Nova)  
 Malhi  
 Mayes  
 McColeman  
 McKay (Scarborough—Guildwood)  
 Ménard

*Government Orders*

Mendes  
 Merrifield  
 Minna  
 Moore (Fundy Royal)  
 Murphy (Moncton—Riverview—Dieppe)  
 Murray  
 Nicholson  
 O'Connor  
 Obhrai  
 Oliphant  
 Pacetti  
 Paillé (Louis-Hébert)  
 Paradis  
 Payne  
 Petit  
 Poilievre  
 Prentice  
 Proulx  
 Rajotte  
 Rathgeber  
 Reid  
 Richardson  
 Ritz  
 Rota  
 Russell  
 Saxton  
 Shea  
 Shory  
 Simms  
 Smith  
 St-Cyr  
 Storseth  
 Sweet  
 Thi Lac  
 Tilson  
 Tonks  
 Trudeau  
 Uppal  
 Van Kesteren  
 Vellacott  
 Vincent  
 Wallace  
 Warkentin  
 Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)  
 Weston (Saint John)  
 Wong  
 Wrzesnewskyj  
 Young

Menzies  
 Miller  
 Moore (Port Moody—Westwood—Port Coquitlam)  
 Mourani  
 Murphy (Charlottetown)  
 Neville  
 Norlock  
 O'Neill-Gordon  
 Oda  
 Ouellet  
 Paillé (Hochelaga)  
 Paquette  
 Patry  
 Pearson  
 Plamondon  
 Pomerleau  
 Preston  
 Raitt  
 Ratansi  
 Regan  
 Richards  
 Rickford  
 Rodriguez  
 Roy  
 Savage  
 Schellenberger  
 Shipley  
 Silva  
 Simson  
 Sorenson  
 Stanton  
 Strahl  
 Szabo  
 Thompson  
 Toews  
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## NAYS

## Members

Allen (Welland)  
 Ashton  
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 Chow  
 Crowder  
 Davies (Vancouver Kingsway)  
 Dewar  
 Duncan (Edmonton—Strathcona)  
 Gravelle  
 Hughes  
 Julian  
 Leslie  
 Marston  
 Martin (Sault Ste. Marie)  
 Mathysen  
 Rafferty  
 Siksay  
 Thibeault

Angus  
 Atamanenko  
 Charlton  
 Comartin  
 Cullen  
 Davies (Vancouver East)  
 Donnelly  
 Godin  
 Harris (St. John's East)  
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## PAIRED

## Members

Ashfield  
 Calkins  
 Freeman  
 Mark

Bachand  
 DeBellefeuille  
 Kent  
 Nadeau — 8

**The Deputy Speaker:** I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Finance.

*Private Members' Business*

(Bill read the second time and referred to a committee)

\* \* \*

**BUSINESS OF THE HOUSE**

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, I move:

That, notwithstanding any Standing Orders or usual practice of the House, the deferred recorded divisions on the motion to concur in the eighth report of the Standing Committee on Fisheries and Oceans and on the motion for the third reading of Bill C-291, an act to amend the Immigration and Refugee Protection Act (coming into force of sections 110, 111 and 171), scheduled for Wednesday, December 9, 2009, be further deferred until Thursday, December 10, 2009, at the expiry of the time provided for government orders.

• (1745)

**The Deputy Speaker:** Does the opposition whip have unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

**The Deputy Speaker:** The House will now proceed to the consideration of private members' as listed on today's order paper.

**PRIVATE MEMBERS' BUSINESS**

[English]

**NATIONAL HOLOCAUST MONUMENT ACT**

**Mr. Tim Uppal (Edmonton—Sherwood Park, CPC)** moved that Bill C-442, An Act to establish a National Holocaust Monument, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise today to introduce my private member's bill, Bill C-442, An Act to establish a National Holocaust Monument.

As a student growing up in Edmonton, I learned about the history of the Holocaust as part of the second world war. Textbooks recount the events that unfolded, the battles that were waged, the sacrifices of our soldiers, airmen and sailors, along with their families, and the eventual victory of the allies over the Nazis. I also learned about the Holocaust, how groups of people who did not fit certain stereotypes were exterminated in the name of racial purity.

However, as a student reading from a textbook, those events seemed distant and dated. They happened before I was born, to people I did not know much about, in countries on the other side of the world. I had only a superficial understanding of the Holocaust. It was a part of history. It was something I learned about but never truly understood or appreciated.

For young people today, it is even more remote. Privileged to live in a country like Canada, the Holocaust can seem totally foreign, something which people have difficulty understanding because they cannot relate to the atrocities and horrors.

For some, a deeper understanding of those terrible events is provided through the stories and retelling of family members and veterans who were witness to the Holocaust, and in some cases, survived it. Elie Wiesel and Branko Lustig have done much to remind us of what they experienced. However, as time passes and the ranks of those who are able to tell those stories dwindle, there comes a danger that this unparalleled crime will become just a part of history, something which may exist in a textbook but whose real significance is lost.

In a way, it is a tribute to the progress we have made that our children have difficulty understanding this brutality. Today's Canada is a nation of hope and opportunity, a beacon to those around the world seeking to find a new home and brighter future for themselves and their families. As Canadians, we pride ourselves on a nation that values and demands respect toward other people, affords a personal dignity to all people and provides an environment of tolerance and understanding. Our society is the dream for many around the world and is something that the thousands of men and women in our armed forces have fought for in distant, war-torn and oppressed nations.

My own parents came to Canada in order to take advantage of all that Canada affords to newcomers and we remain deeply grateful toward this country that values its new Canadians as positive assets to our national identity.

Today's Canada and those who are honoured to call Canada home would have tremendous difficulty identifying with the deep horrors of the Holocaust. The concept of state-sanctioned killing and ethnic cleansing is completely alien.

The dangers we as a country now face are complacency and fatigue, to allow things like the Holocaust to rest in the pages of history. To do so, invites a return to the terror of those dark years, and losing those very things which we hold most dear.

We must remember that just because no crime so horrible has occurred in Canada does not mean we need not concern ourselves. After all, the history of our country is not perfect: the internment of Japanese Canadians; the events surrounding the *Komagata Maru* incident; and the treatment of aboriginal Canadians. We should not pretend that crimes against whole groups of people are something that only ever happen far away and long ago. Time and time again our government has urged vigilance and for people to learn the lessons of history so we never find ourselves ignoring the signs of trouble.

And lest we think that hatred and anti-Semitism are relics of the past, we are reminded on an almost daily basis that there are individuals around the world who continue to deny the very existence of the Holocaust, or who seek to downplay the extent of the crimes that were committed against humanity.

President Ahmadinejad of Iran continues to outrage people with his denial of the Holocaust. His myopic and ignorant comments on the subject of the Holocaust have resulted in condemnation from virtually all quarters of the world, but there are people even in our country who agree with him.

*Private Members' Business*

• (1750)

The denial of the Holocaust and those who voice such opinions must continue to be fought in the public square. This monument will be a testament to where Canada stands.

Others have not been so vocal and public with their hatred, but have cloaked their denial of the Holocaust behind a veneer of claiming respect for human rights. The rise of anti-Semitism in some places around the world, whether overt or subtle, is another compelling reason why Canada must continue to ensure that the Holocaust is both acknowledged and condemned.

As a member of Parliament, I am privileged to represent the citizens of Edmonton—Sherwood Park in Ottawa. In my opinion, members of Parliament are charged with two important roles: fighting for the interests of their constituents; and pursuing issues which will benefit Canada as a whole. I believe that establishing a national Holocaust monument speaks to both of these roles and will help to instill in generations of future Canadians an understanding of the atrocities of the Holocaust through a visible, tangible icon in the nation's capital.

Some people have suggested that a monument is not necessary. After all, who has not heard of the Holocaust, they say. Do we really need a monument? I believe that yes, yes we do. Remember, after the second world war was over, people began speaking about the Holocaust. Newspapers printed the crimes that had been committed, but they were not fully understood or appreciated. No one really grasped what happened. It was not until we saw the photographs, until there was a more tangible and visible way to understand, that the significance of the Holocaust began to sink in.

This is why I believe that reading about the Holocaust in a textbook is not enough. Every year there are thousands of Canadians who come to visit our capital, many of them schoolchildren. A physical, tangible monument, given space in our nation's capital, will make a different impression than the words they read on a page.

Like many, I was surprised to learn that Canada remained the only allied nation without a Holocaust monument in its nation's capital. As it is the case in these other countries, with the passage of time there are fewer and fewer survivors who can bear the personal witness to the Holocaust.

A permanent monument to those who died in concentration camps or in their own homes at the hands of the Nazis will serve as a lasting reminder of a dark era of hatred and violence that we must ensure never occurs again. By placing the monument in the nation's capital, at the seat of government, we accord an appropriate respect and acknowledge the gravity of this terrible event. Great Britain, the United States, France, all our allies have understood the importance of remembering the Holocaust, and so should Canada.

I would like to express my sincere appreciation to those who have made fighting anti-Semitism, bigotry and racism their cause, and in doing so, have helped make our nation and our world a better place. In particular, I would like to extend my deepest appreciation to the men and women of the armed forces who continue to battle extremism and uphold our values of freedom and justice around the world. As Canadians, we owe them a tremendous debt which we can never repay.

I have been thrilled with the broad level of support I have received to establish a national Holocaust monument, both from my colleagues in the House and from organizations throughout Canada, specifically Laura Grosman from the Canadian Holocaust Memorial Project, senior parliamentarians such as the hon. member for Mount Royal and the hon. member for Winnipeg North, along with a number of my colleagues in the Conservative caucus, and in particular, the hon. Minister of State for Foreign Affairs. They have been strong supporters of moving this initiative forward.

I see this bill as an example of the best of what Parliament can do when we transcend traditional party lines and move forward on an issue of tremendous importance to Canadians. I would urge all hon. members to support this legislation. Let our commitment to remembering those who died in the Holocaust and those who continue to be confronted with anti-Semitism be represented by a visible, concrete reminder of that dark time. Let it stand as a testament to our own ideals and values and be the embodiment of the words and stories inscribed in the textbooks of history, read but not fully appreciated.

• (1755)

Our Prime Minister, when he visited the Nazi death camp in Auschwitz in the spring of 2008 commented that on one hand he was profoundly moved by the inconceivable suffering of the Jewish people who were killed, but on the other hand he felt hope from the limitless spirit and strength of the Jewish people.

This monument is a statement made by Canadians to the world that honours those to who died in the tragedy of the Holocaust and says to future generations of Canadians, never again.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, I want to congratulate the member for his Bill C-442.

I must admit I was very surprised that Canada remains the only allied nation without a Holocaust monument in the national capital. I am very pleased that this bill is receiving all-party support. I think that is a very good sign. The bill itself merely provides a framework for a monument to be built within a three-year period. There is a lot of work to be done during that three-year period.

Could the member tell us whether he has any ideas as to where it is going to be, the cost of it, who is going to pay for it, and so on? Could he give us a better idea? Also, what sort of memorials or monuments exist in other allied countries?

**Mr. Tim Uppal:** Mr. Speaker, the member is right, the bill lays out a framework and some timeline of how this monument will move its way through government.

The bill also asks the minister responsible to put together a council of no more than five members from the community. Canadians at large will be asked to submit their names to apply to be on this council. This council will be responsible for the design of the monument, arranging or putting together the funds for it as well, and for raising funds throughout Canada, through the community. I definitely believe it will be well beyond just the Jewish community. I think Canadians in general would be very eager and willing to support this monument.

*Private Members' Business*

It is the design and the funds that will come from this council. I have spoken to a number of organizations that are very eager and willing to support this council and their work in putting this national monument together.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I would like to congratulate the member for bringing this forward and the work he has done on it. The member for Mount Royal will be speaking soon. As people know, he is world famous for his work on human rights. I would like to ask the member if he hopes, as I do, that this monument will also be a signal to the world that we do not forget extrajudicial killings, that they are not acceptable to the world, and that we will follow-up to ensure that they do not happen as they are occurring today in places like Burma, Darfur, Congo and Tibet?

**Mr. Tim Uppal:** Mr. Speaker, this monument is obviously a monument for the Holocaust but it is so much more. It is a monument to those who fought in World War II, for the many who went over and were killed in that war, the families of the victims of that war. It honours the men and women in uniform today. I believe it honours the survivors of the Holocaust, and others who also face racism and anti-Semitism. I believe this monument will be appreciated by many Canadians in many different ways.

● (1800)

**Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC):** Mr. Speaker, this private member's bill deserves the support of this House of Commons. It is a real testament to the exceptional work of this particular member of Parliament for Edmonton—Sherwood Park.

I had the solemn honour this year to represent this government at the March of the Living which takes place at the Auschwitz death camp. As a Canadian I was deeply moved by the suffering and the courage of the victims and the survivors. It is important every day to condemn the evil that gave birth to the Holocaust and to never forget. I thank the member and I congratulate him for his exceptional contribution.

**Mr. Tim Uppal:** Mr. Speaker, I thank the member for his comments. He was one of the first people who seconded this bill and I appreciate that. The bill definitely transcends all party lines. We have spoken to most parties and I believe we will receive support from all parties. It is important that a bill like this, which is supported by so many Canadians, receives the support of all parliamentarians.

**Hon. Irwin Cotler (Mount Royal, Lib.):** Mr. Speaker, I rise to speak in support of the member for Edmonton—Sherwood Park and in support of his private member's bill respecting the establishment of a national Holocaust monument in the national capital region. In remembrance of Holocaust victims, in recognition of survivors, in tribute to those who fought so that we may live and that our values may endure, and in order to ensure, as the preamble to the act puts it, our collective resolve never to forget, so that never again will not only be a matter of rhetoric but will be a matter of resolve and commitment to act.

I am now citing from the preamble: to ensure that the Holocaust continues to have a permanent place in our nation's consciousness and memory; to forever remind Canadians of one of the darkest chapters in human history and of the dangers of state-sanctioned hatred and anti-Semitism; and to ensure that future generations learn

about the root causes of the Holocaust and its consequences in order to help prevent future acts of genocide.

Such is how the preamble speaks and this frames my support. I must say that whenever I speak on the subject-matter related to the Holocaust, I do so with a certain degree of humility and not without a deep sense of pain, for I have neither the wisdom of the Holocaust scholar nor the horrifying experience of the Holocaust survivor.

But I am reminded of what my parents taught me while I was still a young man, the profundity and pain of which I only realized years later, that there are things in Jewish history, in human history, that are too terrible to be believed but are not too terrible to have happened.

Oswiecim, Majdanek, Dachau, Treblinka, these are beyond vocabulary. Words may ease the pain, but they also can dwarf the tragedy. For the Holocaust was uniquely evil in its genocidal singularity, where biology was inescapably destiny, a war against the Jews in which Holocaust survivor and Nobel Peace Laureate Elie Wiesel put it, "not all victims were Jews, but all Jews were victims".

As it happens, we meet at an important moment of remembrance and reminder, of witness and warning appropriate that we should be, in fact, speaking to this issue now of establishing a national monument to the Holocaust. We meet on the eve of the 60th anniversary of the Nuremberg Principles, the double entendre of Nuremberg, the Nuremberg of hate, the Nuremberg of jackboots, as well as the Nuremberg of judgments.

On the eve of the 61st anniversary of the Genocide Convention, which we will be commemorating tomorrow, as it happens, sometimes spoken of as the "Never Again Convention", but which has been violated again and again.

On the occasion of the 70th anniversary of the second world war, in fact, there were indeed two wars at the time. There was the Nazi war against the Allies and there was the Nazi war against the Jews, and where the Nazi war against the Jews sometimes overtook the Nazi war against the Allies.

We meet on the 70th anniversary of the doomed voyage of the *St. Louis* known as "the voyage of the damned" where those who sought to enter our country Canada and those who sought to enter the United States at the time were turned away, so that those seeking a safe haven were forced back into the inferno that was engulfing Europe.

This came a year after the Evian Conference when the nations of the world met to ask themselves what to do about the plight of the Jewish refugees at the time, of those living and wishing to leave. It ended up that the world was divided into two parts: those countries from which the Jews could not leave or indeed could not live in, and those that they could not enter which took us down the road to the Holocaust.

*Private Members' Business*

•(1805)

And so, on this anniversary of anniversaries, we should ask ourselves: What have we learned? What must we do? And why is this national Holocaust monument so important for that learning and for those lessons?

For reasons of time, I will share only two, and if time permits, three, lessons which the establishment of this Holocaust monument will serve.

Number one is the importance of Zachor, of the duty of remembrance itself. For as we remember six million Jews themselves defamed, demonized and dehumanized, as prologue or justification for the Holocaust, we have to understand that the mass murder of six million Jews and the mass murder of the millions of non-Jews is not a matter of statistics.

As we say on the occasion of the national Holocaust remembrance ceremony that this Parliament itself enacted as a bill for that purpose, as we say at that time and as we should say again today, unto each person, each person has a name. Each of the victims had an identity. Each one was a universe.

As our sages teach us, if we save a single person, it is as if we have saved an entire universe, but if we kill a single person, it is as if we have killed an entire universe. And so, the overriding imperative which should always govern us and which underpins this national Holocaust monument is that we are each, wherever we are, the guarantors of each other's destiny.

That brings me to the second lesson; that is, the dangers of state-sanctioned incitement to hate and to genocide, that the enduring lesson of the Holocaust and the genocides that followed, in Srebrenica, Rwanda and Darfur, occurred not simply because of the machinery of death but because of state-sanctioned cultures of hate.

It was this teaching of contempt, this demonizing of the other, where it all began.

As our Supreme Court of Canada put it in words echoed by the international criminal tribunals for the former Yugoslavia and Rwanda, "The Holocaust did not begin in the gas chambers—it began with words". These, as the court put it, are the chilling facts of history. These, as the court put it, are the catastrophic effects of racism.

And tragically, we are witnessing yet again, in our own time, a state-sanctioned incitement to hate and genocide whose epicentre is Ahmadinejad's Iran. I say Ahmadinejad's Iran because I want to distinguish that from the people in Iran who are otherwise the targets of mass domestic repression.

Let there be no mistake about it. Iran has already committed the crime of incitement to genocide prohibited under the Genocide Convention. Iran is already in standing violation of international prohibitions against the production and development of nuclear weapons, along with prohibitions respecting crimes against humanity which are being committed regarding Iranian citizens as we meet.

And so, the second lesson, namely, the dangers of state-sanctioned incitement to hate takes us down the road to genocide, as we have seen.

In fact, may I make reference to the unspeakable genocide in Rwanda? I say "unspeakable" because nobody can say that we did not know. We knew, but we did not act. Just as nobody can say, with respect to Darfur, that we did not know. We knew and we did not act.

This brings me to the last lesson: the dangers of indifference and inaction in the face of such incitement and mass atrocity.

This monument will be a monument to remember, a monument to remind us. It will be an act of remembrance. It will be, also, a remembrance to act so that never to forget, which is underpinning this monument, will be translated into never again.

•(1810)

[*Translation*]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, the Bloc Québécois supports Bill C-442, An Act to establish a National Holocaust Monument.

The Holocaust was one of the worst crimes of the 20th century. The Bloc Québécois therefore supports the bill to commemorate both the survivors and the victims. We believe that we must commemorate the victims of the Holocaust, but we also believe that we must continue the fight against anti-Semitism and all other forms of hate speech and discrimination. We have done so in the past, and we intend to continue that fight.

Anti-Semitism and all other forms of hate speech are contrary to the values of Quebec and Canada. They must be denounced publicly, without hesitation.

The Bloc Québécois has always acted to secure social peace and a public space without hatred, discrimination or violence. That fight is crucial for any society that claims to be democratic.

The purpose of the bill is to create a national monument in Ottawa to honour the victims and Canadian survivors of the Holocaust. To that end, Bill C-442 creates the National Holocaust Monument Development Council, whose five members will be selected by the federal government from a list of volunteer candidates. Candidates will have to show that they have a strong interest in and familiarity with the Holocaust. The council members will not be entitled to any remuneration.

The Minister of Transport, Infrastructure and Communities, who is responsible for the National Capital Act, and the monument development council would supervise the monument's design and planning. They would also select an appropriate parcel of public land in Canada's national capital region, where the monument would be erected.

While the minister is tasked with designating the public land, the council would be responsible for a fundraising campaign to pay for the monument's construction. It must be completed within three years of Bill C-442 receiving royal assent.

When we think of the Holocaust, the first images that come to mind are images of horror. All of us have seen pictures of the concentration camps that shocked the entire world.

*Private Members' Business*

In the wake of the political and economic crisis that hit Germany after World War I, the National Socialist German Workers' Party singled out the Jews and blamed them for all Germany's troubles. They became scapegoats and the worst lies were fabricated about them.

It is estimated that about three quarters of Europe's Jews were massacred by the Nazis, representing approximately 40% of the world's Jewish diaspora. Six million Jews died under the Nazi regime.

This mass murder was implemented by the Hitler regime, as well as by a number of bureaucrats of the Third Reich and many collaborators, both individuals and states. In addition to Jews, the Nazis also massacred gypsies, homosexuals, disabled people and Slavs from Poland or Soviet countries.

After the war, faced with the horror of the crime that had been committed by Germany, governments the world over agreed to incorporate into international law the crimes of genocide, crimes against humanity and war crimes. These crimes have no equivalent in terms of their gravity.

The purpose of Bill C-442 is to establish a monument to serve as a reminder of this crime.

The Bloc Québécois is in favour of establishing a monument to commemorate the Holocaust. Such a monument would serve as a constant reminder of the violence inherent in intolerance.

In order to preserve a public space of freedom and democracy, we have to fight against intolerance here at home. We cannot remain silent before words or actions that are anti-Semitic, homophobic, sexist or racist and that aim at discriminating against fellow citizens.

We cannot help but be concerned when people are targeted and become victims of discrimination because of their religion, and more generally, their ethnicity, sex, sexual orientation or language.

Canada is not immune. According to Statistics Canada, Canada's police forces have indicated that 785 crimes in 2007 were hate crimes. That was a decline over 2006 when 892 such offences were reported. Of those crimes committed in 2007, 185 were religious hate crimes. Again, that was a decline over the 220 cases reported in 2006.

This data shows a slight decrease in the number of hate crimes, which is good news. Nonetheless, the fact remains that such acts still take place, even though they are unacceptable in democratic societies like Quebec and Canada.

• (1815)

One religious hate crime is one too many. There must be zero tolerance. We must work on putting an end to such crimes. We cannot remain silent, on the sidelines or attempt to downplay the situation.

We must oppose anti-Semitism and racism. Anti-Semitism stems from profound ignorance. Thus, education is the most effective way to oppose it.

We believe that we must raise awareness and foster dialogue to build a Quebec that is even more inclusive and respectful of all its

citizens. Priority must be given to education and prevention in order to eradicate beliefs and activities based on hatred.

Funds from anti-racism programs must be first allocated to groups that are victims of racism and hate crimes. All too often, acts of hatred target children in schools. These children very regrettably learn about violence or hatred motivated by race or religion.

In an effort to effectively combat anti-Semitism and all other forms of racism, the Bloc Québécois member for Châteauguay—Saint-Constant presented a concrete proposal in April 2008: she introduced Bill C-384, which was passed at second reading. This bill amended the Criminal Code and created a new offence to prohibit hate-motivated acts of mischief that target specific identifiable groups at institutions such as schools, daycare centres, colleges, universities, community centres, playgrounds, skating rinks and sports centres or any administrative, social, cultural, educational or sports establishment used exclusively or mainly by such groups.

The creation of this offence sends a clear message and reaffirms that society does not tolerate acts of violence against places attended or used by identifiable groups.

This bill—now law—sends the message that violence motivated by hate of a group or community is not tolerated. The specific offence allows us to denounce not only the material damage to a building, for example, but also, and above all, the fact that hatred of an identifiable group, which is the cause of the act, is morally wrong.

Such crimes fly in the face of the values of Quebecers and the society we wish to create for ourselves. These crimes only increase tensions between members of our society. That is why we must do everything we can, still in line with our own values, in order to prevent such acts from ever happening again.

The bill introduced by my colleague, the hon. member for Châteauguay—Saint-Constant, is already receiving support from minority groups in Quebec and Canada. For instance, the Canadian Jewish Congress sees this bill as an appropriate response to the concerns of the Jewish community.

The Bloc Québécois recognizes the importance of the fight against discrimination and hate crimes. Such acts go completely against the core values that drive Quebec and our party, which always represents the interests of Quebecers here in the House.

The Bloc Québécois has always opposed anti-Semitism and all other hate crimes, which fly in the face of the values of the Quebec nation.

What kind of shared values are we talking about? It is becoming increasingly necessary to remind people of the shared values on which the Quebec identity is based. The most important values, those that form the foundation of our nation, would, we think, include the following: gender equality—and it is no accident that that is at the top of the list; French as the official language and common public language; democracy; basic human rights; secularism; pluralism; and so on.



In closing, all citizens of Quebec have the same rights. Quebec citizenship is inclusive and unifying. It transcends differences by promoting a collective identity that focuses on civic identity.

In that regard, the monument in question, to be built outside of Quebec, in no way contradicts the values of Quebecers, and the Bloc Québécois will be pleased to vote in favour of this bill.

• (1820)

[*English*]

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I am honoured to participate in the debate on Bill C-442, sponsored by the member for Edmonton—Sherwood Park. I am honoured because this is a significant presentation to the House and one that ought to be adopted unanimously. In fact, I wish our procedures would allow us to seek the unanimous consent of the House to pass the bill at all stages and ensure that it becomes law immediately. I know it has to go through a process, and I understand there are some technical amendments that have to be made, but the essence of the bill is something very basic, something very fundamental around which there can be no disagreement, and that is the establishment of a national Holocaust memorial.

It is interesting that it was about six years ago this month that the House came together with all parties agreeing to a bill to establish a national Holocaust memorial day. With that bill and this bill today, the best has been brought out in people in this place. We have come together across party lines and we have done something important.

Today is a historic moment when together we resolve to deal with the fact that we are the only country among the allies from World War II that has not yet established a national Holocaust memorial in its capital.

We have heard about the range of memorials that exist around the world. I found it fascinating that there are many that form the basis for the establishment of such a memorial here in Ottawa. Just to name a few, there is the Ani Ma'amin Holocaust Museum in Jerusalem, the Anne Frank House in Amsterdam, Netherlands, the Auschwitz Jewish Center in Poland, the Austrian Holocaust Memorial Service and the Beth Shalom Holocaust Centre in England, the Holocaust Memorial Center in Budapest, the Cape Town Holocaust Centre, Centre de la mémoire d'Oradour in France, the Dallas Holocaust Museum and Center for Education and Tolerance, the Forests of the Martyrs in Jerusalem, the Ghetto Fighters' House in Israel, the Holocaust History Project in Detroit. The list goes on and on. I have named but a few of the memorials that exist in other parts of the world.

It is truly amazing that we do not have such a Holocaust memorial right here in Canada's capital city. Tonight with this bill we are actually making a significant attempt at redressing an oversight. I hope that we can accomplish this quickly.

The purpose of the memorial is no different from the bill establishing the national memorial Holocaust remembrance day. It is two-fold.

The first purpose is to remember the horrors of the past, the six million Jews who were killed, who were slaughtered, who were sent to the gas chambers by Hitler in Nazi Germany in World War II. It is a chapter in our history that must never be forgotten. It is in the

### *Private Members' Business*

establishment of a memorial that we have another way of remembering that sorry chapter in the history of our society. It is another way of ensuring that we never forget that horror that should never, ever be repeated. That is the fundamental reason for such a memorial.

The second purpose is to remind ourselves that apart from the Holocaust, the motivating factors behind the Holocaust, the hatred of Jewish people, the anti-Semitism, the discrimination, the vile nature of attitudes toward people of Jewish faith is repeated today, every day, in incidents that are increasing from accounts by many in our society. They must be part of our discussions today.

• (1825)

I am very pleased that I am part of a parliamentary coalition to combat anti-Semitism. That is an organization of all-party members in this House determined to come together to try to grasp the nature of anti-Semitism and to understand how we can stop the spread of it, and how we can actually ensure that people live in our society with a sense of freedom and security and identity without discrimination, without living under any kind of hatred or discriminatory attitudes.

It is an important initiative in Parliament, but it is one that is certainly in question today because of the fact that so much controversy has happened around mailings from Conservative members slandering Liberal members, accusing them in the most inappropriate way of anti-Semitism.

That has put a cloud over these hearings and in fact has given us all cause for concern. We are hoping that this sorry chapter here in Parliament can be resolved, that the cloud can be lifted and in fact that public apologies can be made.

I want to ensure that we continue with those hearings because we need to be able to say to Canadians that anti-Semitism in any shape or form is wrong. That does not mean, as we have said in our committee over and over again, that criticism of the State of Israel is anti-Semitic in any shape or form, or that constraints can be put on that debate.

However, we have to be sure at all times that we are in fact not giving audience to people allowing them to take this debate and to make broad or sweeping statements about a people suggesting in any way, shape or form that the Jewish people of this country or around the world do not have a right to their homeland, that being the State of Israel.

This is a difficult topic and a major issue before us today. I think the bill before us actually helps us to remember what we are here for and why it is important to stand up and say, "We will not tolerate any form of anti-Semitism, or hatred or discrimination against anyone because of their sex, or race, or faith."

I know that time is limited, but I want to say that it is imperative that all of us in the House go back to our respective communities and speak about the need to stop anti-Semitism and hatred of any shape or form.

*Private Members' Business*

I want to reference the work that is happening in Winnipeg, in particular the work by the Jewish Federation of Winnipeg. It is a force, a committee, an organization that is vigilant on a daily basis to ensure there is awareness that the very purpose, the very reason, for the solidarity of our community in Winnipeg is not being threatened by signs of anti-Semitism and a regular occurrence of incidents of hatred that have to be stopped.

In fact, in a recent brief to one of our committee hearings on anti-Semitism, the Jewish Federation of Winnipeg clearly documented a number of incidents that are hateful and growing and must be stopped.

I will conclude by citing the words of the Jewish Federation of Winnipeg to describe their concerns and why this bill is so important and why it is important we are vigilant every step of the way. The federation states:

Winnipeg Jewry over the past 40 years or more, has generally enjoyed both the physical and psychological security that comes from a sense of belonging to a free and democratic society.

That is the basis for pursuing all signs of hatred, for standing up in support today for the Holocaust memorial, because we want to ensure that people of Jewish faith, of Jewish background and Jewish identity are always able to feel that sense of belonging and to be part of a free and democratic society.

• (1830)

**Mr. Tim Uppal (Edmonton—Sherwood Park, CPC):** Mr. Speaker, I rise on a point of order.

I think if you were to seek it you would find unanimous consent for the following motion.

I move:

That the motion for second reading of Bill C-442, An Act to establish a National Holocaust Monument, be amended by replacing the words "Canadian Heritage" with the following:

"Transport, Infrastructure and Communities".

**The Acting Speaker (Mr. Barry Devolin):** Does the hon. member have unanimous consent of the House to move this amendment?

**Some hon. members:** Agreed.

(Amendment agreed to)

**Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, I am very happy to be here today to speak in support of Bill C-442. In fact, I would like to thank the member for Edmonton—Sherwood Park and the Minister of State of Foreign Affairs for the Americas, as well as many persons in the House and outside of it, for their hard work on this bill.

As my colleague, the member for Edmonton—Sherwood Park, has stated, this bill proposes the creation of a national Holocaust memorial in Canada's national capital region. It is long overdue.

Our government appreciates the importance of remembering and understanding all events throughout history, even those that are inconsistent with the values of Canadians. Given the magnitude of the atrocities that occurred during the Holocaust in the extermination of millions of Jewish people, it is crucial that we pay tribute to the victims of this crime and to their families.

Last summer, with my mother and a good friend of mine, I visited a student rabbi. For some 30 years he has been a friend of my family. I visited his synagogue on Long Island and I learned a lot about the Jewish people who call Israel their home. It was quite impressive.

I must also acknowledge that a number of associations and centres across Canada are dedicated to remembering the Holocaust. I certainly would be remiss if I did not also mention the recently established Canadian Museum for Human Rights, which will allow people to learn about the values of democracy, freedom, human rights and the rule of law, and indeed to remember such atrocities. Democracy, freedom, human rights and the rule of law are the things we stand up for in Canada and the things we try to spread around the world.

I am very proud to say that I believe this particular museum was made possible in no small part by today's Prime Minister. Our government is very excited that this new museum broke ground in December 2008. While there are official plaques and monuments in Manitoba, Alberta and Ontario, it is indeed unfortunate, as the member suggested, that a federal memorial commemorating this very bleak period in our world's history of humankind does not exist in Canada's capital.

For these reasons, our government fully supports the intent of Bill C-442, and I am very confident that all members in the House would also agree that the ultimate objective of Bill C-442 is definitely justified and long overdue.

While I am sure all parties in both Houses of Parliament will certainly be in favour of this bill, I hope that the bill will also receive royal assent and that the national capital region will be graced with a national Holocaust monument in its midst. I am hopeful of that, as I think all members in the House are, but before arriving at that final stage, other events would have to transpire.

Of course, the minister would be expected to actively seek the interest of Canadians who would be willing to contribute their time and energy to this undertaking, but I am certain that a host of individuals would be interested in pursuing this endeavour and would together have a very positive impact on the realization of a national Holocaust monument and the content of it. I am looking forward to it, as I think most Canadians are.

Regarding the exact placement of the monument, the National Capital Commission has already established an inventory of potential sites. In accordance with its mandate and policies, the commission would identify appropriate sites from this inventory in consultation with the council. The commission would also approve the final design of the monument, with the construction phase commencing shortly thereafter.

Bill C-442 proposes to create a new council that would be responsible for spearheading a fundraising campaign for a Holocaust monument that would be established in this region. We suggest that it would not take very long to do so, because this is remembered by Canadians, and it is very important indeed to remember it.

With the pooling of the talents and resources of various stakeholder groups and committed individuals, the establishment of a national Holocaust monument in our national capital is feasible. I look forward to visiting it in a few short years, as I think many Canadians do.

Along with the many supportive actions by this government, our entire cabinet and our Prime Minister, my colleague from Edmonton—Sherwood Park has outlined many good reasons for this bill to proceed.

• (1835)

Indeed, I urge all members of this House to vote in favour of this important and necessary bill, just as I urge all members of the other place to do the same. Hopefully we will receive royal assent in due course thereafter.

This memorial will serve to forever remind Canadians and all visitors to this great country and this capital of one of the darkest periods and unimaginable genocides in recent history, so we do not forget and it never happens again.

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I had not anticipated speaking because I did not know the bill was up tonight, but I am very pleased to have an opportunity to speak to it.

As it happens, I have a bill on the order paper that is virtually the same as this one. Unfortunately, I am much further down on the list and do not have the opportunity to present it.

I want to speak to this bill because I think it is very important. As one of the proposers of the Holocaust memorial day here on the Hill, I think it is a natural conclusion that there be a permanent memorial.

As members are undoubtedly aware, there are hearings going on in this building that deal with anti-Semitism in Canada. An all-party coalition is looking at the issue of anti-Semitism. Just yesterday we heard a very important discussion on the importance of remembering the Holocaust, how important the Holocaust is, not only for defining the history of the Jewish people but also for speaking to the atrocities that man is capable of and, as we heard earlier tonight, to say never again.

This is an important initiative. It is important that all parties and all members in the House support it. However, I want to digress a little. We heard a member opposite speak of the Canadian Museum for Human Rights in Winnipeg, which is an important initiative in this country. The original capital funding of \$100 million promised by the previous Liberal government is fully supported by the current government, which I applaud, as is the ongoing operating funding making it a national museum.

However, the important issue is that the genesis of the Canadian Museum for Human Rights in Winnipeg was that it would be a Holocaust museum. There was much discussion over it and much input from a whole host of communities as to whether it should be a Holocaust museum or indeed a museum of human rights, as it is now established.

It is equally important that there be a permanent Holocaust gallery in the Canadian Museum for Human Rights. It was the vision of the late Israel Asper in promoting this museum. It was the basis upon

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which many private sector donors made their contributions to it. I think that however we acknowledge and look at the Holocaust, whether through the Holocaust Memorial Day or through a permanent remembrance of the Holocaust on the grounds of this building, as we have on the grounds of the legislative buildings in Manitoba, or a permanent museum in the Canadian Museum for Human Rights, every one of them is equally important and must be sustained.

I am pleased to have had the opportunity to speak however briefly, and I am hopeful that all members of all parties will see fit to support this. It is something that it is important, not just to acknowledge what happened in the past, but, as we have heard elsewhere tonight, to ensure that our children know what happened and will determine that it will never happen again in the future.

• (1840)

**Mr. Tim Uppal:** Mr. Speaker, much has already been said about how horrible the Holocaust was for its victims and survivors, and the reasons we need a memorial in our national capital.

Further to that, I would like to thank all the speakers from all the parties for their support and I look forward to working with them to put this bill through committee and to a final vote.

**The Acting Speaker (Mr. Barry Devolin):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Barry Devolin):** Accordingly the bill stands referred to the Standing Committee on Transport, Infrastructure and Communities.

(Motion agreed to, bill read the second time and referred to a committee)

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

### ABORIGINAL AFFAIRS

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I am pleased to be back here. I have spoken on this issue before in previous late shows and I am back again in response to questions I have asked before. I want to underline the importance of what I am saying, the importance to many groups in Canada and, I would submit, the importance to many Canadians.

I want to acknowledge the Sisters in Spirit initiative of the Native Women's Association of Canada. It was launched by a Liberal government in 2005 and supported ongoing by the current Conservative government. It is an initiative that has brought forth the issue of the more than 520 missing and murdered aboriginal women and girls in our country.

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Before this initiative, Canadians did not have much knowledge of this issue. They did not know about the tragedy that had been mounting over the past 30 years. Because of the important work of Sisters in Spirit and so many other grassroots organizations, the national disgrace is now part of the public dialogue.

More than 223 of the 520 recorded cases have happened since the year 2000. That is 43% in the last nine years. These cases are all over the country. It is not a provincial problem. It is a national problem and it is one that needs to be addressed by the federal government.

To date, since we on this side of the House have raised the issue and called for a national, public and comprehensive investigation into the matter, it has been the provinces that have taken up leadership on the issue. Manitoba announced a joint task force with the RCMP and Winnipeg Police Service on this matter earlier this fall. Alberta has an initiative to look into the disappearances which have happened in that province. The province of British Columbia is launching its own inquiry.

These inquiries should not be left up to the provinces. These cases are national in scope. Many of the girls could have been trafficked, or have been trafficked, across borders and may be in other provinces and perhaps even in other countries, yet the federal government chooses not to take action on this critical problem.

Last year at the United Nations peer review, Canada was denounced for not taking any action on this matter. The council gave the government an opportunity to respond with a deadline of November this year. That deadline has come and gone and now we hear the government will reply some time later this year.

Why is it not taking this issue seriously? Why is it not giving it pre-eminent attention? What will it take and how many more women have to go missing?

I know the government's response will talk about the work of Sisters in Spirit. I applaud the initiative of Sisters in Spirit and I hope to hear it say that it will renew this initiative. The research is important, but it is now time to take action and it is time for the government to act. I am hopeful the government will finally hear the calls from aboriginal peoples across the country and the international community and launch a public investigation into this matter.

I have travelled the country, primarily in western Canada, meeting with individuals and organizations. I know this is what they are looking for and I know they are calling on the government to act, and I am as well.

● (1845)

[Translation]

**Mrs. Sylvie Boucher (Parliamentary Secretary for Status of Women, CPC):** Mr. Speaker, it is a pleasure to respond to my colleague. I would have done so two weeks ago, but she was not here.

Violence against women, and, in particular, against aboriginal women, is a priority for our government. We all know that the incidence of abuse against aboriginal women is higher and more violent than against other women.

That is why we are working to find answers to the complex issues surrounding the disappearance and murder of aboriginal women and

girls in Canada, in particular by supporting the Sisters in Spirit initiative, run by the Native Women's Association of Canada, in collaboration with several departments.

Sisters in Spirit has been around for five years, and does the groundwork so that we can attack the root causes of violence against aboriginal women and girls.

Putting an end to violence against women is everyone's responsibility. It is the responsibility of all levels of government, of the police and of the justice system, but also of society in general.

In regard to the justice system, there are currently four provincial investigations underway, and the RCMP is participating in them. It is important to note that at the request of the Minister of State, the Native Women's Association will exchange information with the RCMP investigators.

Since 2007, our government has supported 117 projects that address all forms of violence against women, including violence against aboriginal women.

A federal-provincial-territorial working group made up of senior criminal justice system officials is reviewing judicial interventions in cases involving serial killers who target the most vulnerable women.

Justice Canada is playing an active role in the working group, and Status of Women Canada is actively participating in federal-provincial-territorial subcommittees on healing and on missing and murdered aboriginal women. Together with federal, provincial, territorial and regional partners, Justice Canada is working hard to improve criminal justice system interventions in cases involving missing and murdered aboriginal women.

Our government believes that the solution to the problem of missing and murdered aboriginal women and to the larger problem of violence against women lies in gender equality. We will keep working to end violence against all Canadian women.

Violence against women, aboriginal or otherwise, is unacceptable. Yes, it is up to the government to do something, but it is also up to people from all walks of life to work together to find solutions to end gratuitous violence against women.

● (1850)

[English]

**Hon. Anita Neville:** Mr. Speaker, one does not normally comment on a member's absence or presence in the House.

What I am asking for is a national comprehensive investigation into the missing and murdered aboriginal women. Why have so many women gone missing? Why have so many cases not been solved? Initiatives have been undertaken, but I would submit that they have been done in a scattergun manner. There has been no comprehensive strategy. There has been no comprehensive look at the root causes of it.

*Adjournment Proceedings*

We know that a disproportionate number of the missing and/or murdered aboriginal women are young women who have been in care. Why have they been in care? Was it the circumstances under which they lived? What is necessary is a national comprehensive investigation that would look at all of the factors in an integrated, holistic way and would come up with recommendations for the future.

[Translation]

**Mrs. Sylvie Boucher:** Mr. Speaker, our government has also actively supported the first and second national aboriginal women's summits, during which the following areas for action were addressed: leadership, health and safety, empowerment and honour. Through a number of departments and agencies, including Status of Women Canada, our government is working with aboriginal agencies in order to resolve the many problems aboriginal women are experiencing.

Violence against women, aboriginal or otherwise, in Canada is very important and we are working together with aboriginals and the Sisters in Spirit initiative to find answers to the questions surrounding the disappearances.

[English]

## HEALTH

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, in preparing for, responding to and recovering from the H1N1 pandemic, Parliament's focus must be the health and welfare of all Canadians. Specifically, our goals must be to reduce the rate of hospitalizations, illness and death as well as to reduce economic and social impacts. Therefore, our discussions must remain on the winding down of the second wave as well as preparing for a possible third wave.

We are here to address the question regarding the overrepresentation of aboriginal people and the morbidity and mortality statistics for the spring wave of H1N1, namely, the fact that 18% of those hospitalized due to H1N1 were aboriginal, 15% of those requiring stays in ICUs were aboriginal, and 12% of deaths were among aboriginal people, despite the fact that aboriginal people account for only 4% of the Canadian population.

Before I begin a discussion of the first wave and what could have been done differently, I want to recognize the intervention of the opposition parties that resulted in Dr. Paul Gully, former director general of the Centre for Infectious Disease Prevention and Control, being appointed as a special adviser for aboriginal communities H1N1 response. I also gratefully acknowledge that aboriginal peoples have not been overrepresented in the second wave, the tremendous work of chiefs and their communities and their co-operation with health officials.

Despite the improvements, an investigation still needs to be undertaken into the sad and sobering statistics. As late as the summer, one chief reported that of 30 communities in northern Manitoba, only 2 had a pandemic plan and none had been tested.

The first question must therefore be this. Why were some aboriginal communities unprepared for a possible pandemic when WHO and Canada had been preparing for several years for H5N1? Where was the support from Canadian health officials to ensure that

each aboriginal community had a pandemic influenza plan that had been tested, with the necessary supplies, funding and human resources so people could receive treatment in a timely manner and have suitable infection control measures?

My colleague from St. Paul's and I travelled to aboriginal communities in the summer to see first hand the state of pandemic preparedness. We heard the challenges and the lack of support from health officials. We heard comments such as, "There was no help. We figured we had to do it on our own" and "We are starting a plan. Can you order supplies?"

My colleague asked that the health committee be called back in August because the House had recessed on June 18 and would not sit again until September 14. We wanted to ensure preparedness should there be a second wave of pandemic influenza. Pandemic preparedness is an insurance policy. The more communities prepare for a pandemic, the greater the probability that they will be able to mitigate impacts.

Every effort should have been taken to protect the health of aboriginal Canadians. Did the government simply hope that a pandemic would not strike? Hope is not a strategy and is particularly untenable in aboriginal communities, where history reveals that these communities are particularly hard hit in past pandemics. Underlying environmental, health, overcrowding, poverty and water challenges today make aboriginal communities particularly vulnerable.

In 1918, for example, the Spanish influenza killed close to one-third of the Inuit population and forced some communities out of existence. At Okak, the disease killed 204 of 263 residents. At Hebron, it killed 86 of 100 residents. Pandemic preparedness and response should not have been a test in patience and humility for aboriginal peoples.

• (1855)

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC):** Mr. Speaker, the Government of Canada is committed to protecting the health and well-being of all Canadians, including first nations, Métis and Inuit populations. Reflective of this, our government committed \$305 million in budget 2009 over the next two years to strengthen current programs and improve health outcomes.

We have dedicated an additional \$135 million that will go toward improving health services, infrastructure in first nations communities, including health clinics and nursing stations.

Budget 2009 provides two-year targeted funding of \$165 million for the completion of drinking water and waste water infrastructure projects to address health and safety priorities in 18 first nations communities across the country.

*Adjournment Proceedings*

Budget 2009 also provides \$400 million over two years to support on-reserve housing, dedicated to new social housing projects, remediation of existing social housing stock, and complementary housing activities.

To combat H1N1 and maintain the level of community health that all Canadians expect and deserve including aboriginal people, we have stockpiled and distributed antiviral medications to the provinces and territories, overseen production and distribution of the H1N1 vaccine, and procured additional emergency supplies to complement provincial-territorial stockpiles. We continue to conduct surveillance and lead the federal-provincial-territorial effort on providing timely public health advice.

Antiviral drugs and a safe and effective pandemic vaccine are key infection prevention and control measures of the Government of Canada's H1N1 response efforts to protect the health and safety of all Canadians against the flu virus.

We have increased antiviral drugs in the national emergency stockpile system in order to provide provinces and territories with surge capacity in the event that their stocks become overwhelmed as they treat Canadians with influenza-like symptoms during this H1N1 flu outbreak.

According to the experts getting immunized with the H1N1 flu vaccine is the best way for Canadians to protect themselves and those around them from getting the H1N1 flu virus.

The Government of Canada continues to work with the vaccine manufacturer to supply provinces and territories with doses of the H1N1 flu vaccine on a weekly basis. As of the end of this week, approximately 24 million doses of the H1N1 flu vaccine have been distributed to provinces and territories. We are on target to immunize all Canadians who need and want the vaccine by the end of December. This of course includes first nations, Métis and Inuit populations. To date, based on numbers of doses of the vaccine we have distributed and the rate at which the provinces and territories have been administering it, at least one-third of Canadians have been immunized.

We have established a national surveillance system for tracking the H1N1 virus and providing detailed analyses of its impact in Canada. This surveillance system is integrated in our longstanding FluWatch system that was established 13 years ago. The lessons learned from these analyses not only inform our response to H1N1, but also help improve our understanding of pandemics in general. This system has been expanded to include aboriginal people in the general population and is complemented by first nations on-reserve specific data collected through Health Canada.

I am able to report that as of late November, our wave two data shows that first nations living on-reserve accounted for 1.3% of hospitalizations and 1.7% of all deaths in Canada. Considering that first nations living on-reserve account for 1.4% of the population, these numbers are within the expected proportion for wave two.

In terms of the off-reserve aboriginal population for the period August 30 to November 28, aboriginal people living off-reserve represented approximately 3.8% of all hospitalized cases, 6.4% of all ICU admissions and 7% of all deaths. While still slightly disproportionate compared to the general population, this is likely due to the fact that a higher percentage of aboriginal people possess the risk factors for increased health impacts due to H1N1. These factors include underlying medical conditions such as diabetes and living in remote and isolated communities.

• (1900)

**Ms. Kirsty Duncan:** Mr. Speaker, we must also ask, why was no attempt made to slow the spread of the H1N1 virus in aboriginal communities as theoretical modelling showed was possible and has since been recommended by the WHO? Why was the science forgotten in a response that was supposed to be evidence and science-based?

What was done to ensure the administration of antiviral drugs such as Tamiflu in a timely manner? Antiviral drugs can prevent serious flu complications. Dr. Anand Kumar explained to our health committee that some people had to wait seven or eight days for treatment and that this likely impacted patient outcome.

An investigation should ask questions regarding antiviral use, containment and social distancing measures. Other important questions include: when and where did aboriginal cases start and spread?

We need to recognize there is a real health crisis across the country in aboriginal communities. Perhaps H1N1 will prompt the government to fix chronic social problems.

**Mr. Colin Carrie:** Mr. Speaker, the statistics cited are from wave one of the pandemic. This wave took place from April until late August.

As already stated, more recent statistics demonstrate a marked improvement in aboriginal health outcomes relating to H1N1. In all three categories, hospitalizations, ICU admissions and mortality, there is a dramatic decline. Of note, we, in wave two, were seeing fewer children and pregnant women hospitalized.

I am pleased to see that the efforts we have undertaken with our aboriginal partners reflected in the steady decline of the spread and severity of H1N1 in aboriginal communities.

We will continue to work with our partners to monitor this pandemic and, as we learn, we will of course always improve at what we do.

**The Acting Speaker (Mr. Barry Devolin):** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow, at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:02 p.m.)







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