



HOUSE OF COMMONS  
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CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, February 5, 2015**

—

**Speaker: The Honourable Andrew Scheer**

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# HOUSE OF COMMONS

Thursday, February 5, 2015

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

•(1005)  
[English]

### INTERPARLIAMENTARY DELEGATIONS

**Ms. Irene Mathyssen (London—Fanshawe, NDP):** Mr. Speaker, I have the honour today to present, pursuant to Standing Order 34 (1), in both official languages, the reports of the Canadian Group of the Inter-Parliamentary Union respecting its participation at the 131st IPU assembly and related meetings in Geneva, Switzerland, from October 12 to 16, 2014, and at the annual parliamentary hearing at the United Nations in New York, New York, November 19 and 20, 2014.

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### PETITIONS

#### PUBLIC SAFETY

**Mr. Brad Butt (Mississauga—Streetsville, CPC):** Mr. Speaker, I am presenting a petition today on behalf of hundreds of Canadians who are calling on the Government of Canada to list the Muslim Brotherhood as a terrorist organization.

[Translation]

#### OPTIMIST MOVEMENT

**Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP):** Mr. Speaker, I am very proud to rise here today because hundreds and hundreds of people across Canada support my bill.

The bill calls on the government to create a national optimist movement awareness day to support optimist clubs across Canada. These clubs help develop the potential of young people in just about every region.

[English]

#### DEMENTIA

**Hon. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, I am presenting a petition signed by Canadians in the Ottawa area who are urging the government and the Minister of Health to support Bill

C-356 presented by the member for Nickel Belt, which would call for a national strategy to fight dementia and Alzheimer's disease.

#### ABORIGINAL AFFAIRS

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I rise today to present two petitions.

The first is from residents of Saanich—Gulf Islands, as well as areas surrounding Ottawa. They call on the government to call an inquiry into the ongoing scandal of missing and murdered aboriginal women in Canada. There are more than 100 signatures on this petition.

#### THE ENVIRONMENT

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, the second petition deals with the issue of Canada's withdrawal from the convention on drought and desertification. The petitioners call on the government to play its role in the world in a responsible fashion by rejoining this convention, which seeks to share science and information as well as assist those countries facing the ongoing extent of drought and desertification, which is an urgent crisis, particularly in Africa, but could also come to Canada.

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### QUESTIONS ON THE ORDER PAPER

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[Translation]

### BUSINESS OF SUPPLY

#### OPPOSITION MOTION—JOB CREATION

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

That the House call on the government to take immediate action to build a balanced economy, support the middle class and encourage manufacturing and small business job creation by: (a) extending the accelerated capital cost allowance by two years; (b) reducing the small business income tax rate from 11% to 10% immediately, and then to 9% when finances permit; and (c) introducing an Innovation Tax Credit to support investment in machinery, equipment and property to further innovation and increase productivity.

*Business of Supply*

She said: Mr. Speaker, I will be sharing my time with the hon. member for Rimouski-Neigette—Témiscouata—Les Basques.

I am very pleased to begin the debate today on our motion, which calls on the government to take immediate action to build a balanced economy, support the middle class and encourage manufacturing and small business job creation.

[*English*]

A defining feature of Canada is a strong middle class. It is something we value, something we want our children to aspire to, and it is the most important economic asset we have in Canada.

Sadly, over the years of Conservative government, Canada has lost more than 400,000 good manufacturing jobs. These jobs have often been replaced by jobs in the service and retail industries, many of which have not paid nearly as well, and have been very precarious and insecure. Now many of these jobs are being lost.

What I see in my community, in Parkdale—High Park, and all over Toronto is families that are struggling to make everything work. They may have jobs, but they are spending so much on housing, whether it is rent or a mortgage, and they are spending so much on child care and everything else, that they do not have any savings or, worse, they have more debt than they have income.

Some families had good jobs with decent pensions and benefits, many in the manufacturing sector, but now they are working two or three jobs, none with benefits, never mind the pension.

More than 200,000 more Canadians are out of work now than before the recession, and job growth is not even keeping up with our population growth. The Conservatives have doled out big tax cuts to big business, and now they are proposing more tax cuts to the wealthiest 15% of Canadian families. What about the 85% of Canadian families? What about everybody else who is only just barely getting by?

That is why Tom Mulcair's NDP is fighting for the middle class and fighting for the majority of Canadians. That is who we are standing up for.

Today we are calling on the government to support the middle class with concrete actions instead of empty words and tax breaks for wealthy families.

● (1010)

[*Translation*]

We need to strengthen the traditional sectors, such as resource extraction and manufacturing, while taking advantage of new opportunities for innovation and growth. The NDP is calling for immediate action to support Canada's manufacturing base and is sending a message to investors that an NDP government will lead the Canadian manufacturing sector into a new era.

[*English*]

Today, our motion in Parliament is to take immediate action to build a balanced economy, support the middle class, and encourage manufacturing and small business job creation. Our practical plan would extend the accelerated capital cost allowance by two years and reduce the small business tax rate from 11% to 10%

immediately, and down to 9% when finances permit. That is the prudent way.

We are calling for the introduction of an innovation tax credit to support investment in machinery and equipment and to help many to further innovate and increase productivity. All these measures would make a difference now to diversify the economy and encourage investment in the Canadian manufacturing sector.

Let us talk about small businesses. I make a point in my community of buying local whenever I can, everything from food to supplies for my house to clothing. I talk to small business owners who are always trying to find new ways to reach customers, to promote their products, to reach and expand into other neighbours.

Giving them a tax break, cutting back on their taxes, would put money into their pockets. It is something my friends across the aisle are always advocating, putting more money back into people's pockets. It would help small businesses expand and help them hire. That is the whole point. They are the job creators.

Government should support our motion today to help small businesses, which make up 98% of all the businesses in Canada. It should help them use their money to grow and expand. Small businesses create jobs and are invested in our communities. They enrich and diversify our communities.

Ninety percent of Canadian exporters are small businesses, and they help build our Canadian brand as high quality, highly innovative, and highly technical manufacturers in many cases.

Let us talk about manufacturing. Clearly the government has failed the manufacturing sector. What Canada needs is a government committed to cutting-edge, advanced manufacturing that looks to energy efficiency and sustainability in sectors where Canada is or could be a global leader; but sadly, it has failed.

There have been some measures that look good on paper, like the advanced manufacturing fund, until we see that actually it is slow moving and inflexible and has not released one single penny. That is some support for the manufacturing sector.

Meanwhile the Conservative government has cut hundreds of millions of dollars of support for business innovation while putting all its economic eggs in one basket, in the oil and gas sector. However, now oil prices are dropping, and most likely this sector will shed capital spending and cut jobs. Because the government has shown no interest in encouraging a diverse economy, our manufacturing sector cannot just pick up the slack.

*Business of Supply*

After years of neglect, this sector has been left without the capacity it needs to increase production and take advantage of the low dollar to boost sales. We need a government committed to boosting the manufacturing sector, like most advanced countries around the world. Germany, South Korea, Brazil, and most advanced economies are fighting for their manufacturing sectors, standing up for small business. We need the government to finally wake up and start taking action.

Today is an important day. It is when members have the opportunity to stand up and be counted. Are members in the House going to stand up for Canada's middle class? Are they going to stand up for the manufacturing sector? Are they going to stand up for innovation and job creation? Are they going to stand up for small businesses in towns, cities, and communities right across this country? Every member has the chance to stand up and be counted. I urge every one of my colleagues to vote in favour of this important motion today.

**The Deputy Speaker:** On a point of order, the member for Saanich—Gulf Islands.

• (1015)

**Ms. Elizabeth May:** Mr. Speaker, I did not want to interrupt my hon. colleague from Parkdale—High Park, but she inadvertently used the proper name of her leader while discussing her party's positions, and I would hate to see it constantly happening in the House that we start referring to party leaders by name. I did not want to interrupt with a point of order; I just wanted to reference it now, and I am sure the Speaker will confirm that is the case.

**The Deputy Speaker:** Certainly it is the case that proper names of members of Parliament are not to be used. I have to say that I did not hear, but the Table advises me that in fact the member for Parkdale—High Park was guilty of the transgression. I was having a side conversation with the Deputy Clerk. However, properly admonished, hopefully the member will not repeat that error.

Questions and comments, the hon. member for Renfrew—Nipissing—Pembroke.

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, why is it that the socialists across the way are always separating society into class or by class distinction? Just because individuals start out with a lower income, perhaps, when they graduate from high school, college, or university, it does not mean that they are going to be low class. With a proper economic climate, as provided by our Conservative government, the sky is the limit for anyone.

**Ms. Peggy Nash:** Mr. Speaker, I should first acknowledge that I regret using the proper name of our leader. It is just that he is such a great leader, I guess I got over-enthusiastic and got carried away. I thank my colleague for correcting that.

Let me address the question of the member opposite. Perhaps she misunderstood the point of my speech, which was that Canada has historically been a land of opportunity. People come to Canada, as my grandparents and parents did, from all over the world, because they believe that Canada is a land of opportunity where one can, through hard work, through study, and through effort, move up economically in the world. Sadly, as a result of the actions of her government, people are less and less able to make that move.

Let me just give her a couple of facts, because maybe she has been unaware of them. There are nearly 1.3 million Canadians today who are unemployed. Another 4,300 lost their jobs in December. Employment growth in 2014 was a mere 1%, which is almost nothing. Clearly, our economy is stalling, and employment growth is not even keeping up with our population growth.

Clearly, a lot of Canadians are struggling right now. We do not think that should be the case. We believe that Canadians ought to have opportunities and jobs and the ability to move into the middle class. We do not know what she would have against that.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I guess it is a bit of a compliment. The term “middle class” was not part of the New Democratic vocabulary until the leader of the Liberal Party indicated that it was going to be a major theme going into the 2015 election. Flattery is a compliment. The NDP is most welcome to use the term as much as it likes.

We have consistently argued that it is important that we focus our attention on Canada's middle class. In fact, if we go back to 1993, the unemployment rate was 14%. It took Liberal governments to reduce that 14% to 6.5%, in 2006, which is when we left office.

One of the reasons we got that reduction was that we had a very bold initiative, which we have proposed once again, and that is the EI premium reduction, which would generate tens of thousands of jobs in every region of the country.

Why does the NDP, which says it supports the middle class, not support an EI premium reduction so that we could employ tens of thousands more Canadians from every region of this country?

• (1020)

**Ms. Peggy Nash:** Mr. Speaker, if the member believes that there is a trademark on the term “middle class” and that it somehow belongs to his party, I think the rest of the world is unaware of it.

Our leader genuinely comes from the middle class. He is a perfect example of someone who has worked hard all his life and has joined the middle class. That is why he is fighting so hard for the middle class.

If the member's comments indicate that he is going to be supporting our motion, I would really welcome that. It would be a welcome change, because I noted that when his leader was in London, Ontario, he urged that community to transition away from the manufacturing sector. If now he is in favour of the manufacturing sector, we think that is a positive step forward. Perhaps, then, we just need our colleagues across the aisle, in the Conservative Party, to join us, and we can pass the motion, get the Minister of Finance to bring in a budget, and finally get something done for Canadians here.

[*Translation*]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, it is a great pleasure for me to rise in the House to debate our opposition motion. As my colleague from Parkdale—High Park said, this is a real opportunity for members of the House to express support for good economic development for our small and medium-size businesses and the manufacturing sector.

*Business of Supply*

Today we are sharing part of the economic policy that we will put forward during the 2015 election. This is not the plan in its entirety; we are just paving the way right now. We are doing this because we want to give members of the House an opportunity to express their views on this issue and debate it outside of the usual setting.

I would like to talk about the Conservatives' economic record because they sure like to boast about their successes. As it turns out, though, despite all the fancy announcements and media lines, the emperor has no clothes. The emperor has no clothes because the successes that the Conservative government goes on and on about are nothing compared to the disastrous impact its policies are having on the Canadian economy. Those policies are also causing so much potential to go unrealized. All this government talks about is balancing the budget. Naturally, it does not talk about the sacrifices it has forced people to make so that it can maybe, someday, achieve that balanced budget.

When it came to power, the government inherited a budget surplus. It spent that surplus and was in a deficit situation even before the economic crisis hit. The Conservatives call themselves sound fiscal managers, but the only time a Conservative government ever balanced the budget, other than for the year and a half after they took power in 2006, was in 1912 under Robert Borden. If I had had a chance to speak and ask the member for Parkdale—High Park a question, I would have asked her to talk about the successes of New Democratic governments—provincial ones, to be sure, because we have not had an opportunity to form the federal government. That will come. Still, the federal finance department recognizes that at the provincial level, the NDP is the party with the best performance in terms of balancing budgets.

The emperor across the way has no clothes. Obviously, the Conservatives talk about the number of jobs created in Canada since the height of the recession, and they brag about having created those jobs. I agree that the government can indeed create jobs. It can create jobs in what is known as the public sector. This government, however, has not created jobs in the public sector. It has destroyed them. It has destroyed more than 30,000 public sector jobs since coming into power in 2011. Canada has rebounded in terms of job creation since the height of the recession not because the government created jobs, but because the private sector created jobs. The private sector rebounded in large part because of the cycle and the favourable circumstances that we had in Canada.

What people need to realize is that the vast majority of those jobs created since the height of the recession in July 2009, much more than before the recession, are precarious, part-time jobs. The best reflection of that is what happened at Tim Hortons. We asked questions in the House, denouncing the fact that 350 administrative jobs would be eliminated by Burger King when it acquired Tim Hortons. The government told us that it was unfortunate for those people, but that things would work out because Tim Hortons promised to open 500 new restaurants. Those restaurants will generate a few precarious, part-time jobs, while the 350 jobs that were lost were well-paid jobs in the community.

The government does not have an economic plan. It only talks about tax cuts. We support having a competitive tax position, whether personal or corporate, relative to that of our partners. However, according to the Conservatives, a 1% increase in any tax

rate would be the greatest disaster to befall Canadian society, whereas a 1% reduction is a miraculous remedy that could even cure the common cold. No credible government spokesperson can tell us exactly how these jobs were created by the economic situation or climate resulting from the government's economic policies.

• (1025)

In fact, I even doubt that they intend to use the government and its resources for the greater good or to create this favourable business climate.

When the government cuts taxes, it creates deficits. That is what happened in 2007-08, even before the economic downturn. The Conservatives made cuts to eventually, or possibly, balance the budget. What will happen afterwards? Will they use the surplus to improve the economic climate?

Judging by the comments from the member for Beauce, who is also the Minister of State for Small Business and Tourism, and Agriculture, I do not think that will happen. In fact, he says that as soon as the budget is balanced, they will continue to cut taxes in order to create new deficits, which will be followed by new cuts to balance the budget, allowing them to further reduce taxes. Where is the Conservative government's vision for our society and the Canadian economy?

That is why I am pleased to rise in the House to talk about the NDP's plan. It is a partial plan, since we are laying the groundwork for our economic plan. For example, there is a promise that dates back to the 2011 election, when we promised to lower the tax rate for small and medium-size businesses from 11% to 9%. Obviously, it will start by going from 11% to 10%, and if finances allow, it will then go from 10% to 9%. That is what we promised when the tax rate was 12%. The Conservatives reduced it by 1%, but we want to get it down to 9%.

This is an important measure, especially since the overall corporate tax rate has gone down since 2000. However, the Liberal government at the time misused the employment insurance fund. It took \$57 billion from this fund and passed it along to major corporations in the form of massive tax cuts. From 2000 to 2009, the tax rate dropped from 28% to 19.5%, and under the Conservatives it is now 15%. That is a drop of 13%.

The small business tax rate dropped from 12% to 11%. This means that the difference between the tax rates for small business and big business went from 16% to just 4%.

*Business of Supply*

We believe that we must widen that gap again. In a world where small businesses have to compete with big companies that are able to benefit from economies of scale, those small businesses need a more favourable tax environment. That is why former NDP leader Jack Layton proposed reducing the tax rate to 9% in 2011. That is also why we are reintroducing this measure and presenting it in the House today to launch our election platform.

Another important measure already exists, and that is the accelerated capital cost allowance for businesses. This measure already exists, but it is renewed from year to year. At some point, we will have to discuss whether it would be a good idea to extend this measure. Measures that are renewed from year to year serve only to increase uncertainty for our businesses, which need certainty now more than ever.

What is more, according to Canadian Manufacturers & Exporters:

The two-year write-off generates important cash flow for companies investing in new production technologies—and cash flow is critical for companies that are investing to grow their business as they emerge from recession.

I think that if we were to talk to other organizations, they would say the same thing, namely, that such measures are worth extending in these difficult and uncertain times.

I will close by talking about the third measure. It involves a tax credit and the possibility of claiming that tax credit for the capital used for scientific research and experimental development. In their 2013 budget, the Conservatives did away with this measure when they changed the eligibility criteria for research and development tax credits.

Nevertheless, in the manufacturing sector—as well as others, such as the natural resource sector, one of the sectors on which our economy relies—a lot of research and development spending and investments depend on capital investment, which has been withdrawn. Group after group came to see us to tell us that this would have a major impact on research and development, an area in which Canada has been lagging behind for many years now, to the point where our partners have overtaken us.

• (1030)

Like the member for Parkdale—High Park, I am very pleased to present these proposals in the House for what I hope will be a rich debate that will allow us to get the House's opinion on these important economic measures.

[English]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the member made reference to NDP governments balancing budgets and their records in that regard. His own leader gave accolades to Greg Selinger, the Premier of Manitoba.

Let me give a specific quote from the *Winnipeg Free Press*. It is somewhat dated, but it is during NDP administration.

The Manitoba government cited only the \$13-million figure in its Sept. 30 news release about the province's public accounts and omitted the actual deficit figure of \$604 million, the auditor general said. This could have given Manitobans the false impression there was no deficit, when in fact its size was second only to the \$822-million deficit of 1993....

The point is that the NDP likes to talk, but in reality it has been very deceptive.

If we reflect on the endorsement of the provincial NDP given by the federal New Democrats, one of the major economic policy platforms it announced was to increase the provincial sales tax from 7% to 8%. Is it the federal party's intention to increase the national sales tax?

[Translation]

**Mr. Guy Caron:** Mr. Speaker, it is a little ironic to hear the member talk like that, since the Department of Finance itself has said that the NDP performs well fiscally. Moreover, that is not the case for just one year or in a single province, but rather in all provinces since 1980.

Incidentally, those that have performed the worst in terms of balancing budgets have been the provincial Liberal governments. If he wants to talk about Manitoba, I can talk about other provinces that have performed rather poorly, although their governments are supposedly better money managers than the NDP. I will therefore not take a lesson in managing public finances from the Liberal Party.

Fiscal responsibility is part of the NDP philosophy, and has been since the days of Tommy Douglas. When he was premier of Saskatchewan, he had balanced budgets for 17 consecutive years, out of the 18 years he served as premier, so that is definitely part of the NDP philosophy, regardless of what the other parties say.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I want to again thank the official opposition. I fully support today's opposition motion.

The tourism industry will also benefit from the lower dollar. The Conservative government has repeatedly made decisions that go against the interests of tourism. In that area, it is easier to prepare for the next tourist seasons by running ads in the United States, but the Conservative Party made cuts to tourism advertising in the U.S. to promote tourism in Canada. It makes no sense.

Would the official opposition agree that we need to adopt policies that help not only the manufacturing sector, but also the tourism industry?

• (1035)

**Mr. Guy Caron:** Mr. Speaker, I thank my colleague from Saanich—Gulf Islands for asking such a good question that affects me personally, since the region I represent in the House, the Lower St. Lawrence, relies heavily on the tourism industry.

The hon. member is absolutely right. It is rather ironic that she raises the example of tourism because the hon. member for Beauce and Minister of State for Small Business, Tourism, and Agriculture, whom I cited in my speech, boasts about how much the government has done for tourism, when in fact it has cut not only from advertising, but also from assistance for organizations that promote Canadian tourism.

In fact, the Conservative government seems to rely strictly on the provinces for promoting tourism. In a situation where the circumstances have made the Canadian dollar weak against the U.S. dollar, this would be a prime opportunity to pep up the tourism industry by stepping in and encouraging people outside Canada to come visit us. Unfortunately, the Conservative government is once again sticking to its extreme ideology on this and refusing to invest in tourism.

*Business of Supply*

[English]

**Mr. Andrew Saxton (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I remind the House that I will be splitting my time today with the Parliamentary Secretary to the Minister of Employment and Social Development.

I am here today to oppose the motion proposed by the hon. member for Parkdale—High Park in regard to what the NDP calls a balanced economy.

What is most surprising about the motion is not the New Democrats' bald attempt to reinvent themselves as born-again capitalists, but their audacity in trying to take ownership of some policies that we have already introduced and that they voted against. The member for Skeena—Bulkley Valley even had the audacity to say that the so-called new NDP measures were proven to be successful. They were proven because we introduced them.

It is clear that while the NDP is moving toward our policies, our proposals are much better thought out, and our track record proves this. After all, the forgery is seldom as good as the original.

Today I will respond with Canada's economic and financial story, our fiscal strengths, and our plan to ensure we remain a world leader in an uncertain global economy. It is a plan that is critical to our nation's future. We need to create an environment that encourages further growth and investment. We also need to support our communities, our workers, and our workers' families, given a weak and fragile global recovery and strong global competition.

Canada's economic fundamentals are strong, yet our manufacturers and processors have been challenged over the last 15 years by rising global competition, and while Canada's exports began to show encouraging signs of strength last year, global activity weakness weighed heavily on our export sector during the three preceding years.

Let me start with a basic fact. Contrary to what the opposition may believe, we cannot have a balanced economy that supports innovation, competitiveness, and manufacturing without strong fundamentals and a sound plan. Even with the uncertain global environment, Canada's fiscal fundamentals are solid and sustainable thanks to the leadership of our Prime Minister.

In 2006, when our government assumed office, the world was a different place. Markets were booming and economic growth was strong, but economic storm clouds were gathering. Our government recognized this and was prepared for it long before the storms reached our shores: we reduced the federal debt, we consistently cut taxes for Canadians and job-creating businesses, and we set out an ambitious plan to renew Canada's aging infrastructure.

In 2009, when we reached the depths of the great recession, our government acted quickly, decisively, and responsibly; as a result, Canada fared much better than most. We introduced an economic action plan that funded thousands of critical infrastructure projects, including the construction of roads, bridges, and border crossings, as well as knowledge-based infrastructure like research labs, universities, and colleges and broadband Internet access in rural areas.

If we fast-forward to today, we can see that those actions continue to pay off. The Canadian economy has posted one of the strongest

job creation records in the G7 over the recovery, with nearly 1.2 million jobs created since 2009. Let me remind the opposition that over 90% of those jobs created since 2009 are full-time positions, over 80% are in the private sector, and over two-thirds are in high-wage industries.

Real GDP is significantly above pre-recession levels, the best performance in the G7. Both the International Monetary Fund and the Organization for Economic Cooperation and Development expect Canada to be among the strongest-growing economies in the G7 over this year and next.

While it is gratifying to highlight Canada's economic strengths, we also know we cannot afford to be complacent. Today's advantage will not carry into tomorrow simply by sheer luck or even good intentions. In an all too volatile global economy, there is no substitute for decisive action and hard work, and this is never more true than today as we face risks from beyond our borders, risks that could bring with them the potential for severe consequences on the Canadian economy.

• (1040)

On the other hand, what New Democrats fail to say in their motions are all the things that they are not coming clean to Canadians about: raising taxes on businesses; recklessly increasing CPP, which numerous businesses have said would result in job losses; instituting a \$20 billion carbon tax, which will hurt the economy, take more money away from Canadian families, increase Canada's debt, and put us back into deficit. The list goes on. It is shameful that New Democrats are failing to reveal what they actually have in store for Canadians.

On the other hand, the Liberal leader has decided to put no policies forward to help our manufacturing sector, instead saying that we need to transition away from manufacturing. Our government will continue to help our manufacturing sector find ways to thrive in a changing global situation. The Liberals as well have promised large tax hikes, increased debt, and bad policies that would damage the Canadian economy. Of course, these are just the latest challenges facing our country, and we refuse to take part in the opposition's reckless approach to the economy.

Canadian manufacturers faced many challenges over the last years and responded. They have implemented competitiveness-enhancing measures, such as managing their cost growth, importing more intermediate inputs, and reorienting exports toward faster-growing emerging economies. However, they cannot do it alone. Our government has listened to manufacturers and has taken significant action to help boost the competitiveness of Canadian manufacturers and exporters, which makes this motion all the more absurd. If imitation is the best form of flattery, that is what we have here today.



*Business of Supply*

Since 2006, the Government of Canada has lowered taxes, made Canada the first tariff-free zone for manufacturers in the G20, eliminated unnecessary regulatory burdens, and improved conditions for business investment. These investments to strengthen the competitiveness of Canadian businesses build on the government's strong record of support for manufacturers and businesses of all sizes.

Let me start with the tax changes we have introduced to help create a highly competitive environment for manufacturing. Our government firmly believes in reducing taxes. It has been a priority of our economic strategy since the day we took office, and it is a belief we have put into action: we have delivered tax reductions totalling more than \$60 billion to job-creating businesses from 2008 through to 2014, and the federal tax burden is at its lowest level in over 50 years.

Among these tax relief measures are the reduction of the federal general corporate income tax rate to 15% in 2012 from over 22% in 2007 and extensions of the temporary accelerated capital cost allowance for new investments in manufacturing and processing machinery and equipment through 2015.

The most recent renewal of the temporary accelerated capital cost allowance for manufacturing and processing machinery and equipment announced in budget 2013 will provide over \$1.4 billion of support over four years, starting in 2014-15. This is exactly the same measure the NDP is now claiming to now champion. What has the NDP done every year we have given this to manufacturers? The NDP voted against it each and every time.

This measure is helping manufacturing and processors retool to increase productivity and enhance their competitiveness, and the results are clear. More than 25,000 businesses in the manufacturing and processing sector that employ Canadians in all regions of the country have taken advantage of the accelerated capital cost allowance since it was first introduced in 2007.

This commitment to tax relief has delivered real benefits to our country. Canada's tax competitiveness and overall business environment have been significantly improved, with the result that Canada now offers the lowest overall tax rate on new business investment in the G7.

The competitiveness of Canada's business tax system is supported by third party analysis. The KPMG publication *Competitive Alternatives 2014* concluded that Canada's total business tax costs are the lowest in the G7 and 46% lower than those in the United States.

This investment-friendly tax environment is critical to the future of Canada's economy. It is a broad-based, fiscally durable, structurally sound, and increasing powerful selling feature in attracting the investment that Canadian businesses need to grow and thrive.

Today and in the years to come, this low-tax environment will play a crucial role in supporting economic growth and enabling businesses to investment more of their revenues back into their operations.

● (1045)

I will conclude by contrasting our approach with that of the NDP. New Democrat members have put forward a motion that completely misrepresents their agenda. While they are finally talking about moving toward some smart tax policy solutions to help Canadian industry, they have also opposed all of these measures in the past.

I would remind them that their proposed plan is not the present to small business they are making it out to be. As I mentioned, we have already provided the accelerated capital cost allowance to the manufacturing industry, and the NDP voted against it time after time. We have reduced the small business tax rate, which NDP members were against.

We have done a lot more than that, but I see that my time is up.

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, middle-class British Columbians, such as those in my riding of New Westminster—Coquitlam and Port Moody, are worried. They are worried about the soaring cost of living in the Lower Mainland. They are worried about their jobs and retirement security, and about the lack of employment opportunities for their children.

The current government's record on job creation and economic investment has been lacklustre. Rather than focusing on measures to give entrepreneurs and small business owners the boost they require to create the well-paying middle-class jobs our region needs, the Conservatives' rip-and-ship approach to the economy has left people in my province of British Columbia vulnerable.

I would like to ask my hon. colleague if his government will finally do the right thing and prioritize innovation and small business job creation, and support the NDP plan to invest in the economy and create well-paying jobs in every community across this country.

**Mr. Andrew Saxton:** Mr. Speaker, the member started by talking about higher costs facing the middle class. We recognize that raising a family today is expensive, that it is in fact at an all time high. That is why we introduced the family tax cut, which is putting money in the pockets of all Canadian families. Over four million Canadian families will benefit from the family tax cut, with almost \$2,000 for every child under the age of six and \$720 for those with children under the age of 18 and over the age of seven.

Our job-creation record speaks for itself. It is the best job creation record in the G7. Almost 1.2 million net new jobs have been created. However, we are not resting on our laurels; we are not stopping there.

*Business of Supply*

We have introduced a new apprenticeship loan program to help young Canadians get jobs, to get the skills they need and the jobs they want. We have introduced more funding for paid internships to help young Canadians. We have introduced the Canada job grant so that Canadians who want to improve their skills to get a higher-paying job or to get their first job have that opportunity, and so that businesses have input regarding that opportunity as well. We have also introduced numerous innovation funds, including the automotive innovation fund, which the opposition voted against.

These are some of the measures we have introduced to help create jobs in the Canadian economy.

● (1050)

[*Translation*]

**Mr. Marc-André Morin (Laurentides—Labelle, NDP):** Mr. Speaker, listening to my colleague reading his notes might reassure the Conservative base. However, as we speak, business leaders are getting ready to launch investment programs. They have some very serious concerns and are wondering what will be in the budget.

It is the same story every year. Everyone waits for the budget to be brought down to see exactly what it contains. This year in particular, the drop in the price of oil and the lower dollar has to be taken into account. There has been some incredible upheaval.

In the member's opinion, what impact does the unknown have on investors and industry leaders? Why are the Conservatives not tabling their budget? Is it because they have no idea of what they are doing or because they do not get it any more? They seem completely lost.

[*English*]

**Mr. Andrew Saxton:** Mr. Speaker, my hon. colleague talks about small businesses and asks why we are not helping small business, yet we are helping small business. In fact, we introduced the small business job credit, which NDP members voted against. If they want to help small business, why do they keep voting against all the measures we have created to help businesses in this country?

I will share with members some of the other things we have done to help businesses. We have provided \$1.4 billion in tax relief for new manufacturing machinery and equipment through the accelerated capital cost allowance. We have improved support for Canada's aerospace industry by investing almost \$1 billion in the strategic aerospace and defence initiative to ensure that the needs of the industry continue to be met. We have supported Canada's vibrant shipbuilding industry, which is very important in my riding of north Vancouver, with \$35 billion in funding. This will create tens of thousands of jobs over the next 30 years and breathe new life into that industry.

These are just some of the things we have done to help businesses in Canada.

**Mr. Scott Armstrong (Parliamentary Secretary to the Minister of Employment and Social Development, CPC):** Mr. Speaker, it is my pleasure to speak about the important role that Canada's manufacturers and small businesses play in creating jobs and a strong Canadian economy. Comprising 98% of all employer businesses in Canada, small businesses are a significant driver of economic growth. They are an important pillar supporting workers,

families, and communities across the country. Our government appreciates the efforts and contributions that businesses, and small businesses in particular, make in Canada.

As a result, we have implemented a wide range of policies and programs on the understanding that when our small businesses succeed, all Canadians succeed. While the NDP is moving toward our policies, we believe that our proposals are much better thought out. Since taking office, the Conservative government has put in place numerous measures that benefit Canadian small and medium-size companies.

For example, the accelerated capital cost allowance for investment in machinery and equipment has been of great benefit to Canada's manufacturers and processors. This has helped them make investments needed to compete at home and abroad. Here I would point out that NDP voted against an extension of this measure in Budget 2013.

On top of that, various incentives in the Canada Revenue Agency have helped improve the provision of information and services to small businesses, while reducing the administrative burden and increasing taxpayer fairness.

Another example of our reductions of red tape is the ongoing funding of \$3 million a year to make BizPaL a permanent service for businesses through Budget 2011. BizPaL is an online service that significantly reduces the red tape burden on small business owners by allowing them to quickly and efficiently create a tailored list of permits and licences from all levels of government necessary for them to operate their businesses. It is one-stop shopping for small business. The New Democrats voted against this red-tape reduction measure, then, just as they have today, called for a massive payroll tax hike on all Canadians. This would greatly harm the growth of small business across Canada from coast to coast to coast.

In addition to cutting red tape, our government has helped connect businesses to vital partners to help them innovate in their operations. Our government provided \$100 million over five years to help leading business accelerators and incubators across Canada to increase their service offerings for early-stage businesses and entrepreneurs. These investments will help entrepreneurs create new companies and realize the full potential of their innovative ideas through mentorship, specialized training, and business support, and also to support networking with potential customers and investors.

In addition, our government has been increasing the venture capital financing available for innovative companies through the implementation of the venture capital action plan. Since the announcement of this plan in January 2012, the government has invested in four high-performing venture capital funds and established and invested in three large-scale private-sector funds of funds with private sector investors and interested provinces across Canada.

*Business of Supply*

These measures build on so many others that have been introduced by government since 2006, many of which the opposition members have voted against, to assist small businesses to make the investments they need to create good jobs and grow our economy.

Since 2006, the Conservative government has reduced the small business tax rate to 11%. We have increased the amount of income eligible for the lower small business tax rate from \$300,000 to \$500,000. We have also enhanced the availability and accessibility of the financial support for innovative small and medium-size businesses under the scientific research and experimental development tax incentive program.

We also established the Red Tape Reduction Commission to review the areas of federal regulation most in need of reform, to reduce the cost of compliance for small businesses. We reduced the paperwork burden on businesses by 20% through the paperwork burden reduction initiative.

We increased the lifetime capital gains exemption on qualified small business shares from \$500,000 to \$800,000. We also indexed this limit to inflation, so the exemption limit has now increased to \$813,600 for 2015 as a result.

In addition, we eliminated close to 2,000 tariffs on manufactured inputs, machinery, and equipment. We have provided about \$400 million in annual duty savings to businesses across the country. As well, new trade agreements have been established with South Korea and the European Union, which would bring significant benefits and savings to Canadian businesses and open new markets to our exporters.

●(1055)

Creating savings and opportunities for businesses so they can grow and succeed is a critical role for government. We also know that no business can succeed without high calibre employees. From travelling across the country and speaking with entrepreneurs, businessmen, businesswomen, and others who hire and employ people, we know that one of the biggest challenges these employers face is finding qualified and well-trained employees to fit the job profiles they are advertising. This is why our government has introduced numerous training and employment insurance measures to help businesses create good jobs for Canadians.

For example, the small business job credit will deliver significant EI savings to businesses, helping to defray the costs of hiring new workers. The new Canada job grant will better prepare the next generation of Canadians to meet the demands of the evolving labour market, bringing employers into the game so that they have more say and control over what training opportunities are offered, and also the ability to help pay for that training.

It is well known that in these uncertain economic time, the labour market faces uncertain challenges. This is why our government has taken action to ensure that many Canadians have the opportunity to participate in the workforce, given the emerging skills shortage. It is also why we have focused so intently on and encouraged apprenticeships, particularly in the Red Seal trades, where the need is currently the greatest. Our government introduced the apprenticeship job creation tax credit, which reduces employers' taxes by an amount equal to 10% of the wages paid to apprentices for their first

two years of an apprenticeship in a Red Seal trade up to a maximum of \$2,000 per apprentice per year. We have also introduced a \$1,000 apprenticeship initiative grant for apprentices in each of their first two years of apprenticeship in a Red Seal trade.

The New Democrats voted against both of these job-creating measures, so why would small businesses now believe they are here to support them today?

To build on these measures and further respond to skilled labour shortages, in 2009 we launched the apprenticeship completion grant. Apprentices who complete their certification in any of the Red Seal skilled trades are entitled to receive a taxable grant of \$2,000.

In addition to supporting the training and hiring of skilled labour, our government has focused considerable investment on innovation and helping businesses get their products from the farm gate to the market. The new international trade agreements will certainly deliver this benefit.

Our Conservative government has also invested directly in initiatives to help advances in commercial technology, including a \$1 billion advancement toward additional knowledge translation; helping discoveries move from laboratories into market applications across the economy; and almost \$4 billion in additional support for applied research and business innovation, including the automotive, aerospace, forestry, and clean technology sectors. These measures translate into more innovation, success, jobs, and stronger growth for Canadians.

These are the pillars of Canada's economic action plan and they have delivered for all Canadians. We have among the best job-creation records in the world, with nearly 1.2 million net new jobs created since the pit of the economic recession in July 2009. We have the strongest middle class in the world. Canada is now viewed as one of the best places in the world in which to start and grow a business.

Our government looks forward to building on our record by supporting the dynamic businesses that we have in Canada so they can move forward in a positive direction. Small business owners are the entrepreneurs, innovators, risk takers, and the visionaries who will lead Canada for the next generation. Our government values the contribution of small businesses to the success of the Canadian economy and we will always support and grow this important sector, not just when an election is on the horizon.

*Business of Supply*

●(1100)

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, a couple of weeks ago the leader of the Liberal Party was in London speaking to a group of workers. He was quoted as telling those workers that manufacturing was a 20th century endeavour in the Canadian economy and urged them to look for different things.

I looked up the definition of “manufacturing”, which states that it is “to make, to produce, to build, to construct, to fabricate, to process, engineer and invent”. To me those words sound like the very core of a modern, industrial economy and something that the Canadian economy really needs.

I wonder if my hon. colleague would comment on the Liberal's abdication of the belief that manufacturing is a core part of Canada's economy moving forward. Would he agree with the official opposition New Democrats that manufacturing is indeed a major and important part of the Canadian economy moving forward?

**Mr. Scott Armstrong:** Mr. Speaker, I have to say that this is probably the best question I have had from a colleague from the NDP since I was elected in 2009.

Manufacturing is an important economic driver across the country. The Liberal leader said that manufacturing is a factor from the last century and is a thing of the past. He should tell that to the workers in the aerospace industry in IMP Group in my riding, almost 1,200 workers in Cumberland–Colchester–Musquodoboit Valley. Our largest private sector employer depends on manufacturing. There are literally thousands of jobs in my riding alone in just one business based on manufacturing.

They have a robust future. They are signing contracts with companies all over the world to produce aerospace parts for aerospace manufacturing. There are other jobs related to that.

Look at the Irving shipyards in Halifax. There is some \$25 billion in shipbuilding. It is going to hire thousands of Nova Scotians. That is manufacturing.

Intertape Polymer Group, in Truro, my hometown, exports to several different countries all over North and South America.

Manufacturing is the heartbeat of small business and medium-size enterprises across the country. This is where entrepreneurs and innovators live and breathe. For the Liberal Party to say that this is an industry and sector whose time has passed is so backward looking and backward thinking that I cannot see how any Canadian will stand up and support it in the next election.

**Mr. Ted Hsu (Kingston and the Islands, Lib.):** Mr. Speaker, I would like to talk about small businesses, and in particular, about creating new small businesses where the jobs involve work that is highly value-added, and as a consequence, highly remunerative, with high wages. These are jobs that make these new small businesses highly competitive. There is a high barrier to entry.

One of the important ways to create these companies is by having early-stage, risky commercialization of game-changing discoveries in Canada. That is the way to create new small businesses where there is a high barrier to entry, thereby making us more competitive vis-à-vis foreign companies.

My concern with the NDP motion today is that I do not think a tax credit will do that. I do not think it will take care of very risky, early-stage commercialization where there is not much cash flow for the first few years.

In Canada, we still do quite a poor job of nurturing that early-stage, risky commercialization. Why are we still doing such a poor job?

●(1105)

**Mr. Scott Armstrong:** Mr. Speaker, I disagree with the member across the way. I think the government has taken strong steps to support the commercialization of new products. One of the programs we have in place allows businesses with new products to compete for federal government contracts.

We all know that any time a new product hits the market, one of the first challenges is finding that first big contract. We know that if we have a new product come to market, finding that first customer to buy it gives it a strong reference on the resumé of that product so that it can be sold to other people.

We have a program in place so that new products in Canada can get that first contract from the federal government. With that, they have a federal government reference to sell that to private sector employers. We have lots of programs and incubators to support other private sector people purchasing these new things and supporting our new entrepreneurs and new products.

I would like to go on, but I have run out of time.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, I will be sharing my time today with my colleague and friend, the member for Markham—Unionville.

In these difficult and uncertain times, we have to recognize that first of all, even before the plummeting oil prices, growth in Canada had stalled. We had stagnant growth and a soft jobs market prior to plummeting oil prices. In fact, if we look at the numbers even a year ago, well before falling oil prices, we had 200,000 fewer jobs for young Canadians than before the financial crisis in 2008. Long-term unemployment, people unemployed for over a year, had actually doubled in Canada.

*The Economist* magazine did an article on the Canadian economy called “Canada's economy: Maple, resting on laurels”, which said: “The post-crisis glow is fading.” That was written last spring. *The Economist* was comparing Canada's growth numbers with those of the U.K., Australia, and of course, our neighbour to the south, the U.S.

The reason I am saying that is that it is important to realize that we needed a real plan for jobs and growth prior to plummeting oil prices, and we need a plan even more so today. That is why it is important that the government come forward and present a budget that actually contains a plan to create jobs and growth but also to help the struggling middle-class families in Canada who are having trouble making ends meet, who are falling further behind, who are taking on higher levels of personal debt, and who are concerned about the future of their children and grandchildren.

*Business of Supply*

This brings me to today's motion and its three components: extending the accelerated capital cost allowance for manufacturing, the innovation tax credit, and cutting the small-business income tax rate.

The accelerated capital cost allowance for manufacturing has existed now for about eight years. During the period of time this measure has existed, we have lost 400,000 manufacturing jobs. The proposal being made by the NDP is to extend it by two years. I would argue that this is a status quo measure and that it will not really move the needle in terms of helping manufacturing.

The Canadian Manufacturers & Exporters are calling for five years, which would provide more certainty in terms of manufacturing investment. A two-year extension is not a bold new policy that is really going to move the needle in terms of manufacturing competitiveness.

In terms of the innovation tax credit, the government has diluted and pulled back the SR and ED tax credit. It has made changes that we are told by smaller companies that are involved in research and development and commercialization, and we are told by larger manufacturers as well, that the changes to SR and ED made by the government have been negative for their capacity to research, develop, and commercialize new technologies and to create value.

What the NDP has proposed is a small measure. We would agree that trying to create more incentives to actually encourage and support commercialization is important for creating wealth and prosperity for Canadians and jobs and growth. We are concerned that this is a very small measure. I believe that it is \$40 million per year. Again, when I talk to people involved in venture capital, IT, biotech, or cleantech, they do not believe that this is going to make a big difference.

This leads me to the third measure, and that is cutting the small-business income tax rate. The NDP has proposed a two-point cut, which would cost about \$1.2 billion per year.

Jack Mintz, director of the University of Calgary's School of Public Policy, opines frequently on tax policy in Canada. This is what it says in an article about the NDP plan.

An NDP plan to give tax relief to small businesses will actually end up giving wealthy Canadians a tax cut. "[It's] something to make the rich richer," Jack Mintz....

But Mintz and some fellow economists argue that the tax break will go overwhelmingly to Canadians who need it least and may not result in job growth at all.

"We find that 60 per cent of the small business deduction goes to households with more than \$150,000 in income," Mintz said....

"The worst part [of the NDP plan]," Mintz added, "is that it doesn't have good economic impacts because small business deductions contribute to a wall of taxation, so if they grow, they lose some of their benefits and get hit with higher taxes.... It tends to keep small businesses smaller."

• (1110)

What he is saying is that it is a disincentive to growth.

He also refers to the tax vehicles that exist for a lot of wealthier Canadians. Canadian-controlled private corporations, known as CCPCs, are used by high-income Canadians and high-income households as a form of income splitting, with dividend distribution shared between spouses. If people talk to a tax planner, accountant,

or private banker, they will say that these are frequently used by people with a lot of money, families with a lot of private wealth.

Mintz says this about the NDP plan: "...it's also a good income splitting method that the NDP are recommending".

The coalition that has emerged between the Conservatives and the NDP around income splitting to benefit Canada's wealthiest families is something the Liberals are watching with amazement. I am not going to suggest that discussions about a coalition or anything like that are occurring behind the scenes, and I do not actually think the NDP has intentionally done this. I think this has been poorly researched.

In fact, Armine Yalnizyan, who is with the Canadian Centre for Policy Alternatives, a very progressive think tank, had this to say on CBC when she was asked about the NDP's proposal. She was asked a specific question by the CBC journalist, as follows:

This criticism [by Jack Mintz] of the NDP's proposal sounds bang on to you or totally wrong?

This is what the economist with the Canadian Centre for Policy Alternatives said:

Absolutely bang on. We have got new research in the last year or so that Dr. Mintz is talking about. So you'd think that the NDP would have known about this research. It's a little bit weird to say that we are looking at a way of benefiting small businesses when...[we are benefiting] tax shelters. If you want to do the things that they're saying, [they] could actually target your tax cut to incentivize the growth or only give tax cuts when the behaviour you are looking for takes place....

What she is referring to are direct incentives for businesses that create jobs, that invest to create jobs and hire more people. Again, there is a startling and perhaps troubling trend here of NDP policy looking like Conservative policy.

A few months ago, we were critical, the NDP included, of a Conservative hiring credit that would do nothing to really create jobs. It would be expensive. In fact, we were told by the Parliamentary Budget Officer that it would cost \$700,000 for every job created and would not provide an incentive to hire. In fact, it would be a disincentive for hiring and growth. Now the NDP is proposing a policy with a similar disincentive to growth, which would do nothing to actually create jobs, and similar to Conservative income splitting, would disproportionately benefit the wealthy.

If we really want to focus on creating jobs and growth, we should look at the policy proposed by the Liberal Party at that time, which was a hiring credit that would provide a tax benefit to employers who actually hired new workers and expanded their employment. That policy was embraced and supported by the CFIB, the Canadian Manufacturers & Exporters, and Restaurants Canada.

More broadly, the Liberal plan we will be presenting to Canadians and engaging Canadians in will be one that helps the middle class and creates jobs and growth by investing in infrastructure, people, and innovation.

*Business of Supply*

In terms of infrastructure, whether it is a small business, a big business, or a family, 100% of Canadian families and businesses benefit from investments in infrastructure. There has not been a better time in our lifetimes to invest and fix Canada's infrastructure. We have historically low bond yields, soft employment numbers, stagnant economic growth, and an historic opportunity to take the advice of David Dodge, the IMF, Mark Carney, and others and invest in infrastructure.

• (1115)

That is the kind of vision that Canadian small businesses and Canadian middle-class families would benefit from, not a poorly thought out approach from the NDP that would disproportionately benefit the wealthiest Canadian families who need the help the least.

**Ms. Ève Pécelet (La Pointe-de-l'Île, NDP):** Mr. Speaker, the member tells a great story, and we can always find quotes going both ways. However, will the Liberals support our motion, yes or no? If not, what are their plans? Going to southern Ontario and telling manufacturers that it is long past due and that they should move on? What are their plans and will they support our motion?

**Hon. Scott Brison:** Mr. Speaker, I think I was pretty clear, so the answer is, no, we will not support the motion. To support a motion that will take \$1.2 billion out of the federal treasury will not really do much for jobs, growth or help the middle class. It does not seem like good public policy. It sounds like something coming from the Conservatives in terms of income-splitting.

Beyond that, the member is right that we can get quotes from different sources. I have never seen the Canadian Centre for Policy Alternatives, which is considered a progressive think tank, agree with Jack Mintz at the University of Calgary on anything before in my life. They both say that this proposal by the NDP will disproportionately benefit the wealthiest Canadian families through tax shelters and private family corporations. The top one percent is doing very well in Canada and the NDP ought to focus on the middle class like the Liberal Party is doing.

[Translation]

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Mr. Speaker, my problem with the people in the Liberal Party is that every time they talk about the economy, they, like the Conservatives, paint a picture of a wealthy Canada even though more and more Canadians are turning to food banks and more and more young people are unemployed.

They keep saying that Canada's economic growth is strong, but the vast majority of Canadians are not benefiting from that economic growth.

It would be nice if the Liberal Party MPs told us what they plan to do and how they plan to do it. I am not talking about what they have always done, which is give to the rich.

How will they go about creating wealth for the vast majority of Canadians? Most importantly and to the point, will they do it by increasing the deficit and the middle class tax burden? Who will they tax? Those are the real questions. Will they balance the budget?

• (1120)

**Hon. Scott Brison:** Mr. Speaker, to be honest, I do not understand the question because the Liberal Party is not the party that came up with the idea to help the rich that we are talking about today. That came from the New Democrats, not us.

I do not understand why the member supports the NDP's current policies when those policies seem to favour the rich and families that do not need help from the Government of Canada. It is up to him, not me, to explain the NDP's backward policies here in the House of Commons.

[English]

**Hon. John McKay (Scarborough—Guildwood, Lib.):** Mr. Speaker, the misquotes being attributed to the leader of the Liberal Party border on urban legend. I would offer the opportunity for the hon. member to correct the nonsense by the Conservative Party, which is to spend and which, in this new coalition, has been picked up by the NDP as well.

**Hon. Scott Brison:** Mr. Speaker, the one thing that really unites this new coalition between the New Democrats and the Conservatives is their fear of the Liberals and the member for Papineau. Based on what we are seeing across the country, they are being reasonable in assessing the situation and having that fear.

Beyond that, they both misrepresent what the Liberal Party and its leader does and says. In fact, the leader of the Liberal Party has stood up strongly for advanced manufacturing and making the kinds of investments in advanced manufacturing that will not only create the jobs of today, but will prepare the Canadian economy and our manufacturing sector to create the jobs of the future. That is what the Liberal Party stands for.

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, I am pleased, and even proud, to say that the Liberal Party will vote against this motion. At its heart, it reflects the core incompetence of the New Democratic Party on anything related to economics.

[Translation]

The motion reveals the New Democratic Party's fundamental incompetence when it comes to economic issues.

However, before I say any more about the NDP's economic incompetence, I would like to talk about the government's incompetence. This is important because we are living in uncertain times. In uncertain times, the people want the government to take a clear stance.

[English]

It is clear that oil prices have plummeted and economic uncertainty has increased. In such an uncertain climate, people want economic leadership from the government. They want an action plan to reassure Canadians that everything will not be for the worse. What is that plan for the government? It is to delay its budget to April or later. That is the opposite of an action plan to reassure Canadians. It is a sign that the government does not seem to know what to do, so it is punting the budget into the future.

*Business of Supply*

Why? On the one hand, the minister seems to be saying that in these uncertain times we have to wait a few more months to see what will happen to oil prices, as if knowing oil prices in two months would help us know them in 12 months. No one in the world predicted oil prices would go from \$100 to \$50. I do not think a couple of months from now we will know a huge amount more.

On the other hand, the minister talks as if he does know everything right now. He says with certainty that the Conservatives will balance the budget. He says with certainty that they will deliver their tax cuts. If he knows all that, why delay the budget? If everything is so clear in his head, as he pretends it is, why not do the budget tomorrow and relieve the uncertainty of Canadians.

The other problem is this. Why does he use the hard-earned money of Canadians at a time of potential deficits to give \$12 billion over six years in the form of income splitting that will go to a tiny minority, 15%, of households, which is geared toward higher income Canadians? It does nothing for growth and resembles the policy of the NDP, which we are discussing today.

This brings me to my core issue of NDP economic incompetence. In order to set the stage for this hypothesis, let me take a little historical step backward and look at the NDP through history.

The New Democrats like to refer to provincial NDP governments as being competent. To some extent I will grant them that point. If I think of people from the past, like Roy Romanow, Ed Schreyer, Doer, et cetera, they actually ran governments, balanced budgets and showed competent economic leadership in some cases. Some of them were so good they could have been Liberals. One of them became a Liberal.

However, it is a totally different animal when we get to the federal NDP, because it is a party that, thank goodness, has never been the government. The New Democrats are living in a kind of 1950s class warfare mentality where they are debating in Ottawa ideas that were current among the left in the 1950s and 1960s. They have a somewhat other worldly element to them, not only in economics but also wanting to get out of NATO and other silly things.

Now we have a new leader of the NDP who has decided enough of this left wing stuff, that the New Democrats will not do crazy incompetent ancient history lefty stuff, that they will move to the centre and become much more conservative, and do all these nice things for corporations. Therefore, we come to this motion and this plan.

As my colleague has pointed out, I do not think even the current leader of the NDP, who wants to be more conservative, wants to be so conservative to present a policy that economists on the left and the right agree would do nothing for growth. All it would do is give huge benefits to wealthy Canadians. That is what the left wing and right wing economists say. I am an economist. I know economists do not always agree, but when we have a lefty economist and a righty economist saying exactly the same thing, there is probably an element of truth in it.

● (1125)

This misguided NDP policy with which it is trying to burnish its pro-corporate credentials to Canadians has fallen flat on its face because it would do the opposite. It would do nothing to create jobs

in small business and other business. It would do everything to favour high-income Canadians in tax shelters.

This speaks to two points about the NDP. The NDP tries to be more mainstream or pro-corporate, but it remains incompetent. It is not proposing anything that would actually help create jobs in the corporate world. It has been deluded by bad research into thinking that this measure, which it proposes to create jobs in the private sector, in fact would not do so. It would simply raise the incomes of the higher-income, most privileged Canadians.

In this respect, as my colleague says, it is as if we are entering into some sort of coalition behaviour between the two other parties that wish to favour the higher-income Canadians. Only the Liberal Party is left as the champion of middle-class Canadians because we will neither do income splitting, which would favour the rich. Nor will we do this stupid NDP tax cut, which would also favour the rich.

There it is on paper. Concrete measures from the Conservatives that favour higher-income Canadians and concrete measures proposed today from the NDP, which really does not understand what it is doing, that favour the rich, unknown to the NDP. In that respect, those two parties are united. The Liberal Party, alone, is fighting for middle-class Canadians. For that reason, we are very happy to oppose this ridiculous NDP motion.

● (1130)

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, the hon. member opposite should know, as a trained economist, whose Ph.D. thesis became a book, entitled *Unequal Beginnings: Agriculture and Economic Development in Quebec and Ontario until 1870*, that this government has had a very good record on job creation and economic growth.

If we compare a more important statistic of labour market participation among OECD countries, we will see that Canada's numbers are very strong. The most recent numbers from Statistics Canada show that our labour market participation rate is somewhere around 65%. The commiserate number for the United States, from December 2014, is 62.7%. If we compare our labour market participation rates to countries like the United Kingdom and many other western European countries, we are quite a bit higher.

This government has done an excellent job of managing the economy and the member should give some acknowledgement for that. He should know, as a trained economist, that this is the case.

**Hon. John McCallum:** Mr. Speaker, I do not give much praise to the government, but I do give a lot of praise to the hon. member opposite, not only because of some of the good work he has done in the House, but also because he is one of the few people I have met in the last decades who has actually read my Ph.D. thesis. I thank him for his good taste in that regard.

*Business of Supply*

I would also acknowledge that Canada has done better than Spain and Greece in terms of recovering from the economic crisis.

However, my view would be that it is largely not the government's doing. It is largely because we had oil, when oil prices were higher, that helped and it is largely because our fiscal house was in order, and that is thanks to the actions of the Liberal government. It is also largely because we did not allow our banks to regulate themselves, which is thanks to the decision by the Liberal government not to allow mergers and not to allow banks to deregulate.

If we put all those ingredients together, while it is true we have done better than Greece and Spain, much of the credit for that rests with the previous Liberal governments of both Jean Chrétien and Paul Martin.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I can remember a president in the past saying he wanted a “one-armed economist”, because one set of economists would say one thing and another set would give contrary advice. We have, with my friend from the Liberal Party, the great combination in which he offers two perspectives on the same reality in the same speech, many times. Let us break them down a bit.

When anything good happened under a Liberal watch, it was because of what the Liberal Party had done to make that happen. Anything good that happens under anyone else's watch, be it a Conservative or New Democratic government, are other factors. The member also said that if the Liberals offer a business tax cut, then that is a good thing, but if the NDP offers the same tax cut, then that is a loophole for rich people to get off their taxes.

The Liberals did more to allow the wealthiest Canadians to offshore their taxes than any party in political history. They handed out tens of billions of dollars in corporate tax giveaways, without the job creation associated with it whatsoever.

Could the member tell me if the problem is the actual ideas we have put forward to help the manufacturing sector, to help small businesses, to help grow the Canadian economy, or is it simply the source?

My colleague does not like the orange brand that was on the policy paper, because that would show him to be somewhat more partisan than impartial in trying to help the Canadian economy, which is exactly what the NDP leader was doing last week in front of the Economic Club of Canada. He was offering up ideas, ideas that the Liberals think, with a flick of the hair and a smile, are going to get them all the way through the next election.

Canadians need solutions to the challenges that this economy faces.

• (1135)

**Hon. John McCallum:** Mr. Speaker, my colleague referred to two-handed economists, and I referred to two economists, one from the left—one could even say the far left—and one from the pretty far right. Those are two hands of two different economists of opposite persuasions who totally agree that the NDP policy would do nothing but favour the rich and would not create jobs. Members should not listen to me. They should listen to economists on the left and economists on the right who are in total agreement.

As for parties in government, I actually gave some credit to NDP provincial governments, which from time to time have behaved competently. However, thank goodness we have no evidence of an NDP federal government, because such a thing has never existed and, God willing, never will.

[Translation]

**Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP):** Mr. Speaker, I will be sharing my time with the member for Windsor West.

I am rising today to speak to the NDP motion, which proposes a series of practical, targeted and carefully thought-out measures that will lay the foundation for a more solid and sustainable economy. These measures will support the middle class, strengthen the manufacturing industry and help small businesses and manufacturers create jobs.

To that end, we are proposing that the accelerated capital cost allowance be extended by two years; that the small business income tax rate be immediately reduced from 11% to 10%, and then to 9% when finances permit; and that an innovation tax credit be introduced to support investment in machinery, in equipment used for research and development and in property to further innovation and increase productivity.

This last measure will repair the damage caused when the Conservatives cut the tax credit for scientific research and experimental development and will encourage innovation in Canada.

This is an intelligent, innovative and balanced approach to resource management that will get the country back on track. These measures, which were carefully developed by our team, were well received by broad range of stakeholder groups.

I would like to quote a few of them who gave their opinion on this subject. First, 84% of members of the Canadian Federation of Independent Business indicated that a reduction of the small business tax rate would be a very effective measure to maintain or strengthen business performance. The federation believes that any lost tax revenues for the federal government will be more than made up for in the longer term by the benefits of small businesses' contributions to the economy through job creation and the growth of small businesses at the local level.

The tax burden is the most important issue for over 75% of the small businesses that make up the 20,000 members of the CFIB who answered this survey on March 3, 2014.

Canadian Manufacturers & Exporters also supports us. The organization said that the NDP made the manufacturing sector the cornerstone of its economic plan in Ottawa, following the NDP leader's announcement that he wants to reduce taxes for small businesses and support investment in job creation in the manufacturing sector.



*Business of Supply*

[English]

After a decade of the Conservative government mismanagement of the economy, middle-class families are working harder than ever but their situation continues to deteriorate. The Conservatives have not built a sustainable and balanced economy. Their policies have caused the loss of more than 400,000 jobs in the manufacturing sector alone.

The Conservatives have reduced taxes by 25% for rich companies since coming to power, yet they have reduced taxes by only 1% for small businesses. Why do they still prefer to grant generous tax benefits to the wealthy few and leave most Canadians behind?

Canadians have had enough. They want a government that is capable of bringing about real and tangible change, a government that truly understands what needs to be done, not one that favours the interests of the wealthy few.

[Translation]

Against a backdrop of growing economic uncertainty, due in large part to the Conservative government's poor management, many Canadian families are being left behind and have difficulty making ends meet. It is becoming increasingly difficult for Canadian households to meet their economic needs, which puts at risk their long-term economic security. Businesses are closing and employees are losing their jobs right across Canada. According to recent data released by Statistics Canada, the Canadian job market closed out the previous year with a total loss of 4,300 jobs in the month of December alone. That is a very difficult situation for many families who found themselves unemployed overnight.

This is the situation in every region of the country. Southwest Montreal is also in the grips of this new reality. In my riding, especially Lachine, the Finnish industrial group Metso will shut down its Lachine plant on February 13, resulting in the layoff of 95 employees still working there. At the beginning of 2014, Metso had 191 employees. The company's reason for the decision was the plummeting number of orders because of the decline in the mining sector. This is the fourth plant to close its doors in the Lachine industrial park since I was elected in 2011. This unfortunate case among so many others perfectly illustrates that the Conservatives' economic policy does not work for employment in Lachine. It does not work for employment in Quebec and it is certainly not working in the rest of Canada.

The Conservatives' strategy aims to make foreign multinationals wealthier, but it does not benefit the majority of middle-class Canadians whose jobs are unstable. The Conservative government's policy focused on natural resource development exposes jobs to the fluctuation of the raw materials market. This policy simply does not work, and in Quebec it does not create jobs—it destroys them.

We need bold action to address this problem. We will work to develop solid economic measures that make job creation a priority. The NDP believes that we need to strengthen the traditional sectors, such as resource extraction and manufacturing, while also taking advantage of new opportunities, innovation and growth to diversify Canada's economy. This plan will help create the next generation of jobs for the middle class.

We will continue to work tirelessly to help Canadian workers. The NDP continues to support small and medium-sized businesses, the real job creators in Canada. Under our strategy, we will reinvest nearly \$1.2 billion to help small businesses.

• (1140)

[English]

One thing is sure. New Democrats will continue to fight for the middle class, which is and will continue to be a central priority for the party. We are ready to fix the damage done by the Conservatives, and we will not rest until we reverse the dangerous trends that have pressed middle-class families and made their lives more difficult.

As our NDP leader has said, it is without doubt that one of the most important economic assets that Canada has is the middle class, and I could not agree more.

[Translation]

We urge the government to seriously consider these practical and effective suggestions that will have a positive impact on Canada's industrial sector and will kick-start our economy. These measures were designed to support Canada's manufacturing base and to give a strong signal to investors, telling them that they can count on a New Democrat government to help Canada's manufacturing sector successfully transition to a new era.

I would like to add that I have visited a lot of businesses in my riding since I was elected. Two years ago we launched a big campaign focusing on credit cards. We spoke to small-business owners about a variety of topics. These are concrete actions that will help them.

I mentioned the manufacturing sector, which is not doing well in southern Ontario. A number of factories are closing down in Montreal. This is quite alarming, and our government has yet to introduce a budget while telling us everything is fine. Every time we hear from the government, it is as though the figures are perfect and everyone is doing well.

This is not the situation in my riding. In fact, a member of Parliament is primarily a service to the public. Constituents come to meet me to say that they have lost their job and that they are finding it hard to feed their children or to buy them decent clothes. When I go visit the food banks in my riding, I realize that they are being very heavily used. I go on Wednesdays sometimes to give out food and I see hundreds of people coming in for a loaf of bread because they cannot afford to buy it if there is no food bank to help them.

It is high time we diversified our economy. What has been done so far shows it is not working. It is very sad to hear our Liberal and Conservative colleagues say that they will not support this motion, because these are really very concrete measures. They have been examined and they can really make a difference for workers in the manufacturing sector. We have today to convince our friends in the other parties, for the sake of the vitality of our economy and Canada's economy.

*Business of Supply*

I heard my colleague from Parkdale—High Park earlier today telling us that Canada has always been a prosperous country. People from all over the world used to come to Canada for work because the country was creating good jobs. This is no longer the case. The situation is getting worse and it has been allowed to get worse by the current government, which tells us that everything is fine. It is often said that if we want to change something, the first thing to do is to admit there is a problem and face the facts. Once we are aware of the situation, we can change it.

I hope that this will be the case today, because when I am told all the time that everything is fine, I get the impression that the government really does not know what is going on and what is happening in ridings such as mine, where factories are closing down.

I really hope that we can make progress for the benefit of the Canadian community.

• (1145)

[English]

**Mr. LaVar Payne (Medicine Hat, CPC):** Mr. Speaker, I am not sure if our colleague across the way realizes that, since the recession, our government has created more than 1.2 million jobs in this country to help Canadians in difficult times, and we continue to support Canadians in that respect.

With respect to the small business tax cut that New Democrats are talking about, some economists have said this will make rich Canadians richer. It is “something to make the rich richer”, according to the Jack Mintz, director of the University of Calgary's School of Public Policy, which he told *The Huffington Post*. He also said, “We find that 60 per cent of the small business deduction goes to households with more than \$150,000...”. This was research previously done on the subject.

My question for my hon. colleague across the way is this. Is she ensuring the rich will get richer?

[Translation]

**Ms. Isabelle Morin:** Mr. Speaker, I thank my colleague for his question.

That is what I was talking about in my speech—the fact that the member started his question by saying that his party has created lots of jobs. There are currently 1.3 million unemployed workers in Canada. As I said, we lost 4,300 jobs in December alone. In 2014, employment grew by barely 1%. That is the problem I have with this because the Conservatives get up and tell us that everything is fine even though I have numbers like these.

In answer to his question, we all know that every time a big corporation sets up shop in a particular place, that creates a deficit in terms of jobs for all of the smaller businesses that were already there. I know lots of small business owners, and it is not true that these people are making \$150,000, \$200,000 or \$300,000 per year. Lots of people go through hard times while getting their businesses up and running. My partner has a small business. Together, we make over \$200,000 per year, but he is only making about \$20,000 per year even though his business is four years old. He has created jobs, and every year he creates more jobs. It is hard. It would be nice if he could get a little help.

Lachine is trying to revitalize Notre-Dame street. All the business owners I talk to tell me that it is hard and that they are struggling, but help from the government would go a long way and would create local jobs for people in these sectors.

I heard my colleague's argument, but the gap between rich and poor keeps growing. It certainly was not the NDP who created that gap. It was the previous Conservative and Liberal governments. The NDP's measures are certainly not going to make the rich richer.

[English]

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, in 2000, Canada's corporate income tax rate was 30% and the small business income tax rate was 13%. This advantaged small businesses vis-à-vis large corporations and promoted competition in the marketplace.

Large corporations have economies of scale. They have vast resources permitting them to deal with regulatory burdens and they can more efficiently manage their affairs. That 17% income-tax advantage helped the SME industry in our country.

Since that time, the government has cut the large-scale corporate tax rate down to 15% and kept the small business tax rate at 11%. That gap of 17% has now been narrowed to 4%, which makes it much more difficult for small businesses to operate in this country and compete against the large-scale companies.

Examples are Walmart and Costco competing against a small neighbourhood market, or Starbucks versus JJ Bean, or Chapters or Indigo versus, in my city of Vancouver, Duthie Books or Pulpfiction.

In Vancouver Kingsway, small business is really the engine of our economy. Does my colleague have any comment on the importance of giving small businesses an opportunity to keep their taxes low so they can create jobs and continue to be the engine of the Canadian economy?

• (1150)

[Translation]

**Ms. Isabelle Morin:** Mr. Speaker, I thank my colleague for the question. Indeed, that is the dichotomy we always see between corporations and small businesses. Small businesses create jobs. When a corporation sets up shop, small business jobs are often impacted. We need to help small businesses.

My colleague provided the numbers for the gap between the corporate tax rate and the small business tax rate. That gap needs to be widened. We really must help small businesses. When large commercial chains come along, they often offer jobs that are not that great. The work environment is a lot more impersonal. As a consumer, I always try to shop in small, individual stores that are more personal, instead of going to major chains.

I really hope that members of the other parties will support this motion because it is important for the Canadian economy. I believe in it and I think this is a good plan for helping Canadians.

*Business of Supply*

[English]

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, it is a pleasure to rise here today to talk about this motion, which I will read in a moment. It is an important motion because of the economic situation we are facing.

In the retail sector we see a current crisis with the closure of Target, the most recent casualty in the Canadian economy, and others are also talking of liquidating themselves. It is important to mention that Target was allowed into the country under the Investment Canada Act and then bought out Zellers. Not only have we just lost Target, another retail chain, with vacant spaces appearing in shopping centres where they were located, but the reality is that Target supplanted and took over from the last Canadian-owned retail store, Zellers. When Target took over at that time, I remember the distress and concern of the workers at Zellers, because they had to immediately take a pay cut of a couple of dollars or lose their chance to stay on at Target.

I was on the picket line with some of those employees who had been at Zellers, a Canadian employer company, for over 20 years when this American superhero giant came in to compete.

We knew the terms and conditions because we were living on the border in Windsor, Ontario. We would often go over to Target or some place like that. We would see the signs for a minimum wage of \$3 an hour or something like that. We knew the type of attitude that was going to come into the Canadian market.

We have not only just lost this retail component today; we have also lost a Canadian component that had a livable wage at that time for those workers. The government did nothing for those workers at that time. It could have and it should have, but it did not. It allowed them to be crushed.

Today we stand here to talk about a motion made by the member for Parkdale—High Park, which moves:

That the House call on the government to take immediate action to build a balanced economy, support the middle class and encourage manufacturing and small business job creation by: (a) extending the accelerated capital cost allowance by two years; (b) reducing the small business income tax rate from 11% to 10% immediately, and then to 9% when finances permit; and (c) introducing an Innovation Tax Credit to support investment in machinery, equipment and property to further innovation and increase productivity.

I am going to talk about the initiatives that we have proposed as reasonable ways to move our economy forward and make sure that middle-class Canadians can emerge as a stronger force in this country. We have seen that whittled down over the years through a series of attacks.

There has not been proper support for certain industries, especially when other foreign countries have used intervention to steal some of our jobs. We have certainly seen that in the auto sector.

We have also allowed middle-class Canadians to be attacked by gouging, whether it is at the pumps or through fees charged for credit cards, banking, or cellphones. These are a whole series of important things that are necessary to function in a modern society that have been put on the backs of consumers and families alike.

What that has done is put a real squeeze on disposable income. Just today we saw more reports about consumer debt. It is a real

issue, and the investment that is necessary is available to the government and to those individuals who could help.

The first item in the motion is about extending the accelerated capital cost allowance by two years. I have a little history with this.

I was reminded by my friend from Edmonton—Leduc about the work that we did in the industry committee before this place became so hyperpartisan that we could not agree on anything. There was a working relationship in the industry committee at that time.

• (1155)

Ironically, the work was done by several parties. We came up with a series of recommendations that we could all agree upon for the most part, and we worked on the ones we could not agree on to make sure that they would be at least palatable to all of us. One significant recommendation was the capital cost reduction allowance so that the manufacturing and resource sectors could write off of equipment at a quicker pace to encourage investment.

That is important because Canada has become, for the most part, a branch plant economic system. The head offices have often moved outside of this country. Very few have moved back here and very few have stayed. At the time when we produced that report and made recommendations that were tabled in the House of Commons, there were Canadian giants that were still in the field, such as Nortel. Gone.

**An hon. member:** Burger King.

**Mr. Brian Masse:** Burger King, yes, that is great, Mr. Speaker. They are comparing Nortel and Burger King, high industry versus the service industry. That is what they are proud of.

By the way, the only reason Burger King is locating here—and it is a small office—is to evade taxes in the United States. We have seen President Barack Obama talk about this situation. It is a joke when Conservatives heckle about Burger King being this great landing of a corporate head office when it is just going to be a branch plant corporate office. We have seen the President of the United States pan Burger King, and Congress and the Senate have started to move legislation forward because it is evading tax in the United States.

That is what we are attracting. The Conservatives' strategy is to bring the head office of tax evaders to our country.

Burger King laid off people. Why? It bought Tim Hortons and now has reduced it. That is the Burger King success story. It will probably get half a floor in some building on Bay Street where head office employees will be out golfing half the time, and that is going to be the Conservatives' victory flag.

Meanwhile, we have lost Nortel and other Canadian institutions that have either moved out or are gone.

*Business of Supply*

The capital cost reduction allowance was something that we all supported and tabled in the chamber. It led to good government policy and support. There were all kinds of comments in support of those issues. There is no doubt that extending it for two years would be a benefit. It is critical right now because we can see what is available in terms of capabilities. With the dollar dropping, we have a chance to win some of our manufacturing jobs back because manufacturing is going to benefit.

Coming from a manufacturing city, I have seen thousands upon thousands of jobs disappear to Mexico, the United States, or overseas. Sadly, just last month we lost a chance for Ford to build a new engine in Canada in Windsor and Essex because the plant went to Mexico. Conservatives blew the deal. We lost a chance for a new engine plant, but now we have—

**An hon. member:** We did not blow the deal.

**Mr. Brian Masse:** You did blow the deal. You started to negotiate in public with some of your members. That is what took place.

I will provide a little snapshot of our trade deficit. These statistics on our trade deficit cover several years. Pertaining to manufacturing goods, I will use the year 2010 because it was significant as the year when things flipped over. The deficit was creeping and creeping, but our manufacturing exports versus our imports at that time went to an \$80 billion deficit, and that deficit has continued to grow.

However, we have a chance right now, with the dollar being low and by using the capital cost reduction allowance, to attract some of that investment back. That is what makes us much more successful.

In conclusion, our skills, our abilities, and our support systems, such as health care, are net advantages to attract employers to locate in this country. Dropping the corporate tax rate has not done it. We have witnessed the bleeding of manufacturing jobs and value-added jobs—dirty words to the government—out of this country. Let us act now and take back some of those jobs.

● (1200)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I agree that we need to pay more attention to the issue of manufacturing jobs, among others. However, the manufacturing industry has taken a significant hit over the last number of years.

In my home province of Manitoba, the pork industry has been doing relatively well. It has seen benefits in terms of potential growth and is still growing. One of the things feeding that growth is international trade. International trade is important to the Canadian economy and a lot of different industries in providing the necessary good quality, middle-class jobs that have real value. I wonder if the member could talk about the importance of us expanding our boundaries by looking at trade agreements, and so forth, as a way to help small businesses.

**Mr. Brian Masse:** Mr. Speaker, I would highlight a couple of things that have taken place over the last number of years.

One is the disdain or disconnect the government has with respect to trade with the United States. We have seen the repercussions of that. Whether it has been with regard to coal or cattle, there has been a series of impediments at the border. I agree that we need to reach

out internationally and open new markets, but we are watching our number one market close us down. That has been an unfortunate consequence of the government's preoccupation with trying to push pipelines in the face of America and Washington, and not looking after the real projects, such as the new border crossing project in my riding of Windsor West. Of the \$3.5 trillion U.S. budget, we could not even get \$250 million for the American plaza. Instead, we are paying for the border crossing and for the plazas on both the Canadian and American sides because of neglect.

[*Translation*]

**Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP):** Mr. Speaker, first of all, I would like to say that the heckling across the way is quite annoying. This member has worked a long time on these issues. He has a lot to teach us and he comes from a region that has been hit hard by the bad choices of his friends on the other side.

I have a factual question for him. We have seen a high number of closures. We know about what happened in London with Kellogg, and we see what is now going on with Wrigley.

What does he think explains the closing of these factories that manufacture American products, which we will continue to buy and which will continue to come across our borders?

● (1205)

[*English*]

**Mr. Brian Masse:** Mr. Speaker, a number of significant things took place. We had the peaking of the Canadian dollar based on our raw export resource-based economy, which weakened the manufacturing sector. We had no plan and no auto strategy. In the area I come from, if there is any potential attempt for auto investment, it becomes a Hail Mary pass, not a plan.

We have what is called the Canadian Automotive Partnership Council, where the entire industry came together to create report cards and progress cards on how to move the industry forward. We do not use that. Rather, we just wait for that moment as opposed to pushing for it. That is why I like the idea of the capital cost allowance right now, because with that and an organized plan, we could fight to get some of these jobs back. The administration in the United States is doing that; it is rebirthing manufacturing. We do not see that here.

*Business of Supply*

The Liberal leader came to London, Ontario, and talked about how we basically have to diversify away from auto manufacturing because it is a dead industry. Then he came down to Windsor and had no auto strategy, despite the fact there is money still available for such a strategy. We have put one forth before. Our first was a green auto strategy that involved David Suzuki and the CAW. There are 13 countries in the world that have a specific auto strategy. What I mean by an auto strategy is the assigning of targets and measure and referring back to those targets, whether with respect to the environment, production, diversification, or parts supply improvements.

**Mrs. Stella Ambler (Mississauga South, CPC):** Mr. Speaker, it is an absolute pleasure for me today to speak to this motion, because it gives me an opportunity to talk about the many measures that our government has taken to improve Canada's economy.

First, let me say that I will be splitting my time with the member for Brant.

As I said, it gives me an opportunity to speak about our low-tax plan for Canadians, which began back in 2006 when our government was first elected. As my hon. colleagues will know, the world was a different place at that time. Markets were booming and economic growth was strong. We took advantage of these good conditions to cut taxes for hard-working families and job-creating businesses, and we paid down the federal debt.

Then in 2009, during the depths of the world's largest global economic recession in a generation, we acted quickly to protect our Canadian economy with targeted and temporary stimulus. We introduced the economic action plan and funded thousands of infrastructure projects across the country, many in my own riding of Mississauga South. These included the construction of roads, bridges and border crossings, as well as innovative knowledge-based infrastructure, like research labs in universities and colleges, and the expansion of broadband Internet in rural areas. That access of course was helpful to businesses of all sizes.

Since that time, we have also been working hard to position Canada as an attractive place to invest and to grow business by systematically putting in place the right conditions for success. I mentioned some of our early tax reductions. These have been a priority of the government since day one. We know that low-tax environments attract business, as well as boost domestic and foreign direct investment. These factors are of course crucial to job creation, innovation, skills development, productivity and growth.

Today Canada is in constant competition for domestic and foreign investment dollars. Our government knows that a low-tax regime helps Canada attract new investment. We are committed to ensuring Canada has the most competitive tax regime possible. In fact, in the past five years alone, we have delivered tax reductions totalling more than \$60 billion to job-creating businesses.

For example, we reduced the federal general corporate tax rate from 22% to 15%. We extended the accelerated capital cost allowance for manufacturing and processing machinery and equipment. We implemented a three-year freeze on the EI rate at its 2013 level, saving employers and employees an estimated \$660 million last year alone.

In particular, for our small and medium-size businesses, we reduced the small business tax rate from 15% to 11%, and increased the amount of income eligible for this lower rate from \$300,000 to \$500,000. We also raised the lifetime capital gains exemption for small business owners from \$500,000 to \$800,000. This new limit is now indexed to inflation, so it will continue to rise.

We expanded and extended temporary hiring credits for small businesses, and have introduced the new small business job credit that will save small businesses more than half a billion dollars over two years.

Today, I am proud to say that all of these actions are paying off. Even in today's still uncertain global economic climate, Canada's economy is widely recognized as one of the world's strongest. Over the past 10 years, we have led the G7 countries in economic growth. We are second only to the U.S. in growth among G7 countries during the recession and recovery. We have a strong record of job creation. In fact, our economy has created almost 1.2 million new jobs since the height of the recession, one of the strongest job creation records in the G7. Moreover, all major rating agencies have affirmed Canada's AAA credit rating.

Clearly, this is a great place to do business. Do not just take my word for it, because the world is taking notice. KPMG reports that total business tax costs in Canada are the lowest in the G7 and over 40% lower than those in the United States. In 2013, Canada leapt from sixth to second place in Bloomberg's ranking of the most attractive destinations for business. Once more, for the seventh consecutive year, the World Economic Forum has declared Canada's banking system to be the soundest in the world.

• (1210)

I think we can all give our former finance minister many of the kudos for that and the policies put in place under this government over the past nine years. Simply put, Canada has a record that investors and business people are confident in.

In addition to mentioning some of the measures we are taking to support our small and medium-size businesses, I want to point out to the House that these businesses represent over 99% of all Canadian businesses and account for nearly nine in ten jobs in the private sector, contributing about 40% to our GDP. They are clearly the lifeblood of the Canadian economy.

*Business of Supply*

I have a great respect for small business owners. My father ran a small business for 40 years, and I started working for him when I was quite young. I saw day to day the struggles that the average small business owner has to deal with in meeting a payroll, paying suppliers, and generally doing business. Of course, when a person runs a business for 40 years, there are going to be ups and downs, peaks and valleys. However, our small business owners in Canada not only understand and know how to deal with those, but they also appreciate it when they have a government that understands those struggles and challenges and is there to support them, as this government is.

This is why we have taken action and implemented all kinds of measures. For example, we have improved access to financing for small business, which of course is critical at all stages of growth for businesses. Most recently, we announced changes to the Canada small business financing program to allow more small businesses to apply for and receive larger loans. We have also brought in the venture capital action plan to improve access to SME financing so that companies have the capital they need to create jobs and growth in the area of venture capital.

We have also introduced the business innovation access program, which speaks in part to the NDP motion today. This is a pilot program that provides \$20 million in funding to SMEs to help them access business services or technical assistance to bring bigger and better innovations to market faster.

We established the immigrant investor venture capital pilot program to support innovative Canadian start-ups with high-growth potential. We have made investments in Futurpreneur Canada, formerly known as the Canada Youth Business Foundation, to help Canada's next generation of entrepreneurs. We have invested \$100 million in the Canada accelerator and incubator program to help entrepreneurs create new companies and receive intensive mentoring and other resources to develop their business. We have also instructed the Business Development Bank of Canada, BDC, to be more responsive to the unique needs of small business.

Our government is also committed to reducing red tape in order to support a flourishing and healthy business environment, which is the foundation for creating jobs and long-term prosperity. Accordingly, our government introduced the red tape reduction action plan, which we have heard quite a bit about in the House. It addresses specific irritants to small business, reduces their paperwork, and makes the system more transparent and accountable.

Contrast this with the actions of opposition members who voted against lowering the federal corporate income tax rate to 15%. They voted against extending the accelerated capital cost allowance for new investment in manufacturing. They voted against the automotive innovation fund. They voted against the establishment of the national shipbuilding procurement strategy, and they voted against the advanced manufacturing fund. There is such a long list of our initiatives that opposition members have voted against, it is quite disappointing, whether it is the Federal Economic Development Agency, FedDev; the job grant; apprentice loans and grants; the extension of the lifetime capital gains tax that I mentioned or the SR and ED credits.

●(1215)

Our government has been deliberately enacting a whole series of policies and programs to further fuel Canada's economic growth. Unlike the opposition, our government has a sustained approach to responsible fiscal management, which responds directly to the priorities of Canadian business owners.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, I think all Canadians realized over the last 10 years that the manufacturing sector in Canada has had a difficult time. We have seen a number of Canadian champions, longstanding Canadian companies, close and shed the jobs that come with them, often family-sustaining jobs.

What the New Democrats are calling for today is for the Canadian government to take immediate action to build a balanced economy, support the middle class, and encourage manufacturing and small business creation, specifically by extending the accelerated capital cost allowance by two years; reducing the small business income tax rate from 11% to 10% immediately and then to 9% when finances permit; and finally, by introducing an innovation tax credit to support investment in machinery, equipment, and property for further innovation and to increase productivity. I wonder if my hon. colleague across the way could tell us which of those three proposals her government has a problem with. Is it reducing the tax rate for small business, extending the accelerated capital cost allowance, or introducing an innovation tax credit?

**Mrs. Stella Ambler:** Mr. Speaker, that is an interesting question, because I do not understand why the NDP has voted consistently against the measures we put in place that, to me, sound exactly like the motion being put forward.

We have provided \$1.4 billion in tax relief to the manufacturing sector, and total business tax costs in Canada are the lowest in the G7. I am not sure if the member is aware of an industry committee study done here in Parliament, which was released in 2007. It recommended that the accelerated capital cost allowance be extended for five years. Later that year, in the budget, the then finance minister did in fact extend the accelerated capital cost exemption for machinery and equipment for two years; and every two years since then, it has been renewed.

I did speak a bit about innovation. Perhaps I will get a chance later. Absolutely, our government is doing all of those things. I am just left wondering why the opposition did not vote for them if it supports them.

*Business of Supply*

• (1220)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, it is about priorities, and the government determined its priority in the fall was to give literally hundreds of millions of dollars, totalling \$2 billion plus annually, to an income split. This is something we in the Liberal Party have adamantly opposed.

When we look at the priorities, imagine if the government actually invested today in our infrastructure. It would not only directly help small businesses in Canada with the potential for contracts, but indirectly through the improvement of infrastructure we would be better able to export and transport our products.

Why does the member believe that the Prime Minister got the issue of priorities for Canadians wrong?

**Mrs. Stella Ambler:** Mr. Speaker, I would like to point out that it is indeed about priorities, and our government has its priorities straight.

Absolutely, we believe in tax cuts for families across Canada. In fact, the transfer of income, also known as income splitting, has worked so well for seniors that we have made it a priority to provide that same kind of tax relief to families as well. I certainly make no apologies for that.

Also on the subject of priorities, I would like the member opposite to know that small and medium-sized businesses are indeed a priority. That is why we have lowered taxes for SMEs from 15% to 11%, to make it easier for them. We have also put in place the three-year freeze on the EI rate, which I mentioned, again making it easier for businesses in Canada to do business, to make money, and then create those jobs, those almost 1.2 million jobs that our economy has created since the depths of the recession in 2009.

These are the kinds of initiatives and programs, measures that our government has taken, that have consistently put us at the head of the G7 in terms of economic growth and job creation. I am very proud of that.

**Mr. Phil McColeman (Brant, CPC):** Mr. Speaker, it is a great pleasure to rise today to talk about manufacturing across this great country of ours and how our government has set the proper balance. It puzzled me when I read this motion today that says New Democrats, through this motion, want to move toward somewhat of a balanced economy. I am not certain that I understand that term in NDP terms.

Perhaps it is best explained by the New Democrats, who have said it publicly, and will campaign on raising the taxes of the largest corporations in Canada. Many of them would be directly involved in manufacturing and creating the thousands of jobs that manufacturing supports in communities like mine: the city of Brantford, the County of Brant, the Six Nations of the Grand River, and Mississaugas of the New Credit First Nation.

My community has a distinct story to tell about manufacturing. At the turn of the century, manufacturing in Brantford was the third largest in all of Canada, producing all the farm implements that went around the world, all of the heavy manufacturing that went along with the industrial revolution. It was only behind Montreal and Toronto in those years. Much of the transport of those goods went down the Grand River, into Lake Erie, into the Great Lakes, and then

to Europe and other parts of the world where the farms were revolutionized.

I set this context for a reason. When that industry was in its worst condition, suffering because of poor public policy and other economic factors, and had its demise, my community had 30% unemployment, in the late 1970s, early 1980s, and beyond. The good news is that today my community has one of the lowest rates it has ever had, at 6.7% unemployment. Why is that? It is because we have set the platform in this country for manufacturers to succeed.

Let me talk about some of the things our government has done in my community, specifically through economic development initiatives through FedDev Ontario, which is the economic development arm of southwestern Ontario.

I am going to talk about two specific heavy manufacturing companies in my community. The first one is Patriot Forge. Patriot Forge makes large castings for all types of resource industries across the world. Back in 2008 when I was running in the election, it had been saying it owned manufacturing plants as well in the United States, Ohio and Michigan, and it would move the company out of Canada if a carbon tax were imposed, which the Liberals promised to bring in at the time. At the time, it had 224 employees, and it had done the calculation that the Liberals were proposing during that election. Had the carbon tax come to fruition, it would have added \$9,000 a year per employee to the cost of its overhead. That is how much fuel it consumes in its forging furnaces.

Thank goodness it did not happen. Thank goodness our government and the Canadian people resisted it and the Conservatives formed government. I can say that what Patriot Forge has gone on to do within the last three weeks—an announcement was made during the last constituency week—is double the size of its corporation right here in Canada, in Brantford, Ontario. It is moving toward a whole new customer base because of the free trade agreements our government has put in place around the world to expand its markets, and over the next five years it will hire another 150 employees in that expansion, a \$63 million expansion.

What role did FedDev Ontario play? It provided it with a \$10 million repayable loan. This is what governments should be doing when they can support manufacturing that is on the cutting edge to be able to move its product into new markets. We should be supporting it with repayable loans.

• (1225)

The second company I would like to talk about is Hematite. This is a company that, when I first met it three years ago, had 12 employees. The company was recycling the waste materials from auto manufacturing and making them into parts for auto manufacturing. Primarily, it was making the parts that would be under the hood or in the wheel wells of a vehicle, those kinds of acoustic parts. It was grinding the waste and making these parts.

*Business of Supply*

When the minister for FedDev Ontario was in my riding, we paid a visit to see how business was going from three years ago and 12 employees. Today, three years later, it has 120 employees. The company was successful three years ago in having an application approved by FedDev Ontario to develop economically. It had a business plan that it put it into place, and we supported it with a \$500,000 repayable loan.

I am happy to tell this House today, by the way, that the money has been repaid and is now being recycled back into other companies to create manufacturing jobs.

My community, as well, I should say, has attracted many people. Another company that has recently located there is Massilly, which makes the tops to jars and cans and all of the basic materials that go into all of our consumer products. It creates the metal tops that go onto these things. That company brought more than 200 jobs to our community. The reason it has not moved to the United States and has expanded in Canada into my community is the corporate tax rate and what we have done in terms of reducing corporate taxes, plus the skilled labour force that we have in my community.

We are talking about a heritage of proud manufacturing families that goes back over 100 years. These are the kinds of jobs that the opposition is directly talking about. Yet, it is talking about them flying off to different parts of the world, while we are watching, in my community and other parts of southern Ontario.

The auto industry was mentioned, on the other side, and the types of things that are happening. Let me talk about the auto industry as I see it from my frame of reference in my community. All of Hematite's 120 jobs are to supply the auto industry, which is booming. It is booming in Oakville, where Ford has just added 1,000 new jobs at its plant. Toyota expanded its operations over the past number of years in Woodstock, Ontario, to meet the market demand. It did not move off to Mexico or somewhere else. It has a huge plant in Woodstock, Ontario, just down the road from my community. Chrysler has invested \$2 billion in its plant in Windsor, securing all of the jobs in that plant, but also adding, again, a whole new level of employment for people in manufacturing.

Generations of families exist in my community who have spent their lives in manufacturing, and we are at one of the lowest unemployment rates we have seen in 50 years.

I think my colleague who just spoke before me mentioned that really the rubber meets the road with the opposition when it comes to voting. It really does. As a member of Parliament, I can say that. Also, as a businessman myself, owning my own company my whole working life, I can tell members that a lot of what is said is rhetoric, but the rubber meets the road when we vote.

It is all these things. Let me underscore some of the things the opposition voted against: lowering the federal corporate income tax rate to 15%; extending the accelerated capital cost allowance for new investment in machinery and equipment, which is today what the opposition is proposing—it is bizarre because it voted against it; the automotive innovation fund; establishing the national shipbuilding procurement strategy; the advanced manufacturing fund; the Federal Economic Development Agency for Southern Ontario. The list goes on.

Our government has set the platform for success in manufacturing; in particular, I have given some examples today from my part of the world, southern Ontario.

● (1230)

**Mr. Dan Harris (Scarborough Southwest, NDP):** Mr. Speaker, the member is right. There is a lot of rhetoric here. The rubber meets the road when one votes. The part that those members keep forgetting to mention is that all of the policies we voted against were part of omnibus budget bills. They were a part of bills that contained some really erroneous and terrible things for Canadians, whether it was degrading environmental protections, cuts to assistance and to services on which Canadians rely or cuts to veterans services.

The member talked about how the rate of unemployment in his neck of the woods was low, but my area of Scarborough is a totally different story. Our unemployment rates are the highest we have ever had. The manufacturing sector in my riding in particular has been absolutely eviscerated. I am speaking of an area called the Golden Mile, which over many years has lost a GM van plant, Alcan, Thermos and Eaton's. General Electric used to be there as were John Inglis and Frigidaire. The auto manufacturing sector has also lost opportunities because of the Conservative government with the Ford engine. GM is pulling out of Oshawa again.

Conservative policies have led to more unemployed Canadians now than there were before the recession, at 1.3 million. Half of all employed people in Toronto are in precarious positions and half of the unemployed cannot even get EI.

Why do the Conservatives not start fixing things by supporting today's motion, which endorses good public policy?

**Mr. Phil McColeman:** Mr. Speaker, I find it fairly bizarre that the member would end his statement by stating "good public policy" This is something we previously introduced and those members voted against it.

Let me be clear about the NDP. The New Democrats have publicly stated many times that they are about taxing the largest corporations. Quite frankly, large corporations are not the devil. They create the most jobs, yet they would tax them higher. We have reduced the tax.

Here is what Jayson Myers, the president and CEO of Canadian Manufacturers & Exporters, said, "the programs the Conservative government has put in place do support manufacturing, and do it very well". Need I say more.



*Business of Supply*

• (1235)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I would differ with the comments made by the member in regard to the role large corporations play in our economy. There is no doubt that they play an important role, but the backbone of job creation, and future job creation, is our small and medium-sized businesses. The growth in that area will provide the valuable jobs on which Canadians count. That is one of the reasons why, in principle, the Liberal Party sees international trade as a positive.

One of the ways in which we can support our small businesses is by investing in infrastructure. Why does the member believe the government's decision to cut infrastructure spending year over year by 90% will help small businesses? I do not believe it will.

**Mr. Phil McColeman:** As I mentioned during my speech, Mr. Speaker, I have been blessed in my life. I started a business that employed approximately 20 people for over 25 years. Let me speak as a small businessman.

Small businesses need all levels of government to cut the red tape and the bureaucratic rules and regulations that are foisted upon them. They do not have the resources to deal with it and many of them struggle because of the amount of it.

Of course we want to keep taxes low for all corporations, be they small, medium or large, because it is the entrepreneurs of this world, the business owners, who create the good paying jobs.

The member wants to tie that to infrastructure. This government has made an historic investment in infrastructure, much more than any previous government has made. We stand by our investment in infrastructure and what it has meant to the growth of Canada's economy.

[*Translation*]

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Mr. Speaker, I am pleased to share my time with the member for Victoria.

I will start by talking about the Lower Laurentians region, where the riding of Marc-Aurèle-Fortin is found. My riding is strategically located, and there are a number of major highways crossing the riding, including the 15, 13 and 640. We are not far from the Port of Montreal, which, I remind members, is the primary port in central Canada's industrial zone. We are a few kilometres from two major airports, Mirabel and Montreal, which bears the name of someone who shall not be named. In short, this is a flourishing region. At this time, we hope to increase our population by 34%. The only other region in Quebec that has experienced more growth is the Lanaudière region. I am confident that we will overtake that region.

Almost 60,000 jobs have been created, including 37,000 to fill vacancies created by retirements. Nevertheless, there are 22,000 new jobs. What is extraordinary is the nature of these jobs. Although there are many precarious jobs, there are also some very good jobs, such as those at Canadair, Bell Helicopter and Parker Hannifin. Every pharmaceutical company is located in our area. Those are not \$12-an-hour jobs. They are jobs that pay more than \$60,000 a year and that come with job security, benefits and collective agreements. Furthermore, these major employers purchase goods and services, and there is a long list of SMEs that supply them with parts and other goods.

A little help is needed from time to time— not just a speech, but concrete action—to keep things rolling along. We have talked a lot recently about aerospace and shipbuilding policies. That is all fine and well. However, as far as I know, not many ships are being built in Halifax right now. The government has not even been able to produce the final plans for the Arctic patrol ships. There were supposed to be eight, and that dropped to six, and now it might be five, poorly outfitted vessels. From time to time, you have to deliver the goods. This government boasts that it wants to provide good aircraft for our soldiers. They can try again, because the aircraft has not been delivered. We were expecting them to do a little better. We were also expecting a policy to promote technological innovation in the aerospace sector. This is not just about ordering equipment abroad and spinning off subcontracts with no value added in Canada. We were expecting better and we did not get it.

That is what leads the NDP to say that this will support bad jobs. Some people are telling us that they created 1,200,000 jobs. What they forget to say is that, during the recession, they lost 700,000 jobs. The remaining 500,000 new jobs are precarious, poorly paid and part-time jobs. Jobs that paid \$25 an hour are being replaced with jobs that pay \$13 or \$14 an hour. Something is not working.

When middle-class Canadians are earning \$30,000 a year rather than \$50,000 or \$60,000, it is not easy for them to make their mortgage payments. It is hard to believe but it is true: banks look at what kind of job you have before they will give you a mortgage. They check to see if you have a good, stable job. Generally speaking, the middle class is having more and more trouble going to the bank and proving that they have what it takes to buy a house. You cannot buy a house if you do not have a good, stable, well-paying job.

Because of this problem, we are saying that we are going to provide real support, not just talk about it. We are going to take action to create good jobs, particularly in the manufacturing sector, where a huge number of jobs have been lost.

• (1240)

There will always be a few wealthy people who say that everything is going well. However, the people that worked at the Electro-Motive plant in London, or for GM, Ford or Chrysler, do not share that view. They had good jobs and would have liked to keep them, but that did not happen. We are going to take action in that area.

We propose a two-year extension for the accelerated capital cost allowance, to help people who want to buy equipment improve their productivity. We also plan to lower the small business tax rate. Just now, someone said that the big companies create most of the jobs, but that is no longer true. The vast majority of good jobs are created by SMEs. We are not talking about small food service companies that provide five or six jobs, but firms that have 100 or 200 employees. They have a well-established economic network, they specialize in a specific area, and they create good jobs. I believe that everyone in this House would be happy if every Canadian had a good job.

*Business of Supply*

I am sure that the vast majority of members of this House are interested in seeing people no longer having to rely on food banks. I am sure it gives pleasure to no one to learn that some Canadians are losing their homes because they have lost their livelihood. Sometimes, you have to act and follow through—you have to walk the talk. Therefore, we have to talk about this and provide direction.

We want to support our traditional sectors of resource extraction and manufacturing, while also providing opportunities for innovation. That has to be supported. That is why we are in favour of investments of that kind. We want to create jobs to replace the 400,000 we lost. However, we will be able to do so only if we engage in the primary, secondary and tertiary processing of our resources. It is not a question of loading them on a boat and shipping them as quickly as possible. We have to compel companies to make appropriate investments, and create employment here, so that the added value is generated here.

In the lower Laurentians area, the federal government is virtually absent in terms of job creation. We want to build factories, but this requires land. The federal government is the largest owner of non-agricultural land in the riding, and it is a nightmare to try to get it to take action and provide support.

I would like to take this opportunity to sing the praises of my region, which is the home of the Paccar truck company, the latest Canadian truck manufacturer. This is an important business. It creates employment, even though this is not easy to do. When the company was on the brink of closing, Bernard Landry, Quebec's former finance minister, said he wanted to keep it open at any price because it was very important and that we should act accordingly. This is exactly what happened. He acted accordingly and he kept this company going.

I would like the government to show us that it is willing to defend the industry and the jobs that it creates. It must defend it tooth and nail. I do not see any sign that the Conservatives are acting aggressively or proactively. They are just standing on the sidelines, watching as the train goes by, and it is not even going in the right direction.

• (1245)

[English]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the member made reference to aerospace, which is a very important industry for my home province and particularly for the city of Winnipeg and for many regions of our country.

The first thing that comes to my mind are the lost manufacturing jobs in Air Canada's overhaul maintenance centres. This law that was in place applied not only to Winnipeg but to Montreal and somewhere just outside of Toronto. I think it was Mississauga. While the turmoil was taking place and those jobs were being lost, even though we had legislation to protect those jobs, the Prime Minister chose to do nothing and allowed those manufacturing jobs to disappear.

Because of the area the member represents, he might be familiar with the issue. Those were real, valuable jobs, and it was unfortunate that we did not have a government that came to the plate to protect them. The member made reference to the families and communities

that were affected. There was a direct connection to the Prime Minister.

[Translation]

**Mr. Alain Giguère:** Mr. Speaker, I would like to thank the member for his question.

As we all know, it was not for nothing that Winnipeg's hockey club was called the Jets. The city of Winnipeg played an historic role in the development of Canada's aerospace and air transportation industry in Canada.

My colleague has given an excellent example of something that did not work. We had not only the authority, but also the right to intervene to compel Air Canada to protect jobs here in Canada. They say that manufacturing is important in the aerospace sector, but when we purchase an aircraft, it is for 20 years. Over that 20-year period, the aircraft will require heavy maintenance four or five times. It will be completely overhauled. This amounts to just as many well-paying jobs as in the manufacturing sector. Unfortunately, the government took no action.

What I criticize the government for most often is that it does nothing. It makes wishes and even when it has the power to make them come true, it says it does not want to hurt the feelings of a big company executive. It is very sad.

• (1250)

**Hon. Christian Paradis (Minister of International Development and Minister for La Francophonie, CPC):** Mr. Speaker, I listened carefully to my colleague's speech.

Of course, my eyebrows went up at some of his statements, especially when he reminded us about the sad episodes of the Parti Québécois government, toward the end of the 1990s and early in the new millennium with Bernard Landry. I do not know if he was referring to what happened with Gaspésia, where there was a financial hole of some \$300 million. If this is really the way in which the NDP plans to govern the country, I find it alarming, to say the least.

Right now, the NDP is putting forward a lot of measures involving tax cuts. In this regard, we in the Conservative Party are putting forward a coherent, appropriately timed plan that respects taxpayers' ability to pay while at the same time giving impetus to the economy.

With all the time they have spent opposing business tax cuts, now we are wondering where they are going, because they are saying just about anything.

**Mr. Alain Giguère:** Mr. Speaker, I feel a bit awkward. I do not understand the member's attack on his colleague, the minister and member of Parliament for Beauce. He is the one who was responsible for Gaspésia in Mr. Landry's cabinet. I do not understand why he is attacking him publicly here.

However, I can say that we are going to fight. We may not always win, but we will not be content to say that we are destined to get the short end of the stick and that we have to live with that. No, we will not. The working class deserves to be defended tooth and nail and with concrete measures. We will not be content with letting economic prosperity pass us by.

*Business of Supply*

[English]

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, I am very pleased to rise today to speak to the motion by my colleague, the member for Parkdale—High Park. I will be speaking in strong support of her motion.

The specifics of her motion bear repetition. It is the notion that we would call on the government to take immediate steps to build a balanced economy and to encourage manufacturing and small business job creation by three measures.

I am going to speak to each of these measures. However, I would like to start with some general observations about Canada's economy at the moment. Then I would like to delve into what this means in my community, in a couple of sectors, namely the university research sector and the high-tech sector. Finally, I would like to delve into the specific proposals, time permitting.

To give some indication of just how grim our economic situation has become under the Conservatives' watch, it does not take much more than a cursory examination of today's *Globe and Mail* articles. I draw the House's attention to four articles that just randomly came out of the paper.

The first one is entitled, "New alarm bells over household debt as Canada faces 'downward spiral'". It talks about the single biggest jump in the household debt-to-income ratio of any country other than Greece between 2007 and 2014.

The second article from today's paper is entitled, "Currency volatility 'flirting with levels typically reserved for crisis'". Those are the words of Bank of Nova Scotia's chief currency strategist.

The third article in today's paper is entitled, "Power to inspect TFW employers without a warrant hasn't been used". Although introduced with great fanfare, of course, by the minister responsible for employment, promising that Canadians would always be first in line for jobs and that this would be a very strong power, it has never been used.

Fourth is an article called, "For Ottawa, it is time to invest, not cut". The article talks about the strange disconnect between fiscal policy and our changing economic circumstances. Balancing the budget seems to remain the key political priority, as if nothing has changed. It goes on to talk about the Toronto Dominion Bank's forecasting slow growth of just 2% this year and about an increase in unemployment being prophesied.

That is the status quo. The Conservatives, as has been pointed out often in this place, still have not deigned to give Canadians a budget. They still appear to have no coherent plan to deal with what, for the middle class, is becoming a problem of crisis proportions.

When I go and walk in the streets of Victoria, people say to me that they are not sure they are going to have enough money to look after their aging parents in a long-term care facility. Others say that they are not sure they have enough money for tuition for college or university. People also say that they cannot seem to save, as their debt level is already overcharged.

Then I hear people tell me that they notice that the gap between the poor and the rich is getting greater. We see it in our community.

Seniors feel it and bring it to my attention regularly. Victoria is not immune.

Meanwhile, our national debt, \$600 billion, is the largest ever, under the Conservatives. The service cost of that debt is almost approaching \$30 billion this year.

In short, people understand that the economy is in dire straits, that we have economic uncertainty, and that the economy may be working for the top 15%, for whom the Conservatives are content to provide income splitting relief, but not for most of the middle-class people.

There are 1.3 million people unemployed. The youth unemployment rate is twice the average. These are not just statistics. I could go on with these statistics, but what is problematic is what it means to real people on the street.

People tell me all the time that they believe that the Conservatives have been putting all of Canada's eggs in a bitumen basket, to use an expression I have heard frequently. That is why the plan that is the subject of this motion, the NDP plan to support manufacturing and to get people back to work, is so timely.

I want to talk about what these concrete measures I listed before mean for a place like Victoria. We are talking about an innovation tax credit, about what is called rapid writeoffs, or accelerated capital cost allowance improvements, and we are talking about a cut in taxes for small business, which is the engine, of course, of the vast majority of jobs in our country.

● (1255)

It is critical to know that Victoria is not what Canadians think. It is a hotbed of innovation and a hotbed of high tech.

I would like to focus on a couple of key drivers in our community. The University of Victoria, as an example, has an innovation centre for entrepreneurs that provides on-campus incubator services designed to help students, faculty and staff, and recent grads take business concepts from idea to industrial reality. What does that mean? It means in practice that the university has spun out over 70 companies, 877 inventions, and 429 patent applications.

We have two things I would like to focus on in the university context: energy systems, and ocean research and technology innovation.

We have an institute for integrated energy systems that has been ranked fifth in the world, beating places like Princeton, Cornell, Yale, and MIT, for what is called citation impact ranking, the number of learned articles that refer to work coming out of it. It is a world-class research institute, and they are contributing to sustainable energy systems that are used across the planet.

*Business of Supply*

What about the university's research on oceans? Ocean Networks Canada has developed and hosts the first regional scale cabled deep ocean observation network, funded by the governments of Canada and British Columbia as well as by the university and corporate partners. That innovation has turned out many applications, again across the planet.

I have a couple of other examples. Working with the Vancouver-based BioMark Technologies, UVic researchers have developed a non-invasive way to detect lung cancer at the molecular level. Working closely with engineers and research teams, they can detect a particular cancer molecule in a simple urine sample from patients. This is groundbreaking technological innovation. We want to support, through innovation grants and the like, and incubate small business with these measures to enhance that level of innovation.

The other thing I am so proud of is what biotech has done in helping create this vibrant high-tech sector in our economy. I doubt that members would have any idea of just how important this sector is in Victoria's economy. There is \$3.15 billion in annual revenue derived from this sector. That is right. According to a recent economic impact study, there are 884 local companies that make up greater Victoria's advanced technology sector, generating \$3.15 billion in annual sales. It has just an astounding impact on our economy.

Here is another astounding number. The combined revenues of the top 25 firms, according to that study, those headquartered in Victoria, was \$1.16 billion last year alone. That is a 20% growth in combined reported revenues since last year.

The plan the NDP has proposed in this motion would cut the small-business tax from 11% to 9% and would drive that economic change that other members, of course, have talked about. Extending the accelerated capital cost allowance is not just for manufacturing, critical as that sector is, particularly in central Canada. It is for these startups in these small industries that can take advantage of the rapid writeoff. A columnist in the *Vancouver Sun*, Don Cayo said:

His promise to extend for two years an accelerating capital cost allowance for manufacturing machinery and equipment is both a big thing and a good one.

Third, as I said, the manufacturing innovation tax credit to boost investment in machinery and equipment and the like would help drive R and D.

These are practical measures to get Canadians back to work. I have tried to highlight what they mean to at least two sectors, the research sector and the high-tech sector in my community, and I commend this motion to the House for its adoption.

● (1300)

[Translation]

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Mr. Speaker, the member for Victoria represents a beautiful riding where, just like in my own riding, there is a great future for good jobs.

Could the member tell us how this government's lack of support and assistance for research and the manufacturing sector has been detrimental to his riding?

[English]

**Mr. Murray Rankin:** Mr. Speaker, my colleague's excellent question draws attention to the absence of the federal government from our lives in so many areas. I hear about it regarding veterans, the Canada Revenue Agency, and in so many fields, but in this field it is particularly disturbing.

The economy may be working for a few, but for the vast majority of people in my community it does not seem to be working at all. We do not have a large manufacturing sector. We have small business and institutions that are being incubated at the university and college levels, and high tech. They could benefit so dramatically from a decrease in taxation as well as an innovation tax credit.

The Government of Canada has been absent without leave in our community and so many other communities in Canada. It is time to get them back to the table to create real jobs for the middle class.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I thank my hon. colleague and neighbour in the riding of Victoria. I agree entirely with his observation that southern Vancouver Island, although it is thought of by many as rural and pastoral and certainly scenically a knockout, also has a significant manufacturing sector with clean tech innovators. My own riding boasts Quester Tangent, which is manufacturing positive train controls, sophisticated software found on trains in cities throughout the United States, but not yet in Canada. We manufacture Twin Otters at Viking Air. We have a lot of substantial manufacturing that would benefit from a lower dollar.

I commend the official opposition for focusing on the manufacturing sector, but I wonder if my friend would also contemplate what we can do for other parts of the Canadian economy that would benefit from a lower dollar. I think particularly of tourism and television and film production, which are also very important to southern Vancouver Island.

● (1305)

**Mr. Murray Rankin:** Mr. Speaker, I agree entirely. People just do not get it about our economy; they do not understand that we are a high tech sector. We are San Francisco north, and it is about time people understood that.

As to the observations on the impact of a low Canadian dollar and low gas prices, if this is not a rock and roll tourism year, there never will be one. Yet, what is the Government of Canada doing? It is spending not one cent to promote tourism. Conservatives have gone out of the business and left it to someone else, which is a shock and another example of the way they have absented themselves from this important market.

*Business of Supply*

As for television and film production, it is thriving in Vancouver and Victoria. These kind of tax incentives would make an enormous difference. The innovation tax credit for the animation sector, for example, will be enormous. It is time to get the government on board and try to be part of our solution rather than part of the problem.

[*Translation*]

**Ms. Ève Péclet (La Pointe-de-l'Île, NDP):** Mr. Speaker, I thought I was coming to the House of Commons today, but I seem to have entered another dimension.

On the one hand, the Liberals, who reduced corporate taxes when they were in power, are now saying that that is a bad idea. On the other hand, the Conservatives are saying they will vote against our motion because the NDP voted against theirs.

Apart from the NDP, which is talking about concrete solutions, is any party really ready to stimulate the economy and help Canadians find work?

[*English*]

**Mr. Murray Rankin:** Mr. Speaker, it is very hard to understand the motivation of the third party at the best of times, so I am really not going to try. But I ask members to stand back and look at the three specifics of the motion and ask themselves what is wrong with this picture. We want to decrease taxes over a couple of years on small business, who everyone acknowledges is the driver of job creation.

We want to have an innovation tax credit. We could quibble about the amounts, but the principle seems self-evident. It has been used effectively in Europe and other sophisticated economies.

Third, we want to continue a program that is already in place to make sure that people can invest in equipment and be able to write it off their income tax more quickly, which is another tried and true measure.

It seems to me that if we can focus on the specifics and leave the politics out, the Canadian people will respect us for our efforts to get people back to work and make this economy work for the middle class.

**Mr. Mark Adler (York Centre, CPC):** Mr. Speaker, it is a great opportunity and pleasure to respond today to the hon. member's motion, but before I do, I would like to indicate that I will be sharing my time with the member for Don Valley West.

I would encourage all Canadians to pay very close attention to today's debate, because Canadians know when they are being sold a bill of goods, like today's NDP motion. I am reminded of the snake-oil salesman who used to walk into town and set up shop, telling people to drink it and it would cure them of whatever ailed them.

They can put wings on a horse, but it is not going to be an eagle. While the New Democrats are scrambling to show Canadians that they are moving toward our policies in a kind of deathbed conversion, it is very clear that our proposals for small business are much better thought out.

First, I would like to elaborate on our government's strong record of standing up for small business. Following that, I will highlight the NDP's tax and spend plan that would increase our debt and force every Canadian to pay more tax.

Canadians are well aware that this Conservative government successfully navigated Canada through the great recession. Our success is not a matter of chance, but a matter of choice.

Hon. members want to talk about job creation. We on this side are very proud to talk about job creation. Perhaps they on the other side would be interested to learn that we have created nearly 1.2 million net new jobs since the end of the recession. Of those 1.2 million net new jobs, the overwhelming majority are full-time, high paying, private sector jobs. To be clear, since the depth of the recession, full-time jobs account for a whopping 90% of all jobs created in Canada. That is a record that hard-working Canadians and I have every reason to take pride in.

Canada is now enjoying the lowest unemployment rate in six years. In addition, since we were elected in 2006, this government has had the strongest job-creation record of the entire G7, with the creation of over 1.6 million new jobs. Our record speaks for itself, and we are continuing to take action.

Our small business job credit is just the latest in a range of measures that will cut costs and support small businesses. It will effectively lower small businesses' EI premiums from the current rate of \$1.88 to \$1.60 per \$100 of insurable earnings in 2015 and 2016. Ninety per cent of EI premium-paying businesses, nearly 800,000 of them, will directly benefit from this credit. In keeping with our efforts to minimize the paper burden and cut red tape for small business, this credit will require no new paperwork. The Canada Revenue Agency will automatically calculate it on the businesses' returns. Overall, our small-business job credit will cut EI payroll taxes by nearly 15%. We expect it to save small businesses more than \$550 million over the next two years. These are savings that will create jobs and growth.

The hon. members need not to take my word for it. They can hear it from the people who know it best, small business people themselves. Dan Kelly, president of the Canadian Federation of Independent Business, has concluded:

...the credit will make it a bit easier for small employers to hire that extra worker, increase employee wages or help pay for workplace training. Across Canada, we estimate the \$550 million left in the hands of small businesses will lead to 25,000 person years of employment in the next few years.

Clearly, small business owners and their representatives know that our efforts to reduce their costs are making a real difference in creating jobs.

Small businesses employ half of the working men and women in Canada's private sector. They account for nearly one-third of our country's GDP. Small businesses drive our prosperity and give back to our community. Our government's actions are helping them succeed each and every day. We have cut their taxes.

*Business of Supply*

We cut the small business tax rate to 11% and increased the amount of income eligible for this lower rate. Together, these changes are providing small businesses with an estimated \$2.2 billion in tax relief in 2014 alone. Under our government, the amount of income tax paid by a small business with half a million dollars of taxable income has declined by over 34%, a tax savings of over \$28,000 that can be reinvested in the business to create jobs. However, the NDP voted against every single one of our tax cuts for small business.

• (1310)

I would now like to take this opportunity to discuss the NDP plan. I will highlight most of its plan, except for one important part. I will not explain how the NDP plans to tell Canadians that it is okay to blow \$2.7 million in taxpayer dollars on bogus satellite offices. I will leave that to the NDP members. However, I would like to respectfully remind the NDP that Dan Kelly from the CFIB called aspects of the NDP plan for small business “dumb” and “anti-small business”.

I cannot help but also notice that one of the elements in today's motion for debate bears more than a passing resemblance to our decision to extend the accelerated capital cost allowance. However, here is the real kicker: the NDP voted against the accelerated cost allowance in the first place. If that were not enough, the NDP has promised to increase taxes on small businesses and all other Canadians. That includes a \$20 billion carbon tax that would raise the price of everything, from gas to groceries. It includes doubling CPP payroll taxes, forcing Canadian workers and employers to pay more.

It was Shaun Fantauzzo from the Atlantic Institute for Market Studies who said that higher mandatory CPP payroll taxes would “... prevent...[small] businesses from hiring new workers, as well as force them to economize by either reducing hours or laying off existing employees”.

NDP members even pledged to reverse our family tax cuts and benefits. They would take that money from families and give it to Ottawa bureaucrats, because the bureaucrats know how best to spend it. Well, our plan helps 100% of the families with kids. The NDP plan would only help 10% of families.

Our Conservative government knows that moms and dads are best suited to make the crucial decisions affecting their children, but the NDP believes that Ottawa bureaucrats should be making parental decisions instead of mom and dad.

The NDP's spendthrift ways would also increase the deficit and increase the debt. It would burden our children and grandchildren with higher debt to pay for the NDP's expenditures today.

In conclusion, we will take no lessons from the NDP, who really have none to share.

In 2011, Canadians elected our government with clear instructions: navigate the global economy, create jobs and economic growth, and keep taxes low. I am pleased to tell the House that this is exactly what our government has delivered. Promise made, promise kept. We created a low-tax environment on the understanding that lower taxes and payroll costs support jobs and growth. We have proven with our actions that this empowers Canadian entrepreneurs,

leaving more of their hard-earned money in their own hands for them to invest in their own businesses to support jobs, growth, and long-term prosperity.

I would encourage hon. members to take this record into account in considering today's motion for debate and reject its empty rhetoric in favour of the real results of our government. Our Conservative government will continue to deliver on what matters most to Canadians, and that is jobs, growth, and long-term prosperity, and support for small businesses.

• (1315)

[*Translation*]

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Mr. Speaker, I listened carefully to my colleague's statements.

If things are going as well as he says, if the working class is so rich, can he explain why it is that 800,000 Canadians are having to rely on food banks? I would like to know, and the 800,000 Canadians who go to food banks would also like to know why everything is going so well in Canada.

[*English*]

**Mr. Mark Adler:** Mr. Speaker, I appreciate my hon. colleague listening carefully to my speech, but clearly he was not listening carefully enough.

We have lowered taxes 150 times since taking government in 2006, resulting in the average Canadian family of four saving \$3,400 in taxes. That is more money in their pocket that they can spend on what they consider to be most important for them. These are hard-working Canadian families.

I remember that when I was a small kid, my dad had a small business. He had a shoe store. He would come home late at night, when and I would be looking through the window waiting for him. I would see him get out of the car and drag his knuckles on the ground. He was dead tired. However, he always took the time to play with me or to help me with my homework.

These are what small business people do. Not only do they create jobs but they also spend time with their families. This is exactly what our government is focused on: job creation profitable enough so that people who are entrepreneurs, or who can become entrepreneurs, will also have ample time to spend with their families. That feeds into our family tax cut.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the member says the government is interested in job creation. I will give an example from last year. The Prime Minister announced that the government had a wonderful EI tax program for business, but in a bizarre, twisted way, it actually provided some incentive for some small businesses to lay off people.

*Business of Supply*

The leader of the Liberal Party proposed a program that has been proven to work. It is an EI premium exemption program that would have created the types of jobs that the member is talking about, tens of thousands of jobs in every region of the country. However, the government, not wanting to recognize a good idea when hit square in the face with it, decided that it was going to say no to the Liberal idea and move forward on its own idea, which creates many fewer jobs and, as I say, might actually cause the loss of jobs.

My question to the member is this. If the member is so keen on creating more jobs for Canadians, why does he think the Prime Minister chose to ignore a good idea that had a proven track record and that other outside organizations were supporting because they recognized that it would benefit all Canadians and Canada's middle class, if only the Prime Minister would have listened?

• (1320)

**Mr. Mark Adler:** Mr. Speaker, it was not the Conservatives who rejected the Liberal proposal; it was the Canadian people in 2006, 2008, and 2011. The Canadian people rejected the Liberal proposal.

Let me tell the House about the Liberal proposal. The Liberal proposal was to pillage \$55 billion from the EI fund, a manoeuvre on which this party decided to take that party to court, and the Supreme Court ruled that the Liberal Party had stolen the money from the EI fund. That is the Liberal proposal: to take money that belongs to Canadian workers. No, that is Canadian workers' money. The government keeps it in trust for Canadian workers.

There have been 1.2 million net new jobs created in this country since the end of the recession. That is a record that we are proud of. That is a record that we will stand proudly on, and we will take it proudly to the Canadian people when the election comes later this year.

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Mr. Speaker, I want to thank my colleague for his great intervention and for his understanding of our policies.

I am surprised sometimes by the hypocrisy in the House, though I guess after nine years, I should not be. The NDP is trying in some way to duplicate what we have done, as my colleague across the aisle talked about, with the capital cost allowance and lower corporate taxes. That ship already sailed a long time ago, and New Democrats actually voted against it.

Small businesses are crucial. What makes small businesses? It is the middle-income group, so I would ask my colleague to talk a bit about the new family tax package, not the one issue that the Liberals talk about. What benefit does that package have, not only to small businesses but to the families that own them?

**Mr. Mark Adler:** Mr. Speaker, what I would say is that our party is focused on what matters most to Canadians, which is jobs, growth, and long-term prosperity. We have done that by putting more money into the pockets of hard-working Canadian families so that they can determine how that money can be spent.

It was the Liberal Party, about a decade ago, that said that if we give Canadians more money, they are going to spend it on beer and popcorn. No, they are going to spend it on their families. They are going to spend it on their kids. They are going to spend it on what matters most to them.

**Mr. John Carmichael (Don Valley West, CPC):** Mr. Speaker, it is with great pleasure that I rise today to speak on the government's measures relating to the automotive and manufacturing sectors.

Our government knows the importance of the automotive industry to Canada's economy. We know that Canadians build the best cars and trucks in the world and we intend to keep it that way.

It was just a few short years ago that the global economic downturn threatened that and challenged the North American auto industry, including Canada's, like never before, but our government took action by restructuring support for the industry. Our government's investments prevented long-term economic decline for many communities and workers across the country. Because of our support, the automotive industry in Canada prevailed. Companies have returned to profitability and continue to build great cars and trucks in Canada.

The automotive industry is a pillar of the manufacturing sector in the Canadian economy, representing 10% of the manufacturing GDP and 13% of total merchandise exports. The auto sector directly employs more than 117,000 Canadians and indirectly employs about 377,000 Canadians in its supply chain, which comprises more than 730 businesses.

Our government's long-term goal provides the right conditions for a sustainable and viable sector in which Canada maintains and grows its share of auto production and jobs.

On January 4, 2013, the Prime Minister's announcement of the renewal of the automotive innovation fund for \$250 million over five years was a clear signal of our government's ongoing commitment to create jobs, growth, and long-term prosperity for all Canadians. In last year's budget, the government doubled down, investing an additional \$500 million into the automotive innovation fund. In all, the renewed automotive innovation fund will provide up to \$750 million over five years for Canadian auto sector businesses in order to support large-scale strategic projects. This support is in addition to the initial commitment of \$250 million over five years in budget 2008.

Thanks to the automotive innovation fund, innovative research and development projects are carried out here in Canada. It supports private sector investment in the auto industry and increases Canada's competitive advantage in international markets. Our government's investment in the automotive innovation fund supports the creation of high-quality, well-paying jobs.

*Business of Supply*

The automotive innovation fund, however, constitutes only a part of what our government has done to support a solid automotive sector in Canada. Our government's approach also includes a fiscal and economic framework that will keep the industry competitive. This framework includes a sound banking system, the lowest overall tax rate on new business investment in the G7, the lowest debt-to-GDP ratio in the G7, and a AAA credit score.

Our government has also supported the automotive industry through the creation of the accelerated capital cost allowance. Through this initiative, our government has provided \$1.4 billion in tax relief, helping manufacturers to undertake additional investment and increase productivity. I find it ironic that we are debating a motion today whereby the NDP proposes to extend the accelerated capital cost allowance when just two years ago it voted against extending that very program.

What has our government done? We have eliminated tariffs on machinery and equipment, making Canada the first tariff-free zone for manufacturing equipment imports in the G20. We have also placed a strong emphasis on encouraging innovation and productivity through research and development with programs such as automotive partnership Canada, with a \$145 million investment, and auto21, with an investment of \$81.1 million.

● (1325)

Our support for the auto industry does not end there. Given the integrated nature of the industry, we have also supported the need to ensure the smooth flow of goods across the border. This includes an investment of \$470 million over two years for the new Windsor-Detroit crossing, ensuring the continued integration of the Canadian sector with the North American supply chain.

We are also working hard to ensure the Canadian automotive sector has access to world markets. Through trade agreements such as the Canada-Europe free trade agreement, there will be 500 million new consumers for Canadian-made cars and trucks.

Our government's suite of policies—low taxes, global trade opportunities, investment policies, and a skilled labour force—is working. To date, we have attracted investments of \$2.8 billion in the automotive sector. Just last month our government announced a major investment by Linamar in Guelph, Ontario. Because of our actions, Linamar is investing \$507 million in expanding its operation in Canada. Linamar could have based this project in other countries, but did not. It chose to take advantage of Canada's manufacturing landscape, our strong supply chain, low taxes, open markets, and talented workforce. This investment will create 1,200 new, well-paying, full-time jobs and will maintain an additional 1,800 jobs.

Last year, the minister announced an investment of \$72 million for the Ford Oakville assembly plant, which will transform the plant into a state-of-the-art global manufacturing facility, making it one of the most sophisticated Ford plants in the world. Today, this plant has the flexibility it needs to produce large quantities of 11 of Ford's mid-size vehicle models, such as the redesigned Ford Edge and the Lincoln MKX, on the same platform. This plant will be one of five Ford plants in the world with such an ability. Furthermore, this support has leveraged a \$716 million investment by Ford into Canada.

Our government's support for the automotive industry made for an excellent year in 2014. Last summer, Canada posted the largest trade surplus of auto exports in almost six years. As if that alone was not enough, in September Canada saw an increase of 6% in the export of motorized vehicles and auto parts, as well as an increase of 10.2% in the export of passenger vehicles.

The numbers speak for themselves. In 2014, Canadian automakers produced more than 20 types of different vehicles and registered unprecedented sales.

Canada is the destination of choice for automakers. The country has much to offer for both automakers and parts manufacturers, and it is our government that has put in place the right conditions to allow the world-class Canadian auto sector to continue its success. Our government is serious about supporting this industry and the well-paying, highly skilled jobs it represents. We are confident that Canada's suite of policies of low taxes, global trade opportunities, investment policies, and a skilled workforce will keep Canada's auto sector among global leaders.

Before I close my remarks, I want to point out that we are debating an NDP motion that calls upon the government to build a balanced economy, support the middle class, and encourage the manufacturing sector. While the NDP is beginning to see the light after all these years, it is clear that our government has taken action to create jobs and growth that support Canadian families and businesses. Instead of the NDP's piecemeal approach, our government, and only our government, has a plan that will create jobs and growth and lead to long-term prosperity for all Canadians.

● (1330)

[*Translation*]

**Mrs. Sadia Groguhé (Saint-Lambert, NDP):** Mr. Speaker, if the government has such a positive record, as my colleague claims, why is it that his government continues pouring billions of dollars into large corporations that do not even create jobs here in Canada, when we know that small and medium-sized businesses are key job creators?

[*English*]

**Mr. John Carmichael:** Mr. Speaker, my colleague is absolutely correct. SMEs are the foundation of business in our country. We currently provide the lowest tax rate in the entire G7 for businesses in our country, which allows companies to reinvest, prosper and profit, while creating more and more additional jobs within the community.



*Business of Supply*

I agree with the member on SMEs representing some 90% of business in our country. We are investing in those businesses so they succeed and can be successful in the future.

**Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, given that the discussion today centres around a platform that the NDP has for small business, it demonstrates the lack of understanding by the official opposition.

The NDP talks about cutting taxes to small business. Keeping taxes low is the right way, and that is why the government has done so much on the file. However, the Leader of the Opposition has also said that he wants to bring back higher corporate rates right across Canada. That would not only chase away investment in the auto sector, which is very competitive internationally, but chase away all of the investments in public education. Remember, when we have these large clusters in a certain region, it has a huge spillover effect in the kinds of public and post-secondary education.

Let us consider big businesses that are operating at such a high level and their business models that bring small operators through their supply chain, such as janitorial, supply parts and all sorts of auxiliary activity. If we raise corporate taxes like the NDP wants to do and chase away sectors like the auto sector, we will see business dry up for these small businesses through Ontario and right across the country.

Does the member agree that the NDP may say one thing in one small area of the tax file, but that it may have big holes to fill at the other end before investment in our country gets chased away?

• (1335)

**Mr. John Carmichael:** Mr. Speaker, I would like to thank my colleague for the points he has made. Clearly, he understands how conflicted the NDP truly is. He is absolutely correct.

Let me bring to light a few other points that he did not mention. The NDP and the Liberals voted against support for manufacturing, and I will give a few examples. They include lowering the federal corporate income tax rate to 15%. The NDP and Liberals did not want to do that. They voted against it. There was extending the accelerated capital cost allowance for new investment in machinery and equipment. They voted against it. There was the automotive innovation fund. They voted against it.

The NDP deals in conflict, and I understand it.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, I have to correct some gross distortions of reality coming from the Conservative side.

When the Conservatives talk about the official opposition voting against some of these measures, all Canadians know that it is because the Conservative government has perfected the deception of omnibus budgets, where they put into a budget bill things like obliterating environmental protection and protection for navigable rivers, and changes to the immigration act. They put changes in the budget that have nothing to do with the budget and then force the opposition to vote against it. There are some things contained in the budget that we would like to support if they were properly segregated and put into the budget like they are supposed to be.

Canadians need to know that the government is trying to pull the wool over their eyes about the NDP not supporting these things. The

Conservatives have made a mockery of the budget process through omnibus budget bills.

The director of the Canadian Federation of Independent Business is supporting the proposal of the New Democrats to reduce the small business tax from 11% to 10%, and differentiates between global across the board corporate tax cuts to large corporations that do not need the money. Everybody knows that the global corporate tax cuts do not get put into the economy. That is why we have over \$600 billion of idle capital in our country, which is not being invested to create jobs, because the government—

**The Acting Speaker (Mr. Bruce Stanton):** We have run out of time here. I will give the hon. member for Don Valley West 30 seconds or so to respond.

**Mr. John Carmichael:** Mr. Speaker, I am not sure that I heard a question, but real business investment in Canada is now 6.2% higher than it was at its peak prior to the recession. That is a fact of our economic policy and what the government has been able to accomplish.

It is no wonder, incidentally, that the Canadian Federation of Independent Business unequivocally supports our low tax plan.

[*Translation*]

**Mrs. Sadia Groguhé (Saint-Lambert, NDP):** Mr. Speaker, I will be sharing my time with the hon. member for Québec.

I am grateful to be given the floor to support the motion moved by my colleague from Parkdale—High Park, a motion that will put things back on the right track. It outlines the first tangible measures in an economic diversification plan that will allow the NDP to rebalance the Canadian economy and help the middle class.

For 10 years, the Conservatives have been telling anyone who will listen that they have lowered taxes, invested in infrastructure and reduced the debt for the good of the middle class.

However, oddly enough, every week in my riding, people from the middle class share their concerns about the future with me. I share their anxiety because there are 1.3 million people unemployed and 400,000 manufacturing jobs have been lost. Recently in Quebec, 275 jobs were lost at Resolute Forest Products in Shawinigan, not to mention the 737 jobs at Mabe in Montreal and the 1,300 other jobs at Electrolux in L'Assomption. Nationally, Mexx, Jacob, Sears and now Target are disappearing.

Even though they are working harder than ever, Quebecers and Canadians are having a harder time making ends meet. The economic track record that the Conservatives brag about, like most of their policies, is an illusion and does not hold water.

Their economic policies are primarily based on the idea that corporate tax cuts are good for economic growth, since they create some breathing room to allow companies to invest and hire.

*Business of Supply*

The Institut de recherche et d'information socioéconomique completely discredited this idea in its report published on January 27 entitled, "Portrait de la surépargne des entreprises au Québec et au Canada".

This was a damning report for the government and the Conservatives. It ripped the economic policy they have been advocating for the past 10 years to shreds. It pointed out that non-financial major corporations have seen their tax rate drop from 22% to 15% since 2008.

I remind my fellow Canadians that the tax rate for a middle-class family is around 35% to 40%, so everyone has an idea of where the Conservatives' priorities lie.

Did these major corporations create jobs as a result of these tax cuts? No. Did they invest money in production or innovation? No. Did they pass the money on to their shareholders? Definitely not. The tax gifts the Conservatives gave them did nothing. The major corporations hoard this money and just sit on it.

The IRIS was unequivocal: \$575 billion has been hoarded in the past seven years. That represents 32% of Canada's GDP. We could build 164 new Champlain bridges with that money. The findings of the IRIS report are definitive. In three sentences, they obliterate the foundation of the Conservatives' economic policy:

The policy whereby we must lower taxes for corporations to give them room to manoeuvre and encourage them to invest is no longer valid.

That is an inescapable finding that makes us rethink the entire public action on the economy and makes us want to replace this government.

That is the conclusion the NDP came to in its dealings with workers and the middle class these past few years. The NDP has a plan that will make the economy work for Canadians. The economic plan announced by our leader is the result of those efforts and this motion presents what we will do to create good jobs for the middle class.

As we do with everything, we are working with facts. The economic fabric that generates employment depends on two fundamental elements. First there is the manufacturing sector, which has 1.7 million workers and generates 11% of our GDP. Then, there are the SMEs, which provide 7.7 million jobs and produce 40% of our GDP.

Between 2002 and 2012, they created 78% of the new jobs in the private sector. The manufacturing sector and the SMEs are the driver of our wealth and innovation. In 2014, the Canadian Chamber of Commerce determined that Canada's inadequate support for innovation in its manufacturing sector was one of the top 10 obstacles to making our economy competitive.

● (1340)

That is why the NDP has already proposed three key measures that will help spark economic activity and create jobs for the middle class as soon as we form the government in October. These measures are part of a clear, coherent plan that will support a transition to a new era for the Canadian manufacturing sector.

First of all, the NDP will reduce the small business tax rate to 10%, and then to 9%. This translates into \$1.2 billion for our SMEs, which will stimulate activity at a time when growth is stagnating. In terms of the manufacturing sector, we will also extend the accelerated capital cost allowance for manufacturing and processing machinery and equipment, which is set to expire this year. That measure will help Canadian manufacturers save about \$600 million a year over two years. They can then use that money to update their machinery and equipment, attract new investors and increase exports, thereby creating jobs to support middle-class families.

Lastly, we will introduce an innovation tax credit for the manufacturing sector for businesses that invest in machines, equipment and goods used for research and development that stimulate innovation. This measure will allow Canadian manufacturers that make crucial investments in research and development to put \$40 million a year back into that activity.

This measure would also undo the damage done by the Conservative cuts to the scientific research and experimental development tax credits and would encourage innovation in Canada. Our announcements were well received by the main stakeholders in research and development.

Dan Kelly, President and CEO of the Canadian Federation of Independent Business said that:

Cutting the small business tax rate by nearly 20% will provide a big boost to Canada's small businesses and will help them create jobs.

The Canadian Manufacturers & Exporters pointed out the basis of our economic policy when it stated that the NDP has made the manufacturing sector the cornerstone of its economic plan today in Ottawa.

We will help the manufacturing sector and our SMEs create good jobs for the middle class by implementing targeted and coherent measures. SMEs are the ones that are innovating and creating good jobs, not the western oil companies, which destroy our environment and sit on their billions. New Democrats understand that in order to get Canada back on track and help middle-class families succeed, we need to take concrete action in order to diversify the Canadian economy.

This motion lays the groundwork for rebalancing our economy, which will stimulate growth and job creation. For all of these reasons, I ask all MPs who say they want to encourage job creation and help the middle class to support this motion.

● (1345)

[English]

**Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, there has been a lot of discussion today. I am glad the member opposite was able to bring some of the perspective from her riding to it.

The NDP always continues to say that government should consult. The government does and should consult to get as many opinions as it can. However, her leader, the leader of the official opposition, has said that he wants to raise corporate taxes. If we raise corporate taxes, that also has a reciprocal increase right across the board. We have our corporate taxes where we work with provinces and they go in lockstep.

Has the leader of her party consulted with premiers on this raise in corporate taxes, which would chase away investment? Also, has he consulted about the New Democrats proposed changes to a day care system that would involve, both at the federal level and provincial levels, billions of dollars of spending? Does the NDP practise what it preaches.

[Translation]

**Mrs. Sadia Groguhé:** Mr. Speaker, I wish to thank my colleague for his comments, but I would just like to tell him that the Conservatives are in no position to lecture us about consultation.

It is clear that the NDP does consult, has consulted and will continue to consult Canadians to ensure that, as I said in my speech, the economy finally works for Canadians, and particularly the middle class.

**Mr. Mathieu Ravnat (Pontiac, NDP):** Mr. Speaker, I was most interested to hear my hon. colleague's remarks. She made an excellent point, namely that the Conservatives' job creation plan is not working, particularly in my riding. Fewer and fewer people have jobs. The reason is this government's complete lack of balance: some sectors are obviously friends of theirs, and others are not.

What is needed is a reasonable approach that looks at the economy and stimulates the sectors that are in difficulty. That is what our motion seeks to do and what it seeks to add to the debate.

Does my colleague have any comments on that score?

• (1350)

**Mrs. Sadia Groguhé:** Mr. Speaker, I thank my colleague for his question. However, I nevertheless cannot refrain from mentioning the Conservatives' abysmal record, if my colleague will allow me.

Today, we have 200,000 more unemployed workers than before the recession. The unemployment rate among young people has exploded; it is now 13%, on average. In five years, the Conservatives have been unable to revitalize the labour market. They mask that failure by saying over and over that they have created a million jobs in Canada. The Conservatives are directly responsible for this country's biggest layoff: 26,000 federal employees have lost their jobs since 2010.

With such a pitiful track record, the Conservatives have no leg to stand on. Roll on, 2015.

[English]

**Mr. Dan Albas:** Mr. Speaker, hopefully the member opposite does not have to consult her paper to answer this question because I am going to ask the same question I asked before.

Former minister Flaherty led a consultation process with the provinces and actually had all the provinces on side that we should see lower corporate taxes so that we could attract more foreign investment, which we have heard from the Conservative side today is certainly happening. Last year we had a trade surplus because we are now trading more and more internationally and being competitive.

However, the member did not answer my question. Has the NDP leader consulted with premiers, and has anyone endorsed his plan to raise corporate taxes that will chase investment away, which will continue to cause issues in our job markets? Do New Democrats

### *Business of Supply*

practise what they preach? Do they have an endorsement from a premier outside of perhaps Manitoba?

[Translation]

**Mrs. Sadia Groguhé:** Mr. Speaker, since my colleague asked the same question, I will just remind him that, when it comes to consultations, we do not need any lessons from the Conservatives.

According to our consultations, people want to see lower taxes for small businesses, which create most of the jobs in Canada. We would extend the accelerated capital cost allowance for manufacturing machinery and equipment, and we would implement our plan to create well-paid jobs within a diversified economy.

**The Acting Speaker (Mr. Bruce Stanton):** Before recognizing the hon. member for Québec, I must inform her that I will have to interrupt her at 2 p.m. for statements by members.

The hon. member for Québec.

**Ms. Annick Papillon (Québec, NDP):** Mr. Speaker, I am pleased to rise in the House to support the NDP's opposition motion:

That the House call on the government to take immediate action to build a balanced economy, support the middle class and encourage manufacturing and small business job creation by: (a) extending the accelerated capital cost allowance by two years; (b) reducing the small business income tax rate from 11% to 10% immediately, and then to 9% when finances permit; and (c) introducing an Innovation Tax Credit to support investment in machinery, equipment and property to further innovation and increase productivity.

I am the deputy critic for small business, and I am pleased to present our plan to stimulate the economy and help create the next generation of jobs for the middle class.

Unfortunately, Canada's economic situation is precarious. Long-term unemployment is still close to its post-crisis peak, the average number of hours worked remains low, and the percentage of workers occupying part-time jobs remains high. The Canadian economy lost another 4,300 jobs in December, and the youth unemployment rate, at 13.5%, is more than double the national average.

A columnist with *La Presse*, Vincent Marissal, beautifully summed up the problem of the Conservatives' lack of economic vision. Recently he wrote:

Falling oil prices brilliantly demonstrate the lack of economic diversity in the Conservatives' policies. To some degree, Canada is now in a situation similar to those single-industry towns that are reduced to poverty and mass unemployment when the local mine, sawmill or plant shuts down....

Conservative policies also clearly show a total lack of imagination. Where are the innovation and research programs that are the hallmark of rich countries?

I could not have said it better myself. That is exactly where we are today. We need to make sure our economy is diversified, and not focus on just the traditional sectors, such as resource extraction. The Conservatives have been unable to build a balanced economy, and now Canada's middle-class families are paying the price. By failing to take action, the government has cost the manufacturing sector 400,000 jobs, which has been particularly harmful for Quebec and Ontario. Once again, I do not need to say this, since we all know it; we are all experiencing it in our ridings. Unfortunately, my riding, Québec, has not been spared by these cutbacks.

### Statements by Members

The Conservatives have also cut millions of dollars in financial assistance to businesses for research and development investments. Indeed, in addition to reducing the scientific research and experimental development tax credit, they have excluded capital expenditures. This puts sectors with high capital costs, like the manufacturing sector, at a huge disadvantage, which hinders economic activity in Canada.

The Conservatives have a less-than-stellar record on the economy. However, we must not forget that although the Liberals were in power for over 10 years, they did not reduce taxes for small businesses, not even once. They did not do anything either. The leader of the Liberal Party told 1.7 million Canadians working in the manufacturing sector that the Liberals see no future for them.

The New Democrats understand that if we want to get Canada back on the right track, we need to diversify the economy by taking advantage of new innovation and growth opportunities. The NDP is proposing concrete measures that could be adopted immediately to support the heart of Canada's economy and to show investors that a New Democrat government will bring in a new era of stability for the manufacturing sector. We want to create an innovation tax credit to encourage businesses to invest in machinery, equipment and goods to stimulate research and development. This will result in savings of nearly \$40 million a year for Canadian manufacturers that make significant investments in research and development.

• (1355)

I would also like to quote *Éric Tétrault*, the president of *Manufacturiers et exportateurs du Québec*:

Canada's manufacturers will compete and grow only if they are able to keep pace with the new products, new technologies and new skills required in a modern, innovative and highly competitive economy. Renewal of the Accelerated Capital Cost Allowance for manufacturing and processing machinery and equipment will accelerate the adoption of new technologies. Tax credits for new product development and commercialization and for employee training are also key measures that support manufacturing success.

**The Acting Speaker (Mr. Bruce Stanton):** The hon. member will have five minutes to speak once the House resumes debate on this motion.

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### PRIVILEGE

#### ACCESS TO PARLIAMENT BUILDINGS

**Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP):** Mr. Speaker, today I am rising on the question of privilege that I raised yesterday about access to the Centre Block. Today I received a fully satisfactory explanation and apology from the security services. They confirmed that parliamentarians' right of access is the top priority for parliamentary security officers carrying out their duties. They apologized for what happened.

I would like to let you know that as far as I am concerned, this matter is resolved because I am completely satisfied with the explanation I received from the security services about the incident that took place yesterday.

• (1400)

**The Acting Speaker (Mr. Bruce Stanton):** I thank the hon. member for his supplementary intervention. Other members spoke to

this matter. I will consider the matter resolved and closed. We will move on to statements by members.

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## STATEMENTS BY MEMBERS

[Translation]

### SOCIAL JUSTICE

**Ms. Manon Perreault (Montcalm, Ind.):** Mr. Speaker, social justice is not an abstract concept. It is something that is essential to our peaceful coexistence. It is the very essence of modernity.

Diminishing the scope of social justice instead of helping it to flourish is a mistake we must avoid making. We must not be blinded by short-term profits and political gain. Social justice is profitable on many levels.

Social justice contributes to progress and the cohesiveness of our economy, where people are more and more interconnected. It is simple: better cohesiveness benefits the common good and improves the quality of life of our constituents.

For generations, we have been trying to build a more just and equitable society, but unfortunately, this government does not seem to fully appreciate the benefits of this investment.

The government must recognize the importance of social justice, act accordingly and stop adopting policies that undermine the progress Canadians have made in this area.

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[English]

### EATING DISORDERS

**Mr. Terence Young (Oakville, CPC):** Mr. Speaker, in November of 2013, I made a successful motion at the status of women committee that we study the impact, treatment and the nature of eating disorders in Canada, with the focus on women and girls who compose 80% of the victims.

During Eating Disorder Awareness Week, some shocking details must be reported. Eating disorders—*anorexia*, *bulimia* and *binge eating*—are complex and misunderstood mental illnesses, influenced by genetic, psychological, social and cultural factors. They are not driven by body image or peer pressure, but are triggered by them.

Anorexia patients have the highest mortality rate of any mental illness, leading to 1,500 deaths per year. Only 50% of the victims fully recover and only a patchwork of specialized treatment exists across Canada, for example, 20 dedicated beds in British Columbia but zero in Alberta.

*Statements by Members*

Patients require specialized and robust care from families, doctors, hospitals, treatment centres, researchers and governments. This study is the first step to making this dream a reality.

\* \* \*

[*Translation*]

**THE ENVIRONMENT**

**Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP):** Mr. Speaker, I decided to get into politics in 2008 because the best way to stop climate change is to work together.

In Longueuil, the environment is top of mind, and that is why I am proud, as the member for Longueuil, to speak to the critical importance of these issues.

The environmental movement rightly calls on us to “act locally, think globally”. That is truly happening in Longueuil.

At the local level, thanks to groups such as Ciel et Terre, dozens of Longueuil residents clean up the shoreline every year.

Global activism in Longueuil consists in being very vocal about protecting our river from oil spills and making every effort, together with all NDP members across Canada, to change the federal government's position on oil sands development.

We also have the clean technology sector. Longueuil can count on leading-edge companies such as Varitron, LITO Green Motion and the technological feats of Bathium. We must support and boost this know-how.

Protecting the environment is non-negotiable. It is vital that we in Parliament work to that end.

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[*English*]

**ENTREPRENEURS**

**Mr. Ted Falk (Provencher, CPC):** Mr. Speaker, in my riding of Provencher, we are blessed to have strong, healthy, vibrant communities. Much of that growth can be attributed to an incredible entrepreneurial spirit.

I would like to take a moment to recognize some of the local businesses that have recently received awards for their superior products and services.

The Carillon, the largest rural newspaper in Manitoba, has won hundreds of awards both provincially and nationally.

Bothwell Cheese has taken home many awards, most recently first place for both its marble and cheddar cheese at the British Empire cheese show.

Canadian Gold, in Marchand, was named best bottled water in the world at the prestigious Berkeley Springs International Water Tasting competition.

Hylife Foods of La Broquerie, a vertically integrated food processing company with over 1,500 employees, recently received the Canadian Manufacturers & Exporters' export award.

These are just a few of the success stories in Provencher. Our Conservative government will continue to support measures that will help entrepreneurs grow their businesses and prosper.

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● (1405)

[*Translation*]

**TOMCOD FISHING**

**Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.):** Mr. Speaker, there is an impressive number of seasonal festivals for the people of Mauricie to enjoy.

Although the federal government has shown absolutely no interest, the Sainte-Anne-de-la-Pérade Festival de pêche aux petits poissons des chenaux is holding its 77th annual tomcod fishing festival.

This type of festival is an essential way to keep people involved in the region, and the government has a duty to ensure its survival.

In spite of obstacles and a lack of significant funding from the federal government, Sainte-Anne-de-la-Pérade still welcomes visitors from across Canada who want to experience ice fishing in one of the oldest francophone communities in the country.

Today we pay tribute to the organizers of this festival, which is a cultural signpost along the winding Chemin du Roy tourist route.

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[*English*]

**FALLEN FOUR MEMORIAL PARK**

**Mr. Jim Eglinski (Yellowhead, CPC):** Mr. Speaker, on March 3, 2005, four RCMP constables were shot and killed near Mayerthorpe, Alberta in my riding of Yellowhead.

A tribute park was built by the Fallen Four Memorial Society to honour the memories of fallen constables Schiemann, Johnston, Gordon and Myrol.

In the park are four bronze statues, representing each fallen member, and a 24-foot centre obelisk honouring all uniformed peace officers across Canada. It is topped by doves representing the heroes whose spirits now fly free.

The Fallen Four Memorial Park was built by volunteers with donations from across the country. It is a promise to loved ones who have grieved, that their heroes will never be forgotten.

We are nearing the 10th anniversary of this tragic event. I invite all Canadians to join me in remembering them, either in person or in spirit, at the remembrance ceremony and memorial candle lighting at the Fallen Four Memorial Park on March 3.

Lest we forget.

*Statements by Members*

[Translation]

**INFRASTRUCTURE**

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Mr. Speaker, my region, the Lower Laurentians, is Quebec's future economic backbone because of its cutting-edge aeronautics, aerospace, pharmaceutical and transit vehicle companies.

Nevertheless, to support the economic development of our businesses, the federal government has to invest in transportation infrastructure so that traffic jams cease to be an obstacle to production.

Canada has a \$200 billion infrastructure deficit, and our regions cannot meet the needs associated with that growth. This situation is hitting the Lower Laurentians particularly hard.

The NDP is demanding that the government develop infrastructure in Canada so that our regions can prosper and foster innovation and economic growth.

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[English]

**JOHN LAROCQUE**

**Mr. Rick Dykstra (St. Catharines, CPC):** Mr. Speaker, on January 17, St. Catharines lost one of its best loved media personalities. Nicknamed the “Mayor of the Morning”, Radio Station CHSC's John Larocque passed away following a long battle with both Alzheimer's and Parkinson's disease.

John was a familiar voice for nearly 30 years in his post as CHSC's morning man. He was also a familiar face at almost every kind of community event we could think of. From hosting hundreds of charity functions to attending probably thousands of local sporting events, John was the epitome of CHSC's old slogan “All About this Town”.

The week before John died, the building that housed CHSC Radio on Queenston Street was bulldozed to the ground. I cannot help but find some symmetry to the fact that this was the last week John was on this earth, and made his exit.

For St. Catharines, the loss of CHSC and of John Larocque is truly the end of an era.

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**RETIREMENT CONGRATULATIONS**

**Mr. Earl Dreeshen (Red Deer, CPC):** Mr. Speaker, I am honoured to stand today to pay tribute to two friends of mine from the Alberta provincial legislature who will not be seeking re-election.

Last month, both Mary Anne Jablonski and Cal Dallas announced that they would be moving on to the next chapter in their lives. Both have spent lifetimes devoted to Red Deer and have served residents with honour and dignity.

Mary Anne Jablonski has represented Red Deer North since 2000, and Cal Dallas has represented Red Deer South since 2008. I am grateful for their service and I will miss their passion and commitment to our community.

We in the House are well aware of the commitments and sacrifices that come with public life, most notably the stress it puts on families. Fortunately, both Mary Anne and Cal have been able to count on tremendous support from their spouses, Bob and Jackie. Mary Anne and Cal can look forward to spending more time with their families as they begin the next chapter in their lives.

In closing, I would like to wish both Cal and Mary Anne enjoyable retirements. Once again, I thank them for their service.

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● (1410)

[Translation]

**MENTAL HEALTH**

**Mrs. Djaouida Sellah (Saint-Bruno—Saint-Hubert, NDP):** Mr. Speaker, this is suicide prevention week in Quebec, and I would like to acknowledge the exceptional work done by the stakeholders in my riding of Saint-Bruno—Saint-Hubert, as well as all the work done in the greater Longueuil area.

On November 11, 2014, I invited some mental health professionals to a round table in order to identify best practices for suicide prevention.

Today I am very pleased to act as a spokesperson for those stakeholders and call on the government to grant mental health organizations the resources they need to create a network of significant, positive and constructive support.

We have to work even harder to ensure that mental illness is not ignored. It is time to invest in the psychological health and well-being of Canadians.

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[English]

**NEW DEMOCRATIC PARTY OF CANADA**

**Mr. Brad Trost (Saskatoon—Humboldt, CPC):** Mr. Speaker, respecting taxpayers dollars should be a paramount concern for parliamentarians. The New Democrats have been directed to pay back \$2.7 million they funnelled into partisan satellite offices. Once again, the NDP continues to defend its illegal partisan satellite offices and to deny any wrongdoing. This is simply an abuse of taxpayers.

Unlike the NDP, I believe that political parties should pay for their campaign offices, using their own funds. The rules have always been clear that it is not acceptable to use House of Commons resources to fund the offices of parties.

It is time for the NDP to take responsibility for its wrongdoings. These 68 members across the floor need to apologize to the Canadian taxpayers and immediately pay them back.

*Statements by Members***EMPLOYMENT**

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, the people of New Westminster—Coquitlam and Port Moody are telling me they want real action to stimulate job creation. Last month we were shocked to learn that Williams Moving & Storage, a family-owned and operated company with its headquarters in my riding, filed for bankruptcy.

Under Conservative mismanagement, the economy has stalled. Whether it is the rubber-stamping of botched foreign takeovers like Target, which resulted in more than 17,000 Canadians losing their jobs in 133 communities, including Coquitlam, or the destabilization of Canada's once-balanced economy, the Conservative approach is failing middle-class Canadians.

Unlike the Conservatives, the New Democrats have a plan to create good jobs, which would immediately help working families. An NDP government would reduce taxes on Canada's real job creators, small and medium-sized businesses, and would launch an innovation tax credit to encourage investment.

When it comes to real job creation, only Canada's NDP can deliver.

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**NEW DEMOCRATIC PARTY OF CANADA**

**Mr. Randy Hoback (Prince Albert, CPC):** Mr. Speaker, not surprisingly, the New Democrats have been found guilty of inappropriately spending Canadian taxpayer dollars to fund their own partisan political agenda. Sixty-eight MPs have to repay a total of \$2.7 million they took from Canadian taxpayers. What is worse is that the opposition leader's office does not believe they should have to repay the \$2.7 million.

The rules have always been clear. It is not acceptable to use House of Commons resources to fund party offices. It is sad that the NDP has demonstrated a pattern of abuse of taxpayer dollars. On this side of the House, we believe it should immediately repay the funds.

\* \* \*

[*Translation*]

**CANADIAN FLAG**

**Hon. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, I was elected to Canada's Parliament for the first time two days before the 30th anniversary of our flag. In 10 days, we will be celebrating its 50th anniversary. I have since come to learn more about and appreciate the origins and significance of the maple leaf as the symbol of our great country.

It is important for our young people, the generation who will one day run our institutions, to learn that it is sometimes necessary to make difficult decisions, controversial though they might be.

• (1415)

[*English*]

To that end, I have prepared a poster highlighting the history of our flag and distributed it to every school and every student in the riding I have the privilege of representing. I have also shared it with

all my colleagues for their use, should they so wish, with appropriate modifications, of course.

[*Translation*]

Next week we will be in our ridings. I hope that everyone will have the opportunity to take part in events to celebrate the 50th anniversary of our distinctive and elegant flag.

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[*English*]

**PUBLIC SAFETY**

**Mr. Blaine Calkins (Wetaskiwin, CPC):** Mr. Speaker, the international jihadist movement has declared war on Canada. That is why Canada is not sitting on the sidelines, as the Liberals would have us do, and is instead joining our allies in supporting the international coalition in the fight against ISIL.

I was shocked to hear the Liberal member for Malpeque say, "We knew what kind of brutality was happening." This was before he and his leader opposed the mission against ISIL. I guess it should be no surprise that the member thinks that only giving out blankets is the best way to fight terrorists.

When the member for Malpeque was the solicitor general, he obstructed Conservative efforts to list Hezbollah as a terrorist organization, saying, "CSIS in fact does not need to have people on a list in order to do its job." We will always oppose this type of soft on terror approach. Only a Conservative government will stand up to support and protect Canadians.

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**PUBLIC SAFETY**

**Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP):** Mr. Speaker, many Canadians are raising serious questions about the Conservatives' new anti-terrorism legislation. Everyone in this place agrees that terrorism is a real threat and must be confronted head on, so people are wondering why the Conservatives are dismissing advice from experts, and even from commissions of inquiry.

Conservatives are calling better civilian oversight "red tape." The Prime Minister's campaign-style announcement wrongly singled out Canada's one million Muslims, yet Conservatives refuse to apologize for this divisive approach.

Canadians are worried the Conservatives may go too far in eroding our freedoms and rights, so imagine people's shock when they learned the Liberal leader was offering the Prime Minister a blank cheque. He says that the Liberals will vote for Bill C-51 even if improved oversight is not there, and the Liberal leader openly admitted his reasons were based on politics, not evidence.

Canadians deserve leaders with the judgment and experience to give legislation like this the careful scrutiny it deserves.

*Oral Questions***TAXATION**

**Mr. Phil McColeman (Brant, CPC):** Mr. Speaker, under the strong, dependable leadership of our Prime Minister, our government will balance the budget and put money where it belongs: into the pockets of hard-working Canadians.

Our family tax cut and enhanced universal child care benefit will give 100% of families with kids an average of more than \$1,100 per year to spend on their priorities. Families in Brantford-Brant and across Canada will receive nearly \$2,000 per year for every child under six and \$720 per year for every child between six and 17, thanks to the enhanced universal child care benefit.

The Liberal leader would reverse our tax cuts and do exactly what the Liberal Party elites always do: raise taxes for ordinary Canadians while handing that money over to bureaucrats.

Moms and dads do not need to be told how to spend their money. Our Conservative government is the only party Canadians can trust, and with our family tax cut and benefits, we are proud to be standing up for their future.

**ORAL QUESTIONS**

[English]

**EMPLOYMENT**

**Hon. Thomas Mulcair (Leader of the Opposition, NDP):** Mr. Speaker, over 17,000 workers at Target have started liquidating 133 stores in every corner of this country. These will be their last days on the job. We are talking about vulnerable workers, new employees working irregular hours. Many, if not most, will not even qualify for EI.

Would the Minister of Finance please tell the House, and will he please tell those workers from Target who are losing their jobs, what he will actually do for those workers.

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, of course we all feel badly for those at that company who have lost their jobs. We have already reached out. In fact, within hours of the announcement made by this U.S. retailer, we reached out to the company and its employees, offering a special accelerated process for EI claims, offering job bridging and connections to jobs that are available through the Job Bank, and offering training programs. We will be there to support those individuals.

The most important thing is that we have a strong and growing economy so that there are alternatives when people lose their jobs. That is why we are cutting taxes to create those jobs, rather than taking the NDP's approach of raising taxes.

• (1420)

**Hon. Thomas Mulcair (Leader of the Opposition, NDP):** Mr. Speaker, most of them will not even qualify for EI. All he is talking about is accelerated refusal.

[Translation]

The Conservatives were caught with their pants down by the drop in the price of oil and their failure to diversify the economy.

We have brought forward tangible and responsible measures to help the manufacturing sector, boost SMEs and stimulate job creation in Canada.

Given that they do not even have a budget, can the Minister of Finance tell us if he will at least support our motion in order to create jobs for the middle class?

[English]

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, we will be voting against the motion because it is misguided, as most NDP policies are. Our government believes in having a strong, balanced, effective economy that supports manufacturing in all regions of the country.

For example, we are putting forward our national shipbuilding procurement policy, which the NDP has opposed. This is a policy that the Conference Board of Canada last week said is going to lead to strong growth in the manufacturing sector in the provinces of British Columbia and Nova Scotia.

We have put forward, for example, the automotive innovation fund, which has led to an expansion of 1,200 new jobs at Linamar in Guelph and an expansion of 1,200 new jobs in Oakville by Ford through with those policies we put forward.

Again and again, on accelerated capital cost allowance and key investments, the NDP has voted—

**The Speaker:** The hon. Leader of the Opposition.

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**INFRASTRUCTURE**

**Hon. Thomas Mulcair (Leader of the Opposition, NDP):** Mr. Speaker, there were 400,000 manufacturing jobs were lost on their watch. My colleague from Sackville—Eastern Shore has always stood up for shipbuilding in our country. We have no lessons to receive from them.

The Conservatives have no plan for cities. Municipalities across the country are faced with crumbling infrastructure, an affordable housing crisis, and gridlock. Mayors are saying the government is not working with them. Last week the Minister of Finance called Canada's premiers “delusional” because they wanted to talk about improving transit.

What we want to know is this: are they going to take the same sort of arrogant attitude with the mayors of the country this afternoon and insult them the way the finance minister did?

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, notwithstanding the sound and fury that they may hear in this place from time to time, municipalities can be assured that they have the strongest partner in this Conservative government that they have ever had.



*Oral Questions*

Our Conservative government has introduced the largest infrastructure plan in Canadian history, a \$75 billion plan over the next decade. This includes a \$53 billion plan for municipalities, provinces, and territories. Also, in the fall the Prime Minister announced \$6 billion specifically for federally owned infrastructure.

We are not only doing our part; we are doing much more.

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**PUBLIC SAFETY**

**Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP):** Mr. Speaker, on the Conservative's new security bill, Canadians have more questions than answers about whether these new powers are necessary, or even what they do.

Would the minister please explain what new activities would be allowed by the clause that gives CSIS the power to “disrupt threats”?

**Hon. Peter MacKay (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, this is a very comprehensive bill. However, with respect to CSIS, it would not only allow CSIS to share more information and work closely with Canadian security forces but also allow us to engage more with our Five Eyes community and to track terrorists that pose a threat to Canadians. It would allow our CSIS officers to operate as other security agencies do in protecting Canadians, both at home and abroad.

[Translation]

**Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP):** Mr. Speaker, this week the RCMP laid a number of terrorism-related charges right here in Ottawa, under the existing laws. We would like to thank the RCMP for doing a good job.

This case also shows the need to provide more support to communities that are fighting radicalization. The idea is to work together.

Why has the Prime Minister decided to alienate communities rather than work with them?

**Hon. Peter MacKay (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, on the contrary, government agencies have many opportunities to co-operate and work with all communities in Canada.

[English]

There is no question that there are ongoing efforts both by security agencies themselves and by other branches and departments of government to reach out, to have round tables, to be inclusive, and to consult regularly with all the diversity of Canada. That is not only a security issue; it is an ongoing effort on the part of government.

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●(1425)

[Translation]

**INFRASTRUCTURE**

**Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.):** Mr. Speaker, the budget for the building Canada fund was \$1.6 billion in 2014. In 2015 it is \$210 million. That is an 87% cut. The fund will pay out a total of \$14 billion from 2014 to 2023, but \$10.2 billion of that money, 73%, will not be available before 2019.

We have an 87% cut this year and three-quarters of the funding will not be available until 2019, but we need investments and jobs now.

Will the government admit that it cannot deny these figures? These are the official figures.

[English]

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, it is intriguing that the Liberals have this sudden conversion to the importance of infrastructure, given that they did so little on this file when they were government.

As the Conservative government, we have invested three times the amount in infrastructure than the Liberals did when they were government. These investments are creating jobs and prosperity. They are enhancing our country's growth and productivity.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, that is false and they know it.

The truth is that the Conservatives are playing a shell game with infrastructure funding just to create a notional surplus on the eve of an election.

The truth is that 73% of the new Building Canada fund would not even be available until after 2019. That is two elections from now.

The truth is that \$210 million is available this year. That is a 90% cut from last year.

When will the Conservatives simply tell the truth and reverse their cuts to infrastructure funding?

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, that member is once again misleading the House.

The new Building Canada plan has been open for business since March. In less than a year, projects representing an estimated \$5 billion have already been approved for funding.

When we first announced the new Building Canada plan in budget 2013, here is what that stalwart of the Conservative Party, Ottawa mayor Jim Watson, had to say:

This is good news for the city of Ottawa and indeed good news for all cities across Canada.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, the Conservatives are trying to take credit for funding that would not even flow until 2020. Meanwhile, they have slashed the Building Canada fund for the next two years. That \$210 million this year represents a 90% cut from last year.

The middle class is struggling. The economy shrank in November. We are seeing stagnant growth and virtually no job growth. The economy needs a boost now, not just in five years.

Why will the Conservatives not tell the truth, reverse their infrastructure cuts, and create jobs today?

*Oral Questions*

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, one of the key pillars of the new Building Canada plan is the gas tax fund. Here is what our Conservative government has done with respect to the gas tax fund: we have doubled it. We made it permanent. We are indexing it moving forward.

Municipalities know, to the penny, exactly how much money they are receiving. That money is flowing today, and municipalities are using it for their infrastructure needs.

We are getting the job done.

\* \* \*

[Translation]

**EMPLOYMENT**

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Mr. Speaker, Target started liquidating its inventory today. It is liquidating everything: toys, clothes and 18,000 employees. Thousands of people will end up jobless, all because this government is incapable of diversifying the economy and protecting jobs.

Will this government face the facts, admit that its economic management has failed and adopt the NDP's plan to support the middle class and promote job creation?

[English]

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, the NDP's so-called plan involves the accelerated capital cost allowance, which this government has delivered in three subsequent budgets, which in every instance the NDP voted against. It includes reducing taxes supposedly for small businesses, which this government has done and which the NDP voted against.

The NDP has about as much credibility in talking about tax cuts as a vampire does in pledging to become a vegetarian.

• (1430)

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Sadly, that vampire is in charge of job creation and he is not doing the job today, Mr. Speaker. Maybe some vegetarians should get involved.

The Conservatives also have no plan to replace the more than 400,000 manufacturing jobs lost under their watch. That is 400,000 well-paid jobs that once put food on family tables and life in the communities.

The NDP has presented a plan to boost investments in manufacturing and create good middle-class jobs for generations to come.

Why do the Conservatives refuse to support action? Why do they refuse to create good jobs for Canadians?

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, what we refuse are NDP policies that have been described by the Canadian Manufacturers & Exporters as plans that threaten “to erode investment [and] put jobs at risk...”. That is what the Canadian Manufacturers & Exporters itself has said. Here is what it said about our plan. It said that our plan delivers solutions for manufacturers across Canada.

It has looked at the NDP plan and said that it fails. It has looked at ours and knows that it works. If the NDP does not understand that the Canadian Manufacturers & Exporters is the expert and that high taxes would kill jobs under the NDP's plan, then I guess we will all just have to live with our disappointment that the NDP just cannot learn.

\* \* \*

**INFRASTRUCTURE**

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, the mayors of Canada's 19 biggest cities have come together today to highlight the need for federal action. Our cities are facing crumbling infrastructure, a growing housing crisis, and inadequate transit funding. Gridlock costs us billions of dollars a year in lost economic activity. The average lower mainland resident spends the equivalent of 35 working days per year just commuting.

Why will the Conservatives not work with our mayors, cut our travel times, and build the infrastructure we so badly need?

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, we are doing just that. We are working very closely with mayors, municipalities, provinces, and territories across this country to renew infrastructure, create jobs, and enhance our growth and productivity. We are making record investments in infrastructure. This includes record investments in public transit. Since we formed government, we have invested almost \$8 billion in public transit alone. Public transit is an eligible category under every component of the plan.

[Translation]

**Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP):** Mr. Speaker, the mayors of Canada's biggest cities have simple requests: they want the federal government to have a long-term vision and work with them to address the pressing needs for affordable social housing, transit and infrastructure.

We need to catch up, and this will create more jobs than tax cuts for the wealthy, as the Conservatives are proposing. What will it take to get the government to work with the mayors and the provincial premiers?

[English]

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, we not only have a long-term vision; we have a long-term 10-year plan, with \$75 billion of stable, predictable funding over that next decade. That includes the \$53 billion new building Canada plan, which is dedicated directly to municipalities and provinces. Municipalities will receive a minimum of 70% of that new building Canada plan.

*Oral Questions***REGIONAL ECONOMIC DEVELOPMENT**

**Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP):** Mr. Speaker, the economy of smaller towns and regions is also suffering under the Conservatives. Enterprise Cape Breton Corporation was replaced by ACOA. However, whatever it is called, the bottom line is clear—the Conservatives have failed to deliver the help that this region needs to build its economy.

ECBC was shut down in the omnibus budget bill last year, but according to the mayor of Port Hawkesbury, “ACOA has failed us miserably...”. Why has the minister not been talking to the mayors about the problems with ACOA?

**Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC):** Mr. Speaker, I would suggest that the hon. member travel to Cape Breton and get around a little more, because our government is committed to supporting economic development in Cape Breton and throughout Atlantic Canada. In fact, just in the last year alone we have provided \$2.2 million toward the implementation of the Richmond County tourism strategy, \$1 million to assist with the operation of the Celtic Colours International Festival, \$1.3 million for the expansion of the Sydney boardwalk, \$200,000 for the Inverness County Trails Federation in an effort to make the Inverness portion of the Trans-Canada trail, and \$105,000 to support Synergy Louisbourg.

I could go on and on, if the member has a supplemental question.

\* \* \*

● (1435)

**SMALL BUSINESS**

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, the reality is that the Conservatives keep cutting overall funds for community development, and they are failing to help small businesses that support our communities.

Small businesses are responsible for nearly 80% of new private sector jobs created over the past decade. When the Conservatives handed out tens of billions of dollars to the largest, most profitable corporations, they left our small businesses and their owners behind.

Will the Conservatives support the NDP plan to cut small business taxes, so that they can grow and create the jobs we desperately need?

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, of course, we have already lowered taxes for small businesses, and we have put forward this tax relief to help small businesses grow. It is the New Democrats who have voted against it.

The leader of the NDP has twice now come forward and talked about his support for small business, but the fact is that the CFIB has done its assessment of it—

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

**The Speaker:** Order, please. I think that the members in the opposition may have been a little bit premature there. The hon. Minister of Industry still had about 15 seconds to finish his remarks.

**Hon. James Moore:** Mr. Speaker, the small problem with that is that it is only the New Democrats who are applauding, because the CFIB says that the NDP leader's plan is stupid and anti-small business. That is what the CFIB says.

They can applaud all they want, but the real leaders understand.

[Translation]

**Ms. Annick Papillon (Québec, NDP):** Mr. Speaker, we know that the solution is here, in the NDP.

SMEs are the driving force behind job creation in Canada. They create, they innovate, they export and more importantly, they hire. They could do even more if we would give them the means.

That is why our leader has proposed a plan to help them immediately and permanently. Instead of helping large corporations, which are already profitable, we are proposing lowering taxes for small businesses.

Why do the Conservatives refuse to support the businesses that create good jobs for Canadians?

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, our approach definitely helps businesses grow.

People from the manufacturing sector support our budget, our investments, our policies and our approach, in order to build a strong economy in every region of Canada.

When they hear what the NDP is saying, they criticize the party for wanting to raise taxes, undermining consumers and attacking the economic needs of our manufacturing sector. They support our budget and condemn the NDP's approach, because the NDP does not know how to operate in a strong economy.

\* \* \*

**NATURAL RESOURCES**

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, over the past two years, the Conservatives have spent \$1.6 million on promoting Canadian oil in the United States.

First of all, subsidizing an industry that is already raking in billions of dollars in profits does not make any sense. Second, I cannot help but notice that the Conservatives have not made the same effort for our forestry industry or our manufacturing industry.

I think this clearly shows that the Conservatives are putting all their eggs in one basket and are making no effort to diversify our economy.

How can the Conservatives justify this double standard, which is penalizing Canada's workers?

[English]

**Mrs. Kelly Block (Parliamentary Secretary to the Minister of Natural Resources, CPC):** Mr. Speaker, economic action plan 2014 built on our government's success on the forestry file by focusing on innovation, improving energy efficiency, and protecting it from the threat of pests.

In fact, the energy efficiency report for 2012-13 highlights that reoriented pulp and paper operations have resulted in a 49% decrease in emissions. Our focus on diversifying markets for our forest products has increased softwood lumber exports to China tenfold.

*Oral Questions*

We will continue to take action to create jobs and support forest-dependent communities.

\* \* \*

**EMPLOYMENT**

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, recently, the industry minister had a problem understanding how many manufacturing jobs were lost in Canada because he had read a different figure from the one that exists, in a magazine. Some 400,000 jobs have been lost under their watch.

Now he has a problem quoting the Canadian Manufacturers & Exporters. Mr. Myers said:

The tax credit the NDP is proposing for R&D related capital expenditures will also help Canadian manufacturers develop, test and commercialize the next generation of...technologies.

The CFIB said that cutting the small tax business rate by nearly 20% will provide a big boost to small business owners across the country and help them create jobs.

Why can the Conservatives not simply get on board? Do they just not like the fact that it is the NDP leader who is doing the work to help small businesses and manufacturing in this country?

● (1440)

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, it would be wise if the finance critic for the NDP actually read to the bottom of the exact same press release. If he has not, he should read the final paragraph, which says that, in total, the NDP policies would threaten “to erode investment [and] put jobs at risk”.

That is exactly what it said. Mr. Myers said in its entirety the NDP policy does not work. They endorse our approach to creating jobs, supporting the Canadian economy and, moving in the right direction.

There is no question in anybody's mind that the CFIB has supported all of our budgets and it was very clear when it said that the NDP leader's plan for the economy is “dumb” and “anti-small business”.

\* \* \*

[Translation]

**GOVERNMENT ADVERTISING**

**Mr. Emmanuel Dubourg (Bourassa, Lib.):** Mr. Speaker, the Conservatives are cutting 90% of infrastructure spending, yet they see no problem with spending \$29 million on billboards. The Conservatives are cutting money for infrastructure, they are giving up to \$2 billion to the wealthiest Canadian families, and they are unable to table a budget.

They have spent \$29 million on billboards, and it is only February. Instead of governing, are the Conservatives already campaigning?

[English]

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, once again, that is incorrect. This Conservative government is making record investments in infrastructure. These investments are making a real difference in the lives of Canadians. They are creating jobs and prosperity. They are enhancing our growth and productivity.

Not only are we making record investments; we are also keeping taxes low and we will balance the budget this year. This is sound management. This is effective planning and efficiency that the opposition could only dream of.

\* \* \*

**INFRASTRUCTURE**

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, record investments—I do not quite understand Conservative arithmetic. It is \$2 billion one year, \$210 million the next year. That is a cut, no matter what way one wants to state it. A cut is a cut. Investing in our infrastructure builds our communities and creates jobs. Winnipeg gets its water from Shoal Lake. There is a need for better access. Millions of dollars are required. The City of Winnipeg understands that. The Province of Manitoba understands that. Ottawa is not even at the table.

Why is the government cutting infrastructure by 90%?

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, saying it louder does not make it correct, as we know. The new building Canada plan has been open for business since March. We look forward to receiving further applications from municipalities. We have not yet received any applications that I am aware of from the City of Winnipeg. What is more, we respect the jurisdiction of municipalities and provinces. It is the responsibility of provinces to prioritize those projects. We look forward to receiving more.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, why would we apply for something if the government is not even making it available? It is from \$2 billion to \$210 million. It is about bad priorities: tax breaks for the rich and the income-splitting program mean hundreds of millions of dollars going to the wealthiest in Canada, while at the same time Conservatives are cutting back on investing in infrastructure. That is how they are going to help the middle class. Investing in our infrastructure is investing in Canadian communities.

Will the incompetent government recognize its mistake and reverse its decision?

**Mr. Peter Braid (Parliamentary Secretary for Infrastructure and Communities, CPC):** Mr. Speaker, as I have explained time and time again, the new building Canada plan has been established to support municipalities and provinces. It is a 10-year plan. It is the largest infrastructure investment that any federal government has ever established. It is available today for municipalities to apply, and the gas tax fund is flowing to meet priorities today.

*Oral Questions***EMPLOYMENT**

●(1445)

**CITIZENSHIP AND IMMIGRATION**

**Mr. Andrew Cash (Davenport, NDP):** Mr. Speaker, the Conservatives keep making it harder for skilled workers to immigrate to Canada. As if wait times for family reunification and citizenship were not enough, they have done such a bad job writing the rules for the federal skilled worker program that the Federal Court said that the same application could either pass or fail depending on, any given day, how the rules were interpreted. This is a huge problem.

What is the Minister of Citizenship and Immigration going to do now to fix this mess?

**Hon. Chris Alexander (Minister of Citizenship and Immigration, CPC):** First, Mr. Speaker, I would remind the House that what the member opposite said is nonsense. It has never been easier to get into Canada as an economic immigrant with the skills, with the education, with the language ability that our growing economy needs.

This gives me the opportunity to mentioned to the House that as of January 1, we have a new system for delivering economic immigration to this country. It is called express entry. It is totally online. We are processing applications in six months.

This is the best system in the world, and Canadians know it.

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Mr. Speaker, my colleague was quoting the Federal Court.

[*Translation*]

Does the minister realize that at least? Has he looked at that ruling? It is ridiculous. We have long been talking about the unimaginable wait times, but now we are talking about random decisions.

A few days ago, the Federal Court found that the skilled worker program was so ill-conceived that the same qualifications could lead to two completely different outcomes for the same person. This ridiculous situation would make me laugh if it were not so insulting to the skilled workers whose applications are rejected.

Has the minister looked at the court's ruling and will he do something about it? Will he clean up this mess?

**Hon. Chris Alexander (Minister of Citizenship and Immigration, CPC):** Mr. Speaker, Canadians will have a hard time understanding where the hon. member is coming from because the entire world and the whole country are praising the new express entry economic immigration system, which was launched on January 1. The system is totally online for the first time in the history of Canada.

Applications from talented people around the world who want to live in Canada will be processed within six months. Those are the results that Canadians want to see from their immigration system, and that is justified by the prosperity of our—

**The Speaker:** Order.

The hon. member for Saint-Lambert.

**Mrs. Sadia Groguhé (Saint-Lambert, NDP):** Mr. Speaker, in July 2014, the minister announced additional inspection powers in order to put an end to abuses of the temporary foreign worker program. With his hand on his heart, he told us that abuses would never happen again.

However, today we learned that investigators have not conducted any on-site inspections without a warrant and are relying solely on employers' declarations. That is ridiculous.

When it comes to protecting Canadians' jobs, why is the Minister of Employment all talk and no action once again?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, when it comes to the temporary foreign worker program, the NDP continues to demonstrate remarkable hypocrisy.

In fact, the NDP opposed giving inspection powers to my department's inspectors so that they could conduct investigations without a warrant. Thousands of investigations have been conducted by my department's inspectors since the team was expanded. However, all employers co-operated and we did not need to conduct investigations without a warrant.

[*English*]

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** Mr. Speaker, the minister's bluster cannot hide the basic facts. He committed to get serious about inspecting job sites and investigating abuses of the temporary foreign worker program.

He now says he sees no need to send any officers to job sites. He is content with the same paper exercise and self-regulation. His department has looked into a mere 7% of complaints received about employer abuse.

How can the minister justify his repeated failure to actually take enforcement action?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, under the previous Liberal government's mismanagement, there were no inspections, there was no power to do inspections.

We have a new power. We have a new team. We have quadrupled the size of the team of inspectors. We are doing thousands of inspections every year. However, New Democrats opposed our proposed legislative power to do warrantless on-site inspections. They said that was an abuse. We have not used that power that they opposed because the employers have co-operated with the inspections we have done.

Once again, it is hypocrisy. They wanted all the TFWs to get permanent residency. Yesterday, they were opposed to our allowing a few of them to stay a while longer so they could. Would the NDP please make up its mind on this important issue?

*Oral Questions*

●(1450)

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Mr. Speaker, our government understands that across this great nation, mums and dads know what is best for their families. This is a fundamental difference between our party and both opposition parties.

That is why this past year we have helped hardworking parents throughout Canada by introducing the family tax cut and enhancing the universal child care benefit.

Could the Minister of Employment update the House on the action we are taking to help Canadian families?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, I thank the member for his strong support for family tax fairness, for lower taxes. We are delivering on that to 100% of families with children under the age of 18, with an average benefit of over \$1,100. This means, for example, that a single mom with two kids making \$50,000 will receive \$1,000 in relief and benefits. Families earning less than \$30,000, low-income families, will receive an average benefit of \$1,200.

All of those benefits would be taken away by the opposition parties if they had their choice. We will not let them do that. Canadian taxpayers will support more support for families. That equals a stronger economy and more jobs.

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**ABORIGINAL AFFAIRS**

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, the Odawa drop-in centre, which helps Ottawa's indigenous homeless population, will be forced to close in March due to changes to federal funding geared toward helping the homeless. This centre has been operating for over 10 years. It is vital to the healing of first nations, Métis, and Inuit people in Ottawa who are at risk or in transition.

Will the minister intervene to reinstate the funding for the Odawa centre?

**Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC):** Mr. Speaker, my understanding is that the City of Ottawa has cut that funding.

For the member's information, the aboriginal urban strategy has been revamped and funding has been increased to communities all across Canada. I would encourage that group to go through the channels of the friendship centres to make its application.

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, what is clear is that indigenous people deserve better from the government. They deserve quality services, including health care.

The "First Peoples, Second Class Treatment" report, released yesterday by the Wellesley Institute, shows that we have a long way to go. According to the study, racism in the health care system is "pervasive" and a major factor in substandard health among indigenous people in our country.

Will the government show leadership on this issue to ensure that all Canadians get the care they deserve no matter their race?

**Hon. Rona Ambrose (Minister of Health, CPC):** Mr. Speaker, if members look at our government's record, they will find no discrimination in the way we have treated funding for aboriginal communities when it comes to the health and to the health and safety of all Canadians.

We have provided, above and beyond our health transfers, \$2.5 billion toward programs and services for aboriginal health, including access to essential 24/7 nursing services in 80 remote communities, and home and community care in 500 first nation and Inuit communities. We have done a great deal on mental health.

We will continue to work hard with our aboriginal partners.

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**CANADA REVENUE AGENCY**

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, the Conservatives have targeted environmental groups, human rights defenders, even birdwatchers, with their \$13 million witch hunt, their so-called political activities audits.

The group Dying With Dignity was recently stripped of its charitable status and yet now we learn that right-wing charities that are leading the charge to privatize health care in Canada are not even being audited. Apparently when people agree with the Prime Minister, then they are not political.

Why will the minister not just abandon these witch hunts?

**Hon. Kerry-Lynne D. Findlay (Minister of National Revenue, CPC):** Mr. Speaker, the member knows full well that CRA audits do occur at arm's-length. He has been advised of this. He has had technical briefings on this. The commissioner of the CRA and the head of the charities directorate have all clarified that and made it very certain. There is no political interference in the auditing of charities.

Having said that, we have 86,000 charities in Canada and the rules around political activity are longstanding. We expect charities to respect the law, and the CRA will enforce that.

●(1455)

[Translation]

**Mr. Pierre Dionne Labelle (Rivière-du-Nord, NDP):** Mr. Speaker, the organization Dying with Dignity has been stripped of its charitable tax status by the Canada Revenue Agency. According to the Conservatives, this organization is too political.

The problem with the Conservatives is that they have a double standard. Defending the rights of patients and the sick is too political. However, advocating for private health care is all right.

When is this witch hunt against progressive organizations going to stop?

*Oral Questions**[English]*

**Hon. Kerry-Lynne D. Findlay (Minister of National Revenue, CPC):** Mr. Speaker, the premise of that question is just nonsense.

There are 86,000 charities in Canada. They are expected to respect the law. The rules around political activity with charities are very longstanding. The CRA looks at this and then it acts, which is exactly what it is supposed to do.

In 2012 alone, \$14.24 billion was tax receipted from approximately 86,000 charities. We stand up for the fairness and integrity of our tax system across Canada.

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**ABORIGINAL AFFAIRS**

**Hon. Carolyn Bennett (St. Paul's, Lib.):** Mr. Speaker, the government has refused to meaningfully consult with aboriginal communities. It has damaged the relationship, but also damaged the economy.

Today's report from the Chamber of Commerce highlights that the government's failure to consult with aboriginal communities is a key barrier to competitiveness in Canada. The chamber is urging the government to "...be far more proactive in engaging with Aboriginal consultation", and to get on with resolving land and treaty claims.

Will the government heed the advice of the chamber and finally take its duty to consult seriously?

**Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC):** Mr. Speaker, I expected the hon. member to do better than rely on headlines, if the member were aware of what the government has been doing and how it operates on the duty to consult.

I never got a phone call of congratulations on the measures that we announced last summer to reinforce our consultation process throughout Canada. The duty to consult is mandated by law. It is respected by the government. We will continue to consult aboriginal people throughout the country whenever the duty arises.

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**TRANSPORT**

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, currently small craft are not allowed to dump sewage less than three miles from Vancouver's coastal waters. Transport Canada is thinking of reducing this to one mile, which will cause a serious public health hazard, increasing E. coli contamination on the busy beaches of Vancouver where kids and locals swim.

Public health officers, health authorities, and municipalities have raised concerns with the minister. Will she assure Canadians that she will prevent this public health catastrophe and abandon this reckless idea?

**Hon. Lisa Raitt (Minister of Transport, CPC):** Mr. Speaker, it is true that Transport Canada is reviewing these guidelines. As such, we welcome input from all members of Parliament, indeed from all Canadians across the country, with respect to changes that are being considered.

*[Translation]***CONSUMER PROTECTION**

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, for months, motorists in Sherbrooke have been the victims of a gas price-fixing cartel. A group of citizens has filed a class action lawsuit.

However, in addition to facing a powerful lobby, these citizens also have to deal with the lack of co-operation from the Conservatives and the Competition Bureau, who are refusing to disclose all of the wiretapping and evidence.

Why are the Conservatives protecting the so-called gas cartel, which overran Sherbrooke for months and ripped off people across the Eastern Townships?

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, that is not at all the case.

*[English]*

Of course, it was our government that put in place the Fairness at the Pumps Act. As a result of it passing and bringing into force that effective legislation, 33 individuals and 7 companies have been found guilty for their role in a gasoline price fixing conspiracy in the province of Quebec, totalling \$3 million in fines. Six of these individuals have been sentenced to jail time.

We do have legislation. We have empowered the Competition Bureau. When these allegations are proven to be true, because of our laws, action is taken.

*[Translation]*

**Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP):** Mr. Speaker, it is important to shed light on the practices of the Sherbrooke cartel, because the oil companies could have done the same thing elsewhere in the country.

In its annual review of gas prices in Montreal, CAA-Quebec questioned the sudden increases in gas prices before a long weekend. It is time to put an end to the abuse by the oil companies, and that starts by shedding light on the Sherbrooke cartel.

Will the government help the people who are seeking justice, or will it continue to turn a blind eye to this cartel?

● (1500)

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, as I just said, that is not at all the case.

I just said that we introduced and passed a bill with harsh penalties for those who target consumers and are involved in these types of activities.

The statistics from the Competition Bureau are very clear.

*Oral Questions**[English]*

These are exact examples. As I have said, 33 individuals and 7 companies have been found guilty of price fixing in the province of Quebec, have faced \$3 million in fines, and 6 of these individuals have been sentenced to jail time.

That is because of legislation that our government passed, regulations that we put in place, legislation that the NDP should have supported and been aggressive in doing so to ensure that we have these kinds of results protecting consumers.

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**NATIONAL DEFENCE**

**Ms. Joyce Bateman (Winnipeg South Centre, CPC):** Mr. Speaker, our government continues to stand with the people of Ukraine in the face of Russian military aggression. This is why Canada has contributed to Baltic Air Policing efforts, conducted a number of military exercises in eastern Europe, and sent *HMCS Fredericton* to NATO's maritime task force.

Could the Parliamentary Secretary to the Minister of National Defence please provide this House with an update on our government's latest efforts to show solidarity with the people of Ukraine?

**Mr. James Bezan (Parliamentary Secretary to the Minister of National Defence, CPC):** Mr. Speaker, I thank the member for Winnipeg South Centre for that great question.

Today the Minister of National Defence is in Brussels at NATO's defence ministers meeting. This meeting is an opportunity to further coordinate our efforts to ensure that the alliance is ready and capable of responding to new security challenges as they arise.

Our government remains committed to all of NATO's support tasks, particularly NATO's Ukrainian reassurance measures. The alliance's mandate and mission remain as clear and necessary as ever before. Together, NATO will continue to send a strong message to Vladimir Putin that he needs to get out of Ukraine, just as our Prime Minister has said.

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**FOREIGN AFFAIRS**

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, Bashir Makhtal, a Canadian citizen, was arrested in 2006 at the Kenya-Somalia border and transferred to Ethiopia. He was denied access to Canadian consular services for a year and a half. Serious questions have been raised about the validity of his trial and the possibility of torture and of a forced confession. He has been serving a life sentence since 2007. His family has concerns about his health.

It appears that our consular officials have exhausted all avenues to help Mr. Makhtal. Will the Prime Minister consider intervening in this case?

**Mr. David Anderson (Parliamentary Secretary to the Minister of Foreign Affairs, CPC):** Mr. Speaker, the Government of Canada will continue to advocate on behalf of Bashir Makhtal. We have actively engaged the Government of Ethiopia to the highest level, including through our former foreign affairs minister, for due process

and the protection of his rights. The Privacy Act limits the specific details we can discuss, but I can tell members that if his family were to sign a waiver, we would be prepared to discuss this matter further.

Through our government's actions, we continue to provide consular access to ensure the health and welfare of Mr. Makhtal and to provide updates to his family.

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*[Translation]***OFFICIAL LANGUAGES**

**Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP):** Mr. Speaker, once again, the Commissioner of Official Languages has reported that Air Canada is not fulfilling its official languages obligations. Air Canada was not even able to carry out the action plan it provided. This sure feels like bad faith.

When will the Conservatives make sure that Canadians receive service in the official language of their choice when they do business with Air Canada?

**Hon. Lisa Raitt (Minister of Transport, CPC):** Mr. Speaker, under the Official Languages Act, Air Canada is required to serve customers in the official language of their choice. We expect Air Canada to comply with the act.

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*[English]***TELECOMMUNICATIONS**

**Mr. Jay Aspin (Nipissing—Timiskaming, CPC):** Mr. Speaker, our government's connecting Canadians program will soon connect an additional 280,000 homes in rural and remote communities to broadband Internet services.

Can the Minister of Industry please tell this House what new measures he has taken to expand high-speed Internet services in rural communities?

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, at 94% connectivity to high-speed Internet, Canada is one of the leading countries in the world in connectivity rate, which is impressive when we realize that Canada is the second largest country in the world in size and the 37th largest in terms of population.

Closing the gap from 94% to 100% is incredibly challenging, but we have embarked on it with our connecting Canadians program by having rapid deployment of spectrum and proper investment in rural infrastructure so that we can have broadband connectivity in all of Canada.

Later today I will be making some announcements with regard to spectrum policy and expanding Wi-Fi connectivity. Because of our budget investments, we are going to ensure that all of Canada will be connected with high-speed Internet so that all Canadians can benefit from the economic and educational opportunities the Internet provides.



*Business of the House*

● (1505)

[Translation]

**REGIONAL DEVELOPMENT**

**Mr. Claude Patry (Jonquière—Alma, BQ):** Mr. Speaker, in January, the city of Saguenay's unemployment rate, at 9.6%, was the highest of all large Canadian cities. It is more urgent than ever that the government support resource regions like mine.

Will the government implement measures in its next budget to promote secondary and tertiary resource processing in the regions for industries like Saguenay—Lac-Saint-Jean's wood and aluminum industries?

**Mr. Jacques Gourde (Parliamentary Secretary to the Prime Minister, for Official Languages and for the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, the Economic Development Agency of Canada helps all regions of Quebec. We are waiting for proposals, and all proposals are assessed on their merits.

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**TOURISM**

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Ind.):** Mr. Speaker, in 2002, 40% of Canada's tourism revenue came from international tourism. Today that number has dropped by 20%.

The hotel association is asking the government to increase the tourism marketing budget to attract more international tourists. Funding for the Canadian Tourism Commission has been shrinking since 2010.

When will the minister make appropriate investments in marketing tourism internationally to raise Canada's profile as a tourism destination of choice?

**Hon. Ed Holder (Minister of State (Science and Technology), CPC):** Mr. Speaker, our government is proud of the measures it has taken to support Canada's tourism industry.

We launched the federal tourism strategy to ensure that Canada will continue to create jobs and growth in major sectors.

Canada's tourism industry is flourishing. A record number of tourists chose destinations in Canada last year.

[English]

**Hon. Wayne Easter:** Mr. Speaker, the member for Malpeque was in fact the solicitor general who named Hezbollah and Hamas as terrorist entities, and why the member for Wetaskiwin—

**The Speaker:** Order, please. It sounded more like a question and not a point of order. Unfortunately, question period has just ended. There will be one tomorrow, so perhaps the member for Malpeque can ask that question at that point.

Now I see the hon. member for Burnaby—New Westminster, who looks like he is very eager to ask the Thursday question, so I do not think we should make him wait too much longer.

The hon. member for Burnaby—New Westminster.

[Translation]

**BUSINESS OF THE HOUSE**

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, Parliament will have 13 more weeks of sittings and then Canadians will have their say about this government. The election will be held on October 19, eight months from now.

Canadians know very well that this government continues to use processes and to head in a direction that the vast majority of them do not agree with, as we saw for the 86th time this week with the closure and time allocation motion.

It would not be that serious if not for the fact that, at the same time, half a dozen government bills have been struck down by the courts in the past year. We can see that the government wants to pass its bills very quickly without any real parliamentary oversight to ensure that the bills are coherent.

Once again, we must ask the government to work with the official opposition. This will ensure that the courts reject fewer flawed bills and improve the legislative process for everyone.

My question is quite simple: what is on the government's agenda for the next week?

[English]

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Speaker, I want to start out by thanking the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for his intervention yesterday. He rose on a point of order that his privileges were denied by security, by the RCMP, he said, in particular. Today he rose in this House to indicate that a discussion had taken place and that the matter had been settled.

As I said, his original point of privilege suggested that it was the RCMP who had stopped him, and in fact, that was not the case. It was, in fact, Senate security services. The member has spoken with them and met with them and has accepted the explanation. That is in the spirit I was attempting to capture yesterday when I said that as we go through this process of managing the changes that are happening here, as the House and Senate security forces are integrated and as we ask the RCMP to do more on the Hill, and we are, hopefully, in a motion, going to deal with other stuff, we have to work together with our partners. We all have an obligation to work together to help them do their job of protecting us. I am pleased that the matter has been brought to a close.

● (1510)

[Translation]

This afternoon we will finish debating today's motion from the NDP. Tomorrow, we will debate government Motion No. 14, standing in the name of the chief government whip, respecting an integrated security force for the parliamentary precinct and the grounds of Parliament Hill.

If additional time is needed, we will resume that debate after our constituency week, on the afternoon of Monday, February 16. Earlier in the day—Monday—before question period, we will start the second reading debate on Bill S-7, the Zero Tolerance for Barbaric Cultural Practices Act.

### *Business of Supply*

On Tuesday, February 17, we will start the day with report stage on Bill S-2, the Incorporation by Reference in Regulations Act. After question period, we will switch to Bill C-12, the Drug-Free Prisons Act, at report stage and third reading, now that the Public Safety Committee has wrapped up its study of the proposed legislation.

[*English*]

On Wednesday, February 18, we will start second reading debate on Bill C-51, the anti-terrorism act, 2015. These measures would provide Canadian law enforcement and national security agencies with additional tools and flexibility to keep pace with evolving threats and to better protect Canadians here at home. That debate will continue the following day.

Finally, on Friday, February 20, we will complete third reading of Bill C-32, the victims bill of rights act, our government's proposal to put victims at the heart of our justice system. It will be the 10th day that this bill has been discussed on the floor of the House, not to mention that it was thoroughly studied by the hard-working justice committee throughout this autumn. It is time that law came into place for the benefit of victims.

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## GOVERNMENT ORDERS

[*Translation*]

### BUSINESS OF SUPPLY

#### OPPOSITION MOTION—JOB CREATION

The House resumed consideration of the motion.

**The Speaker:** The hon. member for Québec has five minutes left for her speech.

**Ms. Annick Papillon (Québec, NDP):** Mr. Speaker, the motion we are debating here today is very important.

The NDP plans to lower the small business tax rate from 11% to 9% in order to better support this sector of our economy, which is responsible for creating nearly half of all new jobs in Canada. We will begin with an immediate decrease from 11% to 10%, which will inject nearly \$600 million into Canada's small businesses. We will then further lower the tax rate to 9%, as we indicated during our last campaign, as soon as the financial situation allows. Once that measure is fully implemented, taxes for small businesses will be reduced by nearly 20%. That is significant.

I would like to quote Martine Hébert, senior vice-president of the Canadian Federation of Independent Business:

Cutting the small business tax rate by nearly 20% will provide a big boost to business owners across the country and will help them create jobs.

Small businesses account for nearly 40% of Canada's GDP and employ more than 7.7 million Canadians. They account for 78% of the new private sector jobs created over the last decade. Although small businesses are the engine of job creation in this country, rather than help them, the Conservative government has chosen to offer tens of billions of dollars to the most profitable corporations. Since 2006, the Conservatives have lowered the tax rate on big corporations from 22% to 15%, but they have reduced the tax rate on small businesses by only 1%, when they are the real job creators.

I have met with many business owners in my Quebec City constituency. I am also a member of three chambers of commerce. These business owners are unanimous: reducing taxes on small businesses will give them the leeway they need to hire and expand their business. A survey I did of companies in Quebec City revealed that our plan to reinvest nearly \$1.2 billion in small businesses was the right one to help the business owners in my region. That is why we are calling on the House to give our motion firm support and immediately take measures to stimulate job creation and economic growth. The NDP has a plan and New Democrats are moving forward with concrete measures.

We want to reduce the small business tax rate from 11% to 9%, extend the accelerated capital cost allowance and introduce an innovation tax credit to support the manufacturing sector, which is an important sector for Quebec and Ontario. These measures can be introduced immediately. They will support the economic core of my region and show investors that a New Democratic government will usher in a new era of stability for small businesses.

It is important to take the pulse of small businesses right now as an indicator of the country's economic situation. This is from an article I was reading about all of the austerity measures that have been implemented:

Business and consumer confidence is probably the best indicator of how they perceive their economic and political context, and government decisions are part of that context.

Nobody needs a Ph.D. in economics to see that, when families are worried about the future, as they are now, when they buy less, and when companies do not make plans to invest or hire people, the economic outlook for the short and medium terms is anything but encouraging.

When I see this Conservative government investing absolutely everything in oil, it is a problem. We can see that. They are not coming up with a budget. Here we are in February, with March approaching, and they will evidently not have a budget before April. They are incapable of saying whether the deficit will drop to zero and they do not know how they are going to plan things.

Why? It is because they put all their eggs in one basket. That is beyond me, because we all have a mother who told us not to put all our eggs in one basket. However, that is exactly what is happening right now. They forgot to diversify our economy. Now that they are stuck, they can get out by investing in small and medium-sized businesses and in diversity.

● (1515)

In Quebec City, investing in our small businesses and diversifying our economy is precisely what we did when the cold wind hit during the recession of 2008-09. That is how we created a situation where everybody won.

[*English*]

**Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, I certainly appreciate the member's speech and the debate today about our economy. It is an important conversation.

First let me give an example.

*Business of Supply*

Let us just assume that magically 9% is the new preferential tax rate for small business. Let us also just assume that we magically go back to 20%—or higher, depending on what the NDP leader has said—for a corporate tax rate. In that case, if the member has a restaurant in her riding with about \$500,000 in earnings every year, it would qualify for the preferential small business rate.

Let us just say that the restaurant owner decided to open up a second one. I think we would all support that. We would see more jobs and more choice for consumers as a result of someone trying to invest and grow a business. That is something we would like to see.

However, suddenly the restaurant owner would take a hit, going from a 9% rate to at least a 20% tax rate from there on in, and it could be more, depending on what the NDP leader wants.

Why would someone with a successful business and a low tax rate invest just to see the taxes double? Does the member not see the fallacy in her thinking? She is advocating lowering the tax for small businesses, but she is actually creating a system, with her NDP leader, that incentivizes businesses not to grow.

This is the fallacy of the NDP. It says it wants to help small business, but in fact its policies would actually discourage investment growth.

[*Translation*]

**Ms. Annick Papillon:** Mr. Speaker, it is always a pleasure to hear a Conservative colleague consult me to find out how a New Democrat government would do things.

This is how: we would have a plan. That in itself is different from this government, which is not capable of producing a budget. We would have a plan in front of us. What is the plan? We would choose to invest in small businesses. We would certainly increase taxes on big businesses, but we would reduce taxes on small businesses, which are the ones that create jobs in this country.

I would prefer to give \$100 to a small business, because I have a much better chance of seeing that money in the community and of having that money be reinvested. My father owned a small business. He often reinvested his profits in his business because he knew that would keep jobs in our community. That is the best protection you can have when you are in an economic recession, because you are shielded. That is what we would do.

• (1520)

[*English*]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, what has become clear is that both the leader of the official opposition and the New Democrats have demonstrated that they do not really understand the needs of small business. In fact, what they are suggesting in their proposed tax reduction is somewhat perverse.

Jack Mintz, the director of the University of Calgary School of Public Policy, and other economists and organizations such as the Canadian Centre for Policy Alternatives, have commented on this proposal. I would like to give one specific quote that captures what many of the critics are saying about this particular policy. They argue that the tax break will go overwhelmingly to Canadians who need it least and may not result in job growth at all.

These are outside people reflecting on what is likely going to be a major platform position on an issue the NDP does not seem to really understand.

Would the member not be better advised to recommend to her leader to revisit that particular policy? If they want to be able to generate jobs in Canada, they might want to consider having an EI premium exemption. Outside people say it would be effective and would create thousands of jobs for all regions of Canada.

[*Translation*]

**Ms. Annick Papillon:** Mr. Speaker, I think it is important to remember that 94% of the inequality in this country was created under a previous Liberal government and it has continued under the Conservatives. That is why they are stuck today. There have been decades of dismantling when it comes to housing, which is a basic need.

They stopped providing funding for housing in 1994. After that, they stopped investing in bricks and mortar. They withdrew from housing completely. Then, they wonder why there is constantly growing inequality in a country that was once the best in the world, but is now—it must be said—taking a beating. That is because they have invested in nothing but oil. I find that vision unfortunate, as is the fact that they are still asking themselves this question.

There is so much wealth in this country. From one ocean to the other, there is so much wealth. That wealth is often found in creative ideas in a particular community. Someone has an idea, they put it to work, and they can conquer the world. That is what small businesses do. That is why we have to support our small businesses, so that then people will be talking about us around the world.

[*English*]

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, I will be sharing my time with the Minister of State (Western Economic Diversification).

It gives me great pleasure to rise to speak on behalf of the people of Renfrew—Nipissing—Pembroke. The people in my riding of eastern Ontario, like all Canadians, have benefited from the careful, balanced approach our national Conservative government has taken when it comes to running an economy in a modern first-world nation.

Canada is recognized as a world leader in the way we prudently manage our economy for the benefit of all our citizens. There is no on-the-job training for such an important task as managing a G7 economy. Now is not the time to be experimenting with extremist policies derived from some discredited ideology that has proven to be a failure.

There is some question who will end up being the official opposition after the next election, the Socialist International or the socialist light, which sits as the third party in this place. For the benefit of Canadians following this debate, the terms are interchangeable, as are their policies.

*Business of Supply*

Bob Rae was as comfortable piling on the debt in Ontario as NDP premier as he was as the leader of today's third party in this place. Today's supply day motion, as put forth by the opposition, uses a number of terms and phrases that in the mind of a socialist means something very different from what the average middle-income Canadian family understands these terms to mean.

For example, the way this motion uses the term "productivity" ignores the role of human capital and more specifically wages. The fact that the opposition continually calls for an increase in the minimum wage, as if an increase would have no effect on productivity or small business viability, demonstrates the disconnect between the whole approach of our Conservative government, which has taken to managing our economy, as opposed to the ideological left-wing approach we see from the opposition when it had been given the chance to bankrupt an economy the way it has in Ontario.

The same can be said about taxes. Members should make no doubt about it. There is no difference between the opposition in Ottawa and the Ontario Liberal Party in Toronto, which has turned my province of Ontario into a have-not province.

It was a short easy stroll for Glenn Thibeault, the NDP MP for Sudbury, to walk into the embracing arms of the Toronto Liberal Party, the party of the gas plants, eHealth, Ornge and electricity rates, to name a few scandals, the same walk Bob Rae took in reverse. Ottawa has become a refuge for individuals who can copy the same policies that turned Ontario from being the economic engine of Canada into a have-not province. These individuals have attached themselves to the green leader of the third party.

The leader of the third party counts as his principal adviser the unseen author of this spectacular failure average Canadians are stuck with paying, known as the greed energy and greed economy act. This is the showpiece of economic policy of the left in Canada, as it features a carbon tax.

In Ontario, the other name for that carbon tax is the global adjustment and it is on every consumer's electricity bill. Canadians need look no further than the economic mess in Ontario to know where Canada will end up if opposition gets—

• (1525)

**Mr. Nathan Cullen:** Mr. Speaker, I rise on a point of order. I hesitate to interrupt my friend midway through. I have listened for some time now. She has talked about the Liberal Party in Ontario. She has talked about Ontario policy. She has talked about electricity policies in Ontario.

Just to be clear, I know there is some range with respect to the debate, but the debate is clearly on the NDP's proposal, the motion as put forward. It is about lowering the small business tax rate, about an incentive to the manufacturing sector through accelerated capital cost allowance writedowns, and an incentive through a fund for innovation for the manufacturing sector.

I am grasping to try to find out what the policies from a provincial party of a different orientation and electricity rates have to do with lowering the small business tax rate, accelerated capital cost rate for manufacturers or an innovation fund to allow for innovation in the manufacturing sector.

I know there is breadth here but, through you, Mr. Speaker, I would seek to call the member back to the question in front of us. If she does not like one of those three policies that we put forward, she can tell us why. However, we are not the Ontario legislature. When debating Ontario policies, that is the place for that to happen, not in the nation's capital.

• (1530)

**Hon. Michelle Rempel:** Mr. Speaker, I believe if you let my colleague continue on this point of thought, she will tie back how an unmodelled price on carbon can affect inputs to manufacturing, such as energy, as we have seen in Ontario, which can have a detrimental effect on small business growth. This is material to the motion because it is a policy the NDP has supported.

**The Acting Speaker (Mr. Bruce Stanton):** I have heard both submissions. We probably have enough to get going along the same vein.

I thank both hon. members for their interventions. True enough, the issue of relevance is indeed a limit on speech in this place. However, as the member for Skeena—Bulkley Valley referenced, there is a great degree of latitude on the part of members.

I am cognizant of the fact that the hon. member for Renfrew—Nipissing—Pembroke is not quite at the halfway point of her remarks in her 10-minute speech. I am fairly certain she will be incorporating some of these ideas into addressing the question before the House, as she has customarily done in the past.

The hon. member for Renfrew—Nipissing—Pembroke.

**Mrs. Cheryl Gallant:** Mr. Speaker, the NDP members have said that we should look to their record provincially, which is what I am doing, to see what they would do federally.

The NDP in Ontario are on record as supporting the Green Energy Act. What has to be unusual is that the Leader of the Opposition counts as his special adviser the former leader of the Ontario NDP, Howard Hampton, the guy who had to answer for the mess Bob Rae left behind.

I invite Canadians to read his comments in the provincial *Hansard*, vilifying the corruption of a few Liberal Party insiders receiving contracts for hundreds of millions of dollars for industrial wind turbines. Those hundreds of millions of dollars now add up to billions.

If Ontarians want to know why their electricity bill is so high, just read Howard's comments. It is too bad his party became forgetful so quickly and supported the Green Energy Act.

To get a true sense of the economic wasteland that would happen nationally if the opposition had its way, I will quote the volunteer non-profit Canadian organization, Working Canadians, which said, "Socialism in its various guises has never worked to the benefit of average, middle-class people". Take the Liberal government of Kathleen Wynne as a real-time case in point.

*Business of Supply*

A number of recent developments in the province have focused the mind on how the current Ontario government's policies are hurting, not helping, average Ontarians. The Wynne government professes to be the saviour, like the NDP here, of the lower and middle-class. All factual evidence suggests otherwise. As last month's report by Ontario's auditor general, Bonnie Lysyk, pointed out in stark terms, "all efforts of Ontarians to contain their rapidly increasing hydro bills by doing their laundry in the middle of the night are for naught". Anyone who was paying attention to their hydro bill would have already known this.

Recent hydro bills that show for the exact same number of kilowatts hour, the rate is 8% higher, 4 times higher than the rate of inflation, and that is because of the carbon tax.

Informed analysts know that the main driver of hydro costs in Ontario is the "Green Energy" policy, an approach that is being abandoned elsewhere around the world as evidence showed it had negligible environmental benefit. The exodus of manufacturers from Ontario is in part driven by uncompetitively high hydro costs.

Yet Ontario has just claimed that it will be there to help those provinces that have been bailing out Ontario's failed economy for some time by miraculously becoming a hotbed of economic strength. Over the past decade, Ontario government policies have systematically gutted the manufacturing sector, created a business climate discouraging to entrepreneurs, continually bailed out corporate losers at the cost of successful companies and created a fiscal fiasco that will take some time to repair. The notion that falling oil prices will somehow reverse all of these negatives overnight is ludicrous, especially in a province that is well-ensconced in its "have-not" status.

The only feasible way the Ontario government can balance its books is with higher tax revenues derived from a more robust economy.

Quoting from yesterday's *Financial Post*, according to an analysis by the Consumer Policy Institute and Energy Probe, 90% of the wind subsidies, a carbon tax, went to just 11 companies, 80% of the subsidies went to nine companies with annual revenues over \$1 billion, 60% of the subsidies, carbon tax, went to six companies with more than \$10 billion in annual revenue. As for the province's claim that it wants to create an Ontario-based "green economy," less than 10% of subsidies to wind generators went to small-scale or local owners. Since 2006, when the province first started subsidizing wind turbines, the province has provided more than \$1.92 billion in subsidies, carbon taxes collected from Canadians.

Contrary to what the NDP has proposed, our government is still a great place to provide an environment to do business, and our country has a low-tax agenda for jobs and growth, and has been recognized internationally.

• (1535)

Our government scores high marks for our ambitious free trade agenda and low business start-up costs. That is in addition to our country's outstanding business environment and competitive corporate tax rate. We have already made the tax reductions. Moreover, according to The Economist Intelligence Unit, Canada will be the best place to do business in the G7 and G20 over the next five years.

Since coming to office, our government has made job creation and economic growth our top priority, unlike the opposition that wants to take money out of the pockets of hard-working Canadians.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I will never get back that time. My friend across the way spent the vast majority of her available time talking about politics in Queen's Park. If she is that interested in the policies and politics at the provincial level, I would encourage her to seek office in Ontario.

Here we are at the federal level talking about a proposal to do three things: lower the small business tax rate, help Canadian manufacturers through the accelerated capital cost allowance, and offer up an innovation fund. She says, as the Prime Minister's spokesperson has said, that things are spectacular in the Canadian economy. However, bear in mind that last year we had our lowest job growth rate since 2009, with population growth almost double the rate of job growth in the country. To that reality of flat job growth that the Conservatives are facing, there is also the loss of 400,000 jobs in the manufacturing sector alone.

My question for the member is simple. What in particular does she have against lowering the small business tax rate and what in particular does she have against helping Canadian manufacturers after some 400,000 jobs have been lost in that sector alone?

**Mrs. Cheryl Gallant:** Mr. Speaker, the member opposite has been totally blindsided to the purpose of my explaining what is going on in the provinces. What has been going on in the province of Ontario, as agreed by the official opposition's provincial counterparts, is one and the same. In the same way that a carbon tax is being imposed in Ontario, as the province agreed to, so would we see at the federal level. If he wants to see what Canada would look like were the opposition ever to form government, all he has to do is look at the economy of Ontario.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I would like to pose a follow-up question from question period to see if the member can provide some further information on why the government has made this rather bizarre decision to cut back on infrastructure dollars when they are needed.

I am sure the member would recognize that when one invests in infrastructure, roads and so forth, one is indirectly and often directly supporting small businesses. That is healthy for the economy and enhances the middle class, and so forth.

The question I have for the member is fairly specific. Last year the government spent \$2 billion on infrastructure and this year it is spending \$210 million. Can she explain to viewers and the House why the Conservative government has cut 90% of the infrastructure spending of last year? Why has there been a 90% cut this year?

*Business of Supply*

• (1540)

**The Acting Speaker (Mr. Bruce Stanton):** I appreciate the question by the hon. member for Winnipeg North. Although he made a reference to small business, he will know that adjournment proceedings is the time when members have the opportunity to address questions that have arisen during question period and perhaps get into a more thorough response.

I see the hon. member for Renfrew—Nipissing—Pembroke standing, so perhaps she would like to entertain the question, even though I know she did not really touch on infrastructure per se in her remarks.

The hon. member for Renfrew—Nipissing—Pembroke.

**Mrs. Cheryl Gallant:** Mr. Speaker, these are the facts. Lowering the federal income tax rate to 15% is what the federal government has done for corporate income tax. The Liberals and the NDP voted against it. We extended the accelerated capital cost allowance for new investment in machinery and equipment already. The Liberals and NDP voted against it. We created the automotive innovation fund and the Liberals and NDP voted against it. We established the national shipbuilding procurement strategy and the NDP and the Liberals voted against it. The advanced manufacturing fund the Liberals and NDP voted against. The Federal Economic Development Agency for Southern Ontario the Liberals and NDP voted against. The Canada job grant the Liberals and NDP voted against. The Canada apprenticeship loan the Liberals and NDP voted against.

As we can see, everything the Liberals have talked about is hollow. When it comes to creating an environment that is conducive to more jobs and more companies coming into Canada, they vote against it each and every time.

**Hon. Michelle Rempel (Minister of State (Western Economic Diversification), CPC):** Mr. Speaker, the motion before the House, as I read it, is that the government can take action to create a balanced economy, support the middle class, and encourage manufacturing and small business job creation.

In my opinion, to do that we have to look at our country's ability to be financially stable, with a strong social safety net, including a fiscal house that is in order, because a lot of the dialogue on the economic downturn in 2008 concerned the debt ratios of governments in certain countries.

We can look at our government's track record on this, and I wish I had an hour to talk about it, when it comes to that balanced economy component.

First, when we came into office between 2006 and 2008, we aggressively paid down our government's debt in our desire to have a balanced budget and to ensure that we do had a strong fiscal house that was in order. When the economic downturn hit in 2008, we took measures to bolster consumer confidence and job creation through targeted infrastructure spending, like the knowledge infrastructure program and community infrastructure improvement program. These were designed to create jobs, but also in a way that we could move back toward fiscal balance once we were out of the economic downturn.

We were also trying to ensure that the situation was right for job creation, and so we increased our trade agreements. When we came

into office, I believe were six trade agreements in place. We now have over 40.

We also invested \$50 billion in infrastructure through the building Canada plan, which is one of the largest infrastructure funding programs in Canadian history.

We also looked at ways to ensure that we have a strong, skilled labour pool, which I could speak to in detail, and a healthy and educated population, which is why we have increased transfer payments to the provinces. We have ensured a stable source of funding for both health care and education so that our provincial partners can plan for those investments well into the future.

Two other things are important. We have also made sure that we lowered the tax rate on job creating companies. Why have we done that? It is because, all else considered equal, tax rates are certainly a determinant to whether or not we attract foreign investment into the country.

We have also looked at ways to reduce our red tape burden, which I will speak to in a moment, but most important, we have undergone a strategic review in government.

Through all of these other economic actions I just talked about it, we have increased revenues for the government while ensuring that we are taking good care of our fiduciary responsibility to manage taxpayer dollars wisely. We have made sure that we are on track to balance our budget, which we will continue to do this fiscal year.

All in all, with this economic plan that we have put in place, the ground is fertile for Canada's continued long-term economic success. That is the macro picture of our balanced economy. The conditions are right for job creation and entrepreneurship, et cetera, in Canada after and years of our government's strong, stable, steadfast focus on smart and predictable economic policy.

In terms of support for the middle class, the tax burden in Canada is at its lowest level in 50 years. When we look at the tax relief and benefits that an average two-earner family of four will accrue, historically since 2006, and with our new measures, there will be an additional \$6,600 in the pockets of Canadian families per year.

That is not insubstantial. It means a lot to Canadian families. Ensuring that Canadian families have choice in how they can spend their money, with more income flexibility, that tax reduction means a lot to Canadians.

Through our economic action plan, we have one of the best job creation records in the G7, with more jobs available for Canadians and their families, which addresses the middle class piece of the motion.

• (1545)

As the Minister of State for Western Economic Diversification, I want to speak a little bit about my portfolio. I do not think the debate is about our inability to support the energy sector and have a stable Canadian economy at the same time. It is about the fact we have some very strong primary industries in Canada. Certainly in western Canada, the energy sector is part of that, as are agriculture and forestry, but the strength of those primary industries can be used to create receptor capacity for emerging secondary industries.

Whenever I address a chamber of commerce in western Canada, I always talk about the fact that in my position I want Canadians to see western Canada as more than hewers of wood and drawers of water. While those industries create hundreds of thousands of jobs and will continue to be important for the economy, there are stories to be told about the emergence of digital media clusters, of biomedical technology, the pharmaceutical sector, of the burgeoning field of clean energy technology, of our aerospace sector in western Canada. It has been through our government's targeted measures to support these areas, many of which are small businesses, that we have seen them start to grow and thrive.

With regard to small business support in general, I want to explain our tax rate policy for job-creating companies. I will first quote my colleague from Hamilton Mountain, whom I have great respect for, from debate in February 2011. She is a very talented parliamentarian, but I do disagree with her on this point. She rose in debate on a Liberal motion and said:

I am delighted to rise in the House to speak to the Liberal motion calling on the government not to proceed with further corporate tax cuts and to restore the tax rate for large corporations to 2010 levels in the upcoming budget.

She continued to talk about why we should not be lowering tax rates on job-creating companies.

A lower taxation rate gives companies the ability to be more liquid and to have more choices, and it also attracts foreign direct investment. That is why we have reduced the corporate tax rate to very competitive levels internationally. On the small business side, we lowered the threshold on tax rates for small and medium-size enterprises to \$500,000, so that more businesses would be classified at that particular rate. Again, we reduced the rate and I believe my colleagues opposite voted against those motions. So I find it somewhat rich that they are putting this forward today, because it has been our government that has consistently put forward both in its messaging and tangible policy our commitments to small business.

Small business can be supported in many ways above and beyond these tax breaks that we have already done. Indeed, through Western Economic Diversification we have a wide variety of measures to support small businesses. For instance, we support the Western Canada Business Service Network, which includes organizations such as Alberta Women Entrepreneurs, a great organization. We have the Community Futures Alberta organization, which provides small business loans to small businesses in rural communities to see economic diversification.

We have also invested across the R and D life cycle for innovation. To say that we do not have an innovation tax credit is simply ridiculous, because we have the SR and ED tax program.

My concern about the NDP's motion is that there is absolutely no detail on what this would be spent on. New Democrats have not tried to define innovative activities, what areas they would focus on. I believe that through the Jenkins report and the things we have done, we have done a very good job to support basic research. We have supported commercialization activities as well as tax credits for innovation-happening companies.

In my department, we have the western innovation initiative, which is a new program with \$100 million over five years targeted at providing support for small businesses that are looking at prototype

### *Business of Supply*

development, process, scale-up, and these sorts of things. This has been an awesome program. We have seen huge subscription rates for it. Again, in the area of the R and D life cycle, we could talk about every step of the way that our government has supported, including our venture capital action plan.

I want to close with something my colleague was alluding to. When looking at corporate tax rates, we cannot just look at tax cuts. We also have to look at other tax rates. My concern is that the NDP has never come out and said that it would not impose a carbon tax on Canadian businesses. I know there is usually a giggle on the other side when this is brought up, but a carbon tax would in fact raise input costs like electricity, like consumable goods and manufacturing, which I do not think my colleagues opposite have adequately modelled.

• (1550)

Frankly, if I had a small business, I would be concerned about the inability of the NDP to put forward a predictable and stable plan when it comes to taxation rates. This is what our government has done. We have said, "here is what we are going to do to help you", and we have followed through.

[*Translation*]

**Mr. Raymond Côté (Beauport—Limoilou, NDP):** Mr. Speaker, I thank the hon. minister of state for her speech that dealt more with the topic of debate today than the speech by her Ontario colleague, who got off track talking about the difficulties Ontario consumers faced after Ontario Hydro was dismantled by the ultra-Conservative Mike Harris government. I should point out that a number of ministers in the current federal cabinet were sitting at the time to misrepresent that disaster.

That said, I want to get back to the topic at hand and refer my colleague to the Bank of Canada's Monetary Policy Report. This report indicates that the excess capacity of Canadian businesses remains relatively high, as does the long-term unemployment rate for workers aged 25 to 54. We can therefore conclude that Canadian companies lack trust in the future and are therefore not investing. There has been very little investment to improve productivity in recent years. That is a legacy of this government.

Does my colleague agree with the Bank of Canada that there is a problem and that our businesses are not truly prepared to deal with the changes they face as a result of the low price of oil and the value of the Canadian dollar?

[*English*]

**Hon. Michelle Rempel:** Mr. Speaker, there are so many things in that question, but I will focus on the ability of businesses in Canada to weather economic shock and to make investments.

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Certainly the stability our government has put in place through legislation, like what we debated this week on the one-for-one regulatory rule, in which we are saying that we are going to have a stable regulatory environment, is a very positive signal to business. The CFIB certainly supports that approach. A reduced corporate tax rate and increased trade agreements, which allow access to bigger markets, certainly help support the confidence of small business.

With regard to productivity, I agree that productivity is a major focus area for Canadian business, especially when we are looking at labour as an input cost. Again, I would encourage my colleague to look at my department's website. We have invested heavily in productivity, especially for manufacturing initiatives such as ACAMP, through SAIT, and the Saskatchewan Trade and Export Partnership, and in our aerospace sector, through the West Canitest centre, as well. There are a lot of initiatives looking specifically at productivity in certain sectors of the economy.

• (1555)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I will take advantage of the fact that the member is the minister responsible for western diversification. There has been a great deal of concern over the last little while that the government's focus seems to be just on oil and the price of oil.

The resolution being proposed talks about having balance in the economy. The minister plays a very important role in western Canada. I would think that the minister would recognize the value of infrastructure dollars that would assist manufacturing companies and small businesses in getting their products to market and in being able to invest. Quite often, in certain areas of the province, one needs to spend infrastructure dollars.

Why does the member believe that the government has chosen to decrease infrastructure dollars from the one-time spending of \$2 billion to \$120 million?

**Hon. Michelle Rempel:** Mr. Speaker, I will try to bring that question to relevance to the debate at hand.

My colleague is talking about investment in infrastructure, I think related to productivity and manufacturing capability in western Canada in sectors that are not necessarily related to the energy sector. I will give some examples of recent funding.

There is \$3.3 million for the purchase and installation of specialized equipment at the Alberta centre for advanced micro and nanotechnology products. It is an awesome centre. This is a shout-out to those guys. They are doing great work.

There is the West Canitest centre. I was out there, and I will be out there again this week. This is equipment that allows for testing of engines. I believe that we have put in \$2.5 million recently, but millions of dollars.

There is the Canada Foundation for Innovation. This is infrastructure spending of hundreds of millions of dollars to support research and development infrastructure, which, again, will help diversify the economy by creating intellectual property here in Canada.

I think my colleague was slightly confused, but I hope I brought some clarity to his question.

[*Translation*]

**Ms. Nycole Turmel (Hull—Aylmer, NDP):** Mr. Speaker, I will be sharing my time with the member for Skeena—Bulkley Valley.

I am very happy to make this presentation. We have spoken at length about the economy recently in this House. With the drop in the price of oil, Canadians are concerned about the economic health of our country, and with reason. The situation really shines a light on the Conservatives' mismanagement.

Because of a failure to invest in innovation and diversification, our economy is now vulnerable to shocks like this to natural resource prices. It is time for things to change, and Canadians should not have to wait until the next election for solutions.

In the NDP, we have a plan to repair the damage caused by the Conservatives. The motion moved by my colleague, the member for Parkdale—High Park, proposes three concrete steps the government can take today in order to boost our economy and support the middle class.

Our first suggestion is to stimulate job creation in small businesses by extending the accelerated capital cost allowance by two years. The second is to reduce the small business income tax rate from 11% to 10% immediately, and then to 9% when the economic situation permits. Finally, the third suggestion is to introduce an innovation tax credit to support investment in machinery, equipment and property in order to further innovation and increase productivity.

Clearly, our proposals focus on small and medium-sized enterprises, the real creators of employment in Canada, and they are very easy to implement. Between 2002 and 2012, in fact, 78% of new jobs in the private sector were created in SMEs. That is not surprising. Furthermore, 98% of all Canadian companies are SMEs: companies with fewer than 100 employees. They account for 40% of Canada's GDP and employ nearly 8 million Canadians across this country.

However, the Conservative government does not seem to have gotten the message. It continues to pay no attention to SMEs. Since 2010, Canada has lost over 1,500 of them, mainly because of measures like the elimination of the small business hiring credit. Meanwhile, the Conservatives had ample resources to provide tens of billions of dollars in tax breaks to large companies. By constantly serving the interests of the Conservative Party and its friends, the government has lost sight of the interests of Canadians. They are out of touch with reality.



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Personally, I have just completed a tour of the SMEs in my constituency. At ground level, it is very clear that the economic reality is difficult for SMEs. They constantly have to find new approaches and new ideas in order to remain profitable. I was truly impressed by the creativity and tenacity of the entrepreneurs I met with.

I am thinking, for example, of the Créagora initiative, a co-operative workspace in which a number of entrepreneurs work under the same roof. This space enables professionals to work independently, while sharing their resources and ideas. It is brilliant. I am also thinking of APICA, a group of business people and SMEs in the Aylmer sector who are constantly innovating and support numerous activities locally. Their contribution is not limited to creating jobs; they contribute their energy to our community. I congratulate them on what they are doing.

I should also say that one thing that came up often in my conversations with entrepreneurs is the fact that they often do not have the resources to offer full-time jobs to their employees. Part-time jobs can be useful, for example, by enabling students to balance working and going to school. However, people know as well as I do that you cannot live on a part-time job. As a result, in many cases, employees are just passing through such companies. It is truly difficult to build a succession in such circumstances.

Many entrepreneurs also tell me that government cuts have had a negative impact on the business climate in the Outaouais. That is not really a surprise. In the Outaouais, we know that the presence of the federal public service has a major impact on our economy.

•(1600)

That is one of the reasons why the NDP wants to make sure that at least 25% of investment in the national capital region takes place on the Quebec side of the river.

Since 2013, we have seen a clear deterioration in the job situation in our area. According to a study commissioned by the Gatineau chamber of commerce, the Outaouais lost 4,000 jobs in 2013, whereas the rest of Quebec posted an increase.

According to the study, job cuts in the federal public service are the direct cause of this poor performance. We can see that it is the entrepreneurs and families in my constituency who are paying the price for the ideological cuts made by this government. However, after shaking the economy of our area, the Conservatives have folded their arms and are refusing to support the entrepreneurs who are trying to diversify the economic structure of the Outaouais.

I was discussing this very subject this morning with Antoine Normand, who chairs the board of the Gatineau chamber of commerce. I must thank him for making himself available. It is always a pleasure to talk with him. He is always very open and helpful, which is very pleasant.

He was telling me that diversification should be a priority for sustainable economic development in the Outaouais. There is a huge potential for jobs in the Outaouais. The Canadian Federation of Independent Business ranks Gatineau among the most dynamic Canadian cities in terms of entrepreneurship.

We have the highest rate of bilingualism in Quebec and one of the highest graduation rates per capita. To put all this potential to work, it is time the three levels of government started working together to develop and fund a strategy to develop and attract businesses.

As Mr. Normand said, we have to support our businesses directly in terms of both research and development and facilitating imports. He proposed establishing a business mentoring program.

At present, there is not much mentoring of this kind in the Outaouais, for one thing because of the lack of leadership and resources from the federal government. He is nonetheless convinced that this kind of program could help businesses that are starting up to make it through their first five years of existence. Those first five years are a critical period, and we really have to help them get through that time to make sure they survive.

What the job creators in the Outaouais are asking for is not extravagant. They are not asking for business opportunities to be handed to them on a silver platter. These are people who are not afraid of hard work, and I can attest to that. In addition to meeting with SMEs, I come from a family that had a small business, and I saw my family work really very hard to help the employees and make sure that services were provided to the community and that at the end of the year they had saved some money and there was money to pay the taxes.

It is sad to see such extreme deterioration where we live in the Outaouais and see the government failing to meet the needs of small businesses to diversify the economy and make sure that someone can step in after the federal government's budget cuts.

What these people really want is for the federal government to do its fair share to contribute to the economic development of our communities.

As I said, we in the NDP agree with them. We understand them and we support them. We believe that the government can take measures, starting today, to help SMEs do what they do best: create jobs. We have to support them in that effort.

I therefore urge my colleagues on both sides of the House to vote for this motion and start the work. This is a program that could be implemented very easily and very quickly.

•(1605)

**Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP):** Mr. Speaker, I would like to thank my colleague from Hull—Aylmer for her speech, which made a lot of sense. She raised some very important points.

The federal government has shown its lack of support for Quebec time and time again. It withdrew funding from a number of industries. It took away employment insurance funding. It cut well-paying jobs in employment insurance processing centres in a number of regions. It made cuts to Canada Post, and so on. The government has made so many cuts that we need to find ways to revitalize the economies of our regions. Today's motion responds to that need.

According to the chamber of commerce, 4,000 jobs have been lost in Hull—Aylmer, in the Outaouais, where my colleague is from. The Conservative government has cut many public service jobs, which has hurt the region's economy.

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Does my colleague know whether the Public Service Alliance of Canada has anything to say about the investment that the federal government should make in Hull—Aylmer and the Outaouais region? Does it want to work in partnership with the federal government? Is the Conservative government missing in action?

**Ms. Nycole Turmel:** Mr. Speaker, I would like to thank my colleague for his question regarding the work that unions are doing to find solutions to regional economic problems.

There have been some meaningless meetings. As with everything else, this is how the Conservative government does things. What is more, the unions are in the midst of negotiations, and we know what the government thinks about negotiations.

From my personal experience as a former PSAC insider, and from what I am hearing about what is going on right now, I know that the unions are also trying to provide programs and services so that people are able to live a good life in the national capital region, especially since 4,000 jobs have been lost compared to other regions. That is very unfortunate.

If this government would listen, we could find solutions together and diversify the economy, whether it be in the national capital region or elsewhere. However, this government does not listen to us, so why would it listen to anyone else? Cuts should not be made just for the sake of making cuts. Cuts should be offset by other programs so that the regions are not affected.

•(1610)

[English]

**Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC):** Mr. Speaker, it is clear that we are not going to agree on certain things, but I wonder if the member might comment a bit on this.

We know that the Liberals certainly do not agree with what the New Democrats are proposing, and have not in the past, and they currently do not agree with some of the measures we have brought in for the manufacturing sector. We also know that the leader of the Liberal Party has suggested it is time to transition away from manufacturing. I think he called it something like an old 20th century concept from which we should move away.

I wonder if the member might comment on that position of the Liberal Party, the fact that the Liberals do not support manufacturing and that they want to put millions of people out of work by somehow transitioning away from manufacturing.

[Translation]

**Ms. Nycole Turmel:** Mr. Speaker, I would like to thank the member for his question and for his comment on the Liberal position on the manufacturing sector.

The manufacturing sector provides good jobs that are well paid, as well as good working conditions, but the past few years have been disastrous. After receiving subsidies from the Conservative Party, some plants closed down, which led to job losses, and left with the working tools.

With regard to the Liberal Party, my colleague is speaking to the right person, because I worked with the other parties for 20 years. In 1990, it was the Liberal Party that made job cuts and program cuts,

took money out of employment insurance and the pension fund, and so on. I do not think it has changed much since then.

[English]

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I would like to thank my friend from Parkdale—High Park who has put forward this important motion, which I think addresses in part the context that the Canadian economy faces today.

We have seen from the sitting government a certain element of panic, perhaps confusion, with respect to how to respond to some of the key elemental and fundamental aspects of the Canadian economy and the weakening of the economy over the last number of months. We have seen the Minister of Finance unwilling and unable to answer questions in this place and unwilling and unable to present a budget until at least two months later than was originally planned.

We have seen confusion among the senior ministers about key aspects. Will the government need to bring forward another austerity budget in terms of cutting services to meet its agenda to balance the books? Will it need to raise revenues? Will it need to dip into its \$3 billion rainy day fund, which is meant to cover natural disasters?

To all of those basic questions for the government, we have only seen confusion. We have had completely different answers, on the same day in some instances. We have seen a government that is scrambling, with no real plan B. We have seen an economy, due in some part to the government, that overrelied on certain sectors to the detriment of others.

The reason I can say that with some confidence is that the numbers from Statistics Canada hold this picture up for Canadians and, particularly, for the Conservative government to view.

There are 400,000 lost manufacturing jobs just since the Conservatives took power. In 2014, we saw the lowest job growth since 2009. Again, these are not disputed numbers. This is the reality going on in the Canadian economy. In 2014, which was supposed to be a spectacular year for the Canadian economy, according to some of my colleagues on the Conservative benches, the Canadian economy grew at half the rate of the Canadian population, in terms of job growth.

This should be a concern for anybody who is concerned with the economy. When the population is growing at nearly double the pace of the number of jobs that are being created, that is not a good trend.

We have seen persistently high youth unemployment, at nearly double the national average, and we now have 200,000 more Canadians out of work than before the recession started. Take a moment to think about that. We went into the recession with 1.1 million Canadians out of work, and we now have 1.3 million Canadians out of work after the recession and after the government has taken so much self-offered credit for the spectacular job it has done.

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Those are the realities. The economy also shrank in November, which is a concern. These are all numbers from before the latest wave of job losses, particularly in the Canadian retail and energy sectors. There, we have seen not thousands but tens of thousands of Canadians losing their jobs. Our worry is that many of them are part time and do not qualify for employment insurance. That is just in the last number of weeks and months.

For any government to not be preoccupied is a concern, when we have six unemployed Canadians for every job opening in the Canadian economy right now. The Conservatives can spin where they want to, but the reality of those numbers comes from their own departments, and they come from Statistics Canada, and they are not to be disputed.

In light of that reality, as well as the plummeting oil prices sitting just a little north of \$50 today and lost revenue to the government, we ask what the plan is. What is plan B? We have seen plan A. We have lost 400,000 manufacturing jobs, we have a high youth unemployment rate, and we have 200,000 more Canadians out of work. We have the lowest female participation in the workforce since 2002. Those are all indisputable facts. What is the government's response, other than to delay the budget?

In that vacuum of ideas and opportunities for Canadians, New Democrats focused in on two primary sectors. The first is the small business sector, which accounts for 80% of all new jobs created and is 40% of our GDP. We also focused in on the manufacturing sector for reasons that I have already outlined.

We have lost so many value-added jobs. In a country that is primarily basing its economy on natural resources, value-added jobs have been the cornerstone to build the middle class and the compact that the government has had with the corporations for the last 80 years. That is what built the middle class in Canada. To lose 400,000 manufacturing jobs just since taking office should be a priority for the government, but its record obviously shows that it is either not a priority or that whatever opportunities it has given have not worked.

Let us look at other planks that the NDP has laid down, steadily, fully costed and accounted for, like a \$15 federal minimum wage and affordable child care for all Canadians at up to \$15 a day.

• (1615)

We know from the TD Bank and private sector economists that a fully funded, affordable child care plan would have a dividend in return back to the economy. For every \$1 put in by government, the government can see back as much as \$1.70 to \$2.40. Why? It is because productivity is increased and particularly women's ability to get back into the labour force if they so choose. Private sector employers tell us that this has been a concern for a long time. As I said earlier, Canada has the lowest female participation rate in our economy since 2002. That has been the trend. What do we do about the trend? We offer up ideas, and this is where I find such a challenge with my Conservative and Liberal colleagues today.

Happily, we have support from the Canadian manufacturing sector and the small business advocates in this country, who historically have not always been fans of New Democratic policy. Dan Kelly and the head of the Canadian Manufacturers & Exporters say that these initiatives put forward by the leader of the NDP just last week are

good for the economy. We have been reading some of their quotes all day.

I find it confusing when my Conservative and Liberal friends get up and make speeches and try to denounce New Democrats for what we propose. They say they are going to vote against this effort to lower the small business tax rate and help the Canadian manufacturing sector. Both those proposals alone are supported by the people who know best, the Canadian Manufacturers & Exporters and the Canadian Federation of Independent Business. The Conservatives say they are going to vote against it, but for what reason? Do they not believe that lowering the small business tax rate one point would help, potentially two points if finances allowed? Do they not believe in lengthening out the ability of the manufacturing industry to write off heavy equipment at a time when it is most critical?

The minister can make a speech any time she wants. If she wants to make a speech and tell us why they are going to vote against this—because they have not done that all day today—then I welcome her to the debate.

It is important for us. At a time when the Canadian economy is growing at half the pace of our population, when 400,000 manufacturing jobs have been lost under the Conservatives watch, one would think the government would at least be a little preoccupied with that fact. When youth unemployment is twice the national average and has been persistently so, and 200,000 more Canadians are out of work than before the recession started, one would think the government would be interested in more than just talking points and spending \$1 billion on self-promoting ads to tell people how spectacular it is. An ad does not help a family feed itself. An ad does not help people get back to work when they need a job.

The Conservatives just spent another \$2 million promoting the oil sector. They spent \$2 million in support of Chevron, Shell, and all the companies that had extraordinary profits, and yet they do nothing for the forestry sector, the manufacturing sector, or the clean energy sector, all groups that are looking to grow and need to grow and are on the rebound, in some cases. The Conservatives are going to buy ads for the oil lobby because it is so good at lobbying.

If the Conservatives do not want to believe me, then perhaps they will believe Jayson Myers, who is the president and CEO of Canadian Manufacturers & Exporters. He said that these tax credits for new product development and commercialization are key measures that support manufacturing success.

Dan Kelly, president and CEO of the Canadian Federation of Independent Business said that cutting the small tax rate by nearly 20% will provide a big boost to small business owners across the country and help them create jobs.

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What part of that do Conservatives and Liberals not agree with? Is it simply because of the source? Is it because New Democrats are offering up these solutions that they will not vote for these things, that they will not help out the manufacturing sector, and that they will not help small business?

I was a small business owner before getting into politics. There are two things small businesses need. They need a competitive tax rate and they need customers. We have shrinking and slowing growth in the middle class sector; we have lost more than 400,000 manufacturing jobs; more than 200,000 more Canadians are unemployed than before the global crisis. My goodness, do they want to help out small businesses?

The Conservatives cut the corporate tax rate for the wealthiest corporations like banks and oil companies by 25% since coming into office. They cut it by 1% for small businesses that create 80% of all new jobs in Canada. We can see where their priorities are. They put all their eggs in one basket.

**An hon. member:** And credit card issues.

**Mr. Nathan Cullen:** Yes, Mr. Speaker, volunteer credit card fees. That is excellent. Small businesses are always telling us that merchant fees from credit card companies not only hurt them as small businesses but they hurt their customers who have to pay these exorbitant interest rates.

• (1620)

These are things that small businesses are asking for. New Democrats have answered with this motion. For heaven's sake, just get on board. Just say yes. It is so easy. All the experts in the field who know what they are talking about say these are good ideas. It is just as easy as standing and voting for it.

I look forward to their support.

**Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC):** Mr. Speaker, as I just mentioned in the previous question, I am not going to sit here and explain to the hon. member how many ways he was wrong. I appreciate the fact that he has actually brought something to the table, unlike our colleagues at the end.

However, I want to touch upon two things.

The previous speaker mentioned it, so I think it might be relevant. She talked about a raid on the EI fund by the previous governments. I wonder if the member could touch upon that briefly.

I also appreciate that the NDP is supportive of the fact that tax cuts create jobs.

I wonder if the hon. member could comment further, because I think it is fair to get a bit of an assessment on what the other opposition party here has brought to the table with respect to manufacturing. We know that two parties have brought something to the table. They might not agree on all elements of it, and in fact probably disagree on a lot of it, but I wonder if he might also, as the finance critic, give his assessment of the Liberal Party's agenda when it comes to manufacturing. As well, if he could expand on the EI comment made by the member for Gatineau, I would appreciate it.

**Mr. Nathan Cullen:** Mr. Speaker, I was just checking the numbers with my colleagues.

When the Liberals were in power, they raided the unemployment insurance fund, which, as I would remind all people, does not belong to the government. It belongs to the workers and the employers who pay into EI. It is insurance. It is there for people who need it when they lose their jobs.

The Liberals did two things when in power. The short answer is they took about \$50 billion out. They took \$50 billion away from the workers and from the employers and used it for an assortment of things. Some of it may have ended up in the sponsorship scandal. It is very difficult to ascertain.

The Conservatives ratcheted that down. They only took about \$7 billion of the EI fund and have since stopped, which is good. Seven billion dollars versus \$50 billion is varying degrees of things.

In terms of the manufacturing sector, I wish the Minister of State for Western Economic Diversification could answer this question. We have heard from manufacturers that they want to be able to take those SR and ED grants for innovation, research, and development and apply them to capital expenditures. That is an important aspect of innovation.

Sometimes equipment is needed in order to do research and development. I know it is shocking, but the Conservatives took that option away from manufacturers, from those innovators and entrepreneurs, while we said that they should be allowed to apply it. That is one of the reasons the Canadian Manufacturers & Exporters Association is supporting us. It knows this is something that would lead to the next great technological breakthroughs. When government believes in science and believes in investing in that science, the investment leads to innovation and a more robust and productive economy.

• (1625)

[*Translation*]

**Ms. Paulina Ayala (Honoré-Mercier, NDP):** Mr. Speaker, small and medium-sized enterprises are the pillars of the Canadian economy, and they are responsible for 80% of the jobs created over the past few decades.

What concerns me enormously is the unemployment rate for young people between the ages of 15 and 25 in Canada, which is almost 14%. This motion talks about immediately lowering the small business tax rate. However, on the other side of the House, they say that the NDP still wants to bring in new taxes. No, here we are talking about tax cuts. Why are we talking about tax cuts? In the past, grants were available for small businesses to hire young people. Those grants have been eliminated. The government also abolished an employment assistance plan and penalized SMEs.

I would appreciate it if my colleague could explain how the Conservatives can possibly oppose a lower tax rate. It seems to me that is one of their own proposals. Can my colleague explain this reaction on the other side of the House? We all want Canadians to have jobs. We all want our young people to have an opportunity to work because they are the ones who will be paying our pensions and the taxes that will keep the country going.

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**Mr. Nathan Cullen:** [*Member spoke in Spanish.*]

[*Translation*]

Mr. Speaker, that is a very interesting question. This is very important, particularly for young people, because the current unemployment rate for young people is a disaster. Its effects may not necessarily be felt just today. It may hurt the entire career of someone who has the ability to do something else.

I was a young entrepreneur. In my case, it was sometimes difficult to obtain a little bit of attention from the government and other companies. It is because we think that small businesses are not very important, even though it is in small businesses that we find young people who are creative and innovative. If we can help young Canadians to find new jobs and create new businesses, this is something that can continue on for a generation or two. This is the kind of mindset that can be encouraged with a plan like this one.

[*English*]

**The Acting Speaker (Mr. Bruce Stanton):** 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 Drummond, Natural Resources; the hon. member for York South—Weston, Rail Transportation.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I have a number of thoughts that I would like to share with the House with respect to the motion the NDP has brought forward for debate today.

I will first respond to a couple of comments. The New Democrats like to talk about the employment insurance program. In previous speeches, NDP MPs have said that we should reflect on provincial NDP governments and some of the wonderful things that they do. I would suggest to the NDP finance critic that he might want to reflect on the resources that were withheld and taken away from injured workers in the province of Manitoba through workers' compensation. That is something for which the NDP is ultimately responsible. We are talking about injured workers.

During the 1990s, the recommendation from the national auditor general at the time was to deal with the employment insurance program, and lo and behold, the Liberal Party in government followed those recommendations.

Day after day, there are other comments and messages from the Conservative Party that hit home to a certain degree. The Parliamentary Secretary to the Prime Minister is very good at giving out this misinformation. We saw examples in the questions that he put forward.

I can appreciate why. The Liberal Party leader has asked us, as members of Parliament, to go out and connect with Canadians wherever we can to get a better understanding and to be able to bring forward ideas and solutions so that we will be ready for the next election. Part of that was an outreach in which our caucus went to London, Ontario. It is an area of the country that we feel passionate about. We are very much concerned about the number of jobs that have been lost in that region. Never before, under any other administration, have we seen so many manufacturing jobs disappear.

The Parliamentary Secretary to the Prime Minister needs to recognize that it is his government that has stood by and allowed tens of thousands, going into hundreds of thousands, of jobs in our manufacturing industry to disappear.

When Liberals and the Liberal leader go out and meet and connect with Canadians, what we hear is that Canadians as a whole believe in diversification. Liberals believe as well in manufacturing jobs. The Liberal Party has a record in government of creating manufacturing jobs, unlike the current government, which has lost hundreds of thousands of jobs.

When I was first elected back in a by-election, one of the first issues I raised had to do with aerospace jobs with Air Canada. I tried to get the current Prime Minister and his office to recognize that Air Canada had a legal obligation to protect aerospace jobs in Winnipeg, but the Prime Minister and his ministers did absolutely nothing, zero, to protect those jobs.

They were valuable jobs that led to manufacturing jobs. Those jobs were important to my province. That was not the case only in Manitoba; there were jobs in Ontario and Quebec that were also affected by the actions that were being taken by Air Canada. Because there was legislation to protect those jobs, we thought that some of the backbenchers and perhaps even some of the ministers would have taken an interest in the jobs being impacted in Quebec, Ontario, and Manitoba, and to a certain degree in B.C., and defend them. However, we heard nothing. We did not hear anything from the Prime Minister as he watched those jobs disappear. There was legislation to protect those specific jobs, and the Conservatives did nothing.

Should I be surprised that the national government chose to do nothing in a tangible way to deal with the severe loss of manufacturing jobs here, in particular in the province of Ontario, and other regions of the country also?

• (1630)

I am not surprised, but I am disappointed, and I believe Canadians are disappointed. They will get the opportunity to express their disappointment, not only to the members of Liberal caucus when we do our outreach to communities like London, Guelph and others, but when an election eventually comes around, some time in 2015.

When the Parliamentary Secretary to the Prime Minister talks about how the leader of the Liberal Party does not support the manufacturing industry, it is not true. He needs to look in the collective mirror of the Conservative government and see the tens of thousands of manufacturing jobs that the government is ultimately responsible for losing. That is quite the opposite of what we saw with the Liberal government.

The facts are very clear. I know the government does not like facts, but in 1993 the unemployment rate was 14%. That is what former prime minister Jean Chrétien and the Liberal government inherited when they came to the government benches. I remember Kim Campbell talking about double digit unemployment numbers for a long time. I was a provincial legislator at the time. The Liberal Party at that time said that it was not acceptable, that we would have to work hard for Canadians and get that number down. In 2006, Mr. Chrétien was very successful at cleaning up the Conservative mess.

*Business of Supply*

We brought down that 14% unemployment rate to 6.5%. We handed that over to the governing Conservative Party in 2006.

When we think about the balanced economy, what else did the Liberals hand over to the Conservatives? We also handed over a trade surplus and a budget surplus. That was not the first time. Liberal governments under Chrétien and Martin provided a lot of budget surpluses. The Conservative government does not even know how to provide a budget on time, let alone a surplus, which it has been unsuccessful at accomplishing.

There is a great deal of room for improvement with the government. Thank goodness Canadians will have the opportunity to reflect on the incompetence of the government and its inability to get the job done.

This motion refers to a balanced economy and support for the middle class. I made reference to it earlier. A couple of years ago, the member for Papineau became the leader of the Liberal Party. He focused instantly on the importance of the middle class. That was the issue, and he wanted our caucus to give it more attention. From his perspective, it was important. We needed to start working for the middle class because a huge hole needed to be filled. It was not being debated. We were not working hard enough for the middle class.

When I say “we” I am referring to the Conservatives and the New Democrats as well. If we were to do a search of *Hansard*, we would find how many times the Prime Minister and the Leader of the Opposition made reference to the middle class. If we look at it today, whether it is the Prime Minister, or the minions of the Conservatives who come with their speaking notes direct from the PMO, they all make reference to the middle class. The New Democratic motion does as well, and that is okay.

In third party status, the leader of the Liberal Party was able to elevate the needs of the middle class to number one. That is something of which I am personally very proud. I look at it as a significant accomplishment, coming from a third party in the chamber.

• (1635)

However, I believe the middle class drives our economy. The more we recognize the importance of the middle class, the healthier our economy will be. It is the consumers who make the purchases that ultimately make up for well over 50% of all economic activity. The healthier our middle class is, the better we are in a position to move forward in a stronger and healthier way, so that all regions in our wonderful country are able to expand. That is what is important.

I was surprised when the New Democrats twisted on a dime. Now they want to appear as if they actually understand small businesses. At the best of times, it can be a challenge. I will give them that. They need to recognize that they have made a serious mistake in one of their major platform issues, and they need to revisit that. I am referring to the small business income tax rebate. They want to reduce the small business tax, believing it will create more jobs and somehow level the playing field. I can understand why the New Democrats might be suspicious of me saying this. However, it is not just me saying it. I would like to provide some quotes for the New Democrats.

I have made reference to Jack Mintz. However, a number of economists are saying the same thing. The Centre for Policy Alternatives recognizes the deficiency of this proposal. I have some specific quotes. This is a direct reflection on what the New Democrats will vote for, and they need to be reminded of this. They might want to make an amendment, maybe even a friendly amendment, to their own motion.

Jack Mintz has done a considerable amount of work on the issue. He is the director of the University of Calgary School of Public Policy. There is an article in the *Huffington Post*, which members can read. A bit down in the article it says, “But Mintz and some fellow economists argue that the tax break will go overwhelmingly to Canadians who need it least and may not result in job growth at all”.

I almost wanted to start talking about the Conservatives' income splitting and their \$2 billion tax break to the richest, when I first read that comment.

However, the article continues:

We find that 60 per cent of the small business deduction goes to households with more than \$150,000 in income,” Mintz said, of research he has previously done on the subject. “That’s because you tend to have a relatively high number of high-income households who own small businesses...”

The worst part [of the NDP plan]...is that it doesn’t have good economic impacts because small business deductions contribute to a wall of taxation, so if they grow, they lose some of their benefits and get hit with higher taxes...It tends to keep small businesses smaller.

The small business tax rate, which is really the taxation rate for a Canadian-controlled private corporation (known as CCPC), is also used by high-income households as a form of income splitting with dividend distributions shared between spouse...

• (1640)

When the reporter brought this to the attention of the NDP critic for finance, what did he say? This is the NDP critic:

When asked about the CCPC loophole, NDP finance critic...told HuffPost the NDP has fought against tax havens and closing up loopholes, and supported tax relief tied to job creation. But [the critic] acknowledged that the NDP plan announced Tuesday doesn’t tie any strings to the tax break. No jobs have to be created to take advantage of the lower tax rate.

The New Democrats need to read what their House leadership has provided to them. That is what they are being asked to vote in favour of. Before they say that Mintz is some right-wing individual, I am sure they are aware of the Centre for Policy Alternatives. The Centre for Policy Alternatives, Armine, reflected on Mr. Mintz' comments. On the CBC network, she said, “It’s a little bit weird to say that we are looking at a way of benefiting small businesses when small businesses can also be tax shelters. If you want to do the things that they are saying, you could actually target your tax cut to incentivize the growth, or only give tax cuts when the behaviour you’re looking for takes place, not just this broad-based thing”.

*Business of Supply*

Let us reflect on this for a moment. The New Democrats will still be voting for that component in their opposition day motion. They had a chance to vote for a program that would have provided incentives for small and middle-sized businesses to hire additional employees. Outside groups, non-politicians, said that it was a wonderful idea. They said that it would generate tens of thousands of jobs in every region of the country. This was a proposal put forward by the leader of the Liberal Party late last fall, recommending an EI exemption for new hires. It would have provided the incentive for small businesses to hire people.

That is how we support the Canadian economy, not some pie in the sky, that we will now try to appease small business, this is what we will do, and not have thought it through. It appears that the NDP has done that. The New Democrats have to think through other policies that they talk about.

Canada is a trading nation. We are very dependant on trade. We need trade, yet the NDP is still the only political party inside the chamber that does not understand this, to the degree in which it continuously votes against trade agreements, even the EU agreement. When there was a motion before the House, the NDP members took the opportunity to vote against that. They do not recognize how small and medium-sized businesses benefit by exportation.

Small and medium-sized businesses need that exportation. It creates the type of jobs that Canadians want us to develop and promote. These are the types of policies that make a difference. If we want to improve the quality of life for the middle class, we have to look at initiatives that will make a difference in a very real and tangible way, because it is about priorities.

We will have the budget in a couple of months. We hope the Conservatives will have reversed their decision about the \$2 billion commitment on income splitting, because there is so much more we can do to assist our middle class, as opposed to giving hundreds of millions of dollars to some of Canada's wealthiest people.

• (1645)

It is about priorities. If we want balance, if we want the economy to grow, and we want to enrich the middle class, we have to make sure that we think through our decisions and make good, solid decisions. I am going to suggest that the motion the NDP brought forward today has not been thought through. It has done a poor job. New Democrats might want to reflect on what their leader is asking them to vote for.

**Hon. Peter Kent (Thornhill, CPC):** Mr. Speaker, I would agree with my colleague's concluding comments on the NDP motion being considerably less than well thought through.

I would also agree in general terms with my friend, as I have heard from various speakers across the aisle today, that small and medium-sized businesses are the driving energy behind our economy. I would again remind all of my friends across the way that Bloomberg, the business and financial agency, recently conducted a significantly well-researched global poll and found that Canada is, in fact, among the top-ranking countries when it comes to a favourable climate for startups and the growth of small to medium-sized to major-sized businesses.

My question has more to do with my friend's comments about timely elections. I would remind him that in the 1990s, the Chrétien government, of which he spoke so glowingly, once went almost two years between budgets. In fact, an individual here in Ottawa, whom my friend and others on the opposition side have been fond of quoting recently, the former parliamentary budget officer, has said that the finance minister has been quite prudent in waiting for some of the dust to settle in the current economic uncertainty and that, in fact, no great damage will be done to the economy by having a bit of space before the budget, only a few days later this year than often in the past.

• (1650)

**Mr. Kevin Lamoureux:** Mr. Speaker, I do not know what he is specifically referring to with regard to Mr. Chrétien back then. I was not in the House at the time, so I cannot really comment on that.

What I know is that there was an expectation and a sense of a commitment provided by the government that the budget date would be known by now and that it would possibly even be presented in February. That was fairly widely accepted. It was quite surprising that at a time when we wanted to have confidence in the economy, when oil prices started to drop so rapidly, the only excuse the government was able to come up with was that because of the dropping oil prices, it had to put off the budget. Making a statement of that nature does not do anything to reinforce confidence in the economy.

It is hard to imagine that this is the only reason the government would have to put it off. That is one of the biggest reasons the government is being criticized as much as it is in relation to the budget not being presented earlier.

[*Translation*]

**Mr. Raymond Côté (Beauport—Limoilou, NDP):** Mr. Speaker, I must admit that I always find it amusing to see the selective memory of my colleague from Winnipeg North, who refuses to accept the legacy of the Martin and Chrétien years.

That being said, shortly after my first election campaign, about eight years ago, I was talking with the manager of a big company in Quebec City that had several hundred employees. He told me that he thought the employment insurance scheme at the time was the height of idiocy, because it interfered with labour force mobility. This is in fact a legacy of a Liberal government. I thought his observation was very interesting.

As well, in a debate during my first campaign, I had a chance to bring my Liberal opponent's attention to the fact that the Liberals had promised a child care system for families for years but had never followed through on their promise.

The Liberals have a pitiful track record when it comes to supporting the middle class. Why is he now boasting about a legacy of standing up for the middle class?

*Business of Supply**[English]*

**Mr. Kevin Lamoureux:** Mr. Speaker, what I attempt to do when I address the House is reflect on comments and misinformation that is often provided by members from different political entities in the House. It is important to recognize that Mr. Chrétien and Mr. Martin were exceptionally successful in managing Canada's economy. The government tries to take credit, for example, for the banking industry. That was actually Mr. Chrétien, in the early nineties, working with the former minister of finance, Paul Martin. Even the late Mr. Flaherty would make reference to that.

The member surely does not expect me to sit back and listen to misinformation about previous administrations and not attempt to set the record straight. All in all, I think we did exceptionally well during the nineties. There were some difficult decisions at times that had to be made.

In the nineties, the United Nations ranked Canada one of the best places in the world to live, not once or twice, but on several occasions.

At times I may be too boastful of my party. I am very proud of what we have been able to accomplish, whether it is in health care or pension programs. There is a litany of social programming the Liberal government was very successful in implementing. We have contributed to the way of life we have today. I only hope Canadians will see fit some time in the future to reflect on the current government and what it has not been able to accomplish and possibly entertain the Liberals in the future.

● (1655)

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I would like to congratulate my colleague on what I consider one of his best interventions. It was a very eloquent exposé, and I judge interventions in the House by whether I come away from them more knowledgeable than when I stepped into the House to listen to them. I learned a lot from the hon. member's line of argument and his quotes from different experts on this issue.

I would like to come back to the question of small business. The government makes a lot of its so-called support for small business, but I have small business owners coming to see me in my riding office quite frequently. There are two in particular who came to see me who were not very happy with the scientific research and development tax credit, which the government has amended, to the detriment of small business.

In one case, it was a low-tech company that is suffering from a lowering of tariffs in the last budget. It was doing some innovative work to survive and compete. It did not qualify for SR and ED.

Another company was an extremely high-tech company. It was lucky. It got in just under the line, right before the government decided that businesses could not use SR and ED to buy capital equipment. If that had been the case, the company would not have seen the light of day. It would not be what it is today. The equipment it purchases is so specialized that the company cannot get a loan from the bank for that equipment. That equipment does not serve as collateral, because there is no market for it. It is so specialized that a company cannot sell it if the company goes bankrupt, and the bank therefore cannot get its money back.

That change to SR and ED has not been very good for high-tech small business, and low-tech small business does not seem to be benefiting either. I would like my hon. colleague's comments on that.

**Mr. Kevin Lamoureux:** Mr. Speaker, first, if I may, I thank the member for his very kind words. The member is our caucus chair and does a fantastic job ensuring somehow that we are able to get so much done in a two-hour time span. I compliment him for the way he is able to manage that.

The member brings up an excellent point. Government can do so much through tax incentives, tax credits, and looking at tariffs. All these types of issues that might seem to be relatively small in the minds of many here play a critical role in providing future growth in industries that could deliver good, solid, valuable jobs in the future.

There are some industries that we need to start investing more in. Sometimes we do not have to give a pile of money. It could be a tax credit. We do not just do this in the bland ways being suggested in the motion today. If we do specific targeting and put in some incentives, we could be that much more effective in getting the job done.

*[Translation]*

**Ms. Hélène LeBlanc (LaSalle—Émard, NDP):** Mr. Speaker, I would like to indicate that I will be sharing my time with the member for Surrey North.

I am pleased to rise in the House today to support the NDP motion to support small businesses in creating jobs, stimulating innovation and diversifying our economy. The motion calls on the government to extend the accelerated capital cost allowance by two years, reduce the small business tax rate immediately and introduce an innovation tax credit to increase productivity.

I am going to focus on the benefits of the second and third actions proposed in the motion for my constituency of LaSalle—Émard. I would like to describe the entrepreneurs in my constituency. After the halcyon years of the manufacturing sector, it experienced a significant decline, leaving room for small enterprises and businesses in various economic sectors. According to Statistics Canada's Business Register, the economic profile of the borough of LaSalle shows that 71% of the small businesses in LaSalle employ fewer than 10 workers, and 20% of them are in the retail trade sector, followed by transportation and warehousing with 11%.



*Business of Supply*

I would like to say that I have had an opportunity to visit many businesses and retailers in my constituency, whether along Dollard Avenue in Lasalle or on Monk Boulevard in the southwest. The entrepreneurs and retailers in my constituency demonstrate resilience, hard work and creativity, in spite of a difficult economy and fierce competition. Despite all their goodwill, however, and like the middle class, they are having trouble making ends meet. This is why tax relief for small businesses, as proposed in our motion, would mean they could focus on creating jobs in the community.

Ours has traditionally been a manufacturing economy. Canada, and in particular the Montreal region, was recognized for the strength and innovative capacity of its businesses. Unfortunately, in recent years, under the Liberal and Conservative governments, more than 400,000 jobs have been lost in the manufacturing sector. Those jobs were well paid and secure. They have given way to much more precarious jobs in economic sectors that are much more vulnerable to upheavals in our economy.

The small and medium-sized businesses that have managed to survive in the manufacturing sector represent nearly 40% of our GDP and employ some eight million people. In my constituency, the majority of which is middle class, 49% of business establishments are small, and I would even say very small. They operate in the manufacturing, retail trade and services sectors.

In 2013, 21.5% of the residents of Lasalle worked in the manufacturing industry. However, that figure indicates a decline from 2001 when 37% of the labour force in my constituency worked in the manufacturing sector.

In an urban constituency like the one I represent, with an unemployment rate of 8.2% that is rising to 15% among young people, where the middle class is having trouble making ends meet and where the next generation of entrepreneurs is a priority, we need concrete measures like the ones proposed by the NDP to support the middle class, to make our economy work for people and to encourage the creation of good jobs.

● (1700)

[English]

Furthermore, according to a recent study published by the OECD, Canadian federal investments in funding innovation as a percentage of GDP devoted to research and development are among the lowest of the OECD countries. While the average is 2.4% of the GDP, Canada is only investing 0.69%. This situation has a negative impact on our industrial competitiveness, our innovation capacity, job creation, and is damaging our economy.

As the Council of Canadian Academies mentioned in a study named, "Innovation Impacts: Measurement and Assessment":

Today, economic and social well-being is perhaps even more intimately tied to innovation....To ensure continued prosperity, governments must commit to innovation as a cornerstone of long-term public policies.

● (1705)

[Translation]

It is for that reason, and many other good reasons, as noted by the Council of Canadian Academies and the recent report by the OECD, that we are also suggesting the introduction of an innovation tax credit for the manufacturing sector to assist companies that invest in

machinery, equipment and property to further research and development.

Through such a credit, we seek to stimulate innovation and improve the productivity of Canadian manufacturers who make crucial investments in research and development by enabling them to save some \$40 million a year. These are key, specific proposals to stimulate innovation and job creation and help diversify our economy.

I would like to take this opportunity to pay tribute to some key partners: entrepreneurs and merchants in my riding with whom I work actively, including the Chambre de commerce et d'industrie du Sud-Ouest de Montréal, the Regroupement économique et social du Sud-Ouest, Développement économique LaSalle and other organizations that assist our entrepreneurs, encourage creativity and support our businesses.

In co-operation with the chamber of commerce and the Coopérative de développement régional Montréal-Laval, I organized a working lunch on the theme of co-operatives for business creation and for succession, a model for today and for the future.

As the critic for co-operatives, I would remind the House of the importance of co-operatives in business creation and succession. Entrepreneurs often do not think of this business model for entrepreneurial succession, and I would like to bring it once more to the attention of the House.

As an NDP MP, this is the work I am doing to support SMEs, merchants and industries in LaSalle—Émard.

The NDP motion designed to stimulate our economy and create jobs is part of the NDP plan to put Canada on the right track. It is part of our plan to build a sustainable economy for the benefit of all.

I call upon all members of the House to support the NDP motion and show their support for small and medium-sized enterprises, which create the vast majority of the jobs in Canada, and for our manufacturing sector.

[English]

**Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC):** Mr. Speaker, I am going to continue with the same question I had a little earlier.

I know that the member was in the chamber listening to the Liberal member for Winnipeg North's comments. I just wanted to highlight the fact that the record for unemployment was actually set by a Prime Minister called Trudeau back in 1983, when it was at its highest ever in the history of the country at 12%.

I took the opportunity to go back and look at the unemployment rate for every single year the Liberals were in office between 1993 and the time they were thrown out by the Canadian people. At no time did it ever hit the level we are at today. It was at 9%, 7.1%, and so on.

I heard him talk about the middle class, and I thought it was somewhat awkward for the leader of the third party to talk about the middle class, because the person who works on his Mercedes might be a member of the middle class, but not the guy who drives it.

*Private Members' Business*

After listening to that 20 minute speech, does the member have any idea at all what the Liberal policy is toward manufacturing? She has been in the chamber, listening to all of the Liberal speeches all day. Does the member have any clue of what the Liberal Party's approach to manufacturing is?

• (1710)

[Translation]

**Ms. Hélène LeBlanc:** Mr. Speaker, I wish to thank my colleague for his monologue. Personally, I wish to defend the interests of the people in my constituency. They are middle-class people, and they know that I am here to fight for them.

Small and medium-sized enterprises in Canada, like the middle class, often have difficulty making ends meet. I would therefore like the government to acknowledge that there are inequalities between very large companies, which it seems to favour, and very small companies, which the NDP wishes to favour. I admit that large, wealthy companies create jobs. However, we must also support the backbone of our economy, small and medium-sized enterprises, so that we have a rich and diversified economy.

[English]

**Mr. Jasbir Sandhu (Surrey North, NDP):** Mr. Speaker, I am a former small businessperson and have been talking to many small businesspeople in my constituency. They are very happy with the proposal by the leader of the official opposition on behalf of the NDP to decrease the tax rate on small businesses. As we know, small businesses are the ones that create 80% of the jobs.

What are you hearing from your constituents, and why are the Conservatives against small businesses?

**The Acting Speaker (Mr. Barry Devolin):** Presumably the question was through the Chair to the hon. member for LaSalle—Émard.

[Translation]

**Ms. Hélène LeBlanc:** Mr. Speaker, I thank my colleague.

It is important to remember that small and medium-sized businesses in Canada create local jobs. The owners of these businesses want to keep jobs here in Canada. They do not want to send them elsewhere. They are concerned about that.

The same thing goes for co-operatives. They want us to keep our jobs and our SMEs, and not sell them to the Americans or other countries.

**The Acting Speaker (Mr. Barry Devolin):** It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

[English]

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Barry Devolin):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Barry Devolin):** All those opposed please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Barry Devolin):** In my opinion, the nays have it.

*And five or more members having risen:*

• (1715)

[Translation]

**Mr. Philip Toone:** Mr. Speaker, we ask that the vote be deferred to Monday, February 16, at the end of the time provided for government business.

[English]

**The Acting Speaker (Mr. Barry Devolin):** The vote stands deferred until the House returns.

**Mr. Dan Albas:** Mr. Speaker, I think that if you seek it, you will find unanimous consent to see the clock at 5:30.

**The Acting Speaker (Mr. Barry Devolin):** Is that agreed?

**Some hon. members:** Agreed.

## PRIVATE MEMBERS' BUSINESS

[English]

### JOURNEY TO FREEDOM DAY ACT

**Mr. Mark Adler (York Centre, CPC)** moved that Bill S-219, An Act respecting a national day of commemoration of the exodus of Vietnamese refugees and their acceptance in Canada after the fall of Saigon and the end of the Vietnam War, be read the second time and referred to a committee.

He said: Mr. Speaker, on April 30, 1975, the Vietnam War ended. The capital city of South Vietnam, Saigon, fell to the Communist invaders from the north, but that is not where the story ends. April 30, 1975, began a new chapter in the lives of the people of South Vietnam.

It was the start of the exodus of millions of people fleeing that country, the land they had called home for generations. They were fleeing the harsh treatment and suppression of human rights by an authoritarian government; ethnic, religious, and political persecutions; political executions of former South Vietnamese officials and their families; forced resettlement in remote areas; and deteriorating living conditions brought on by food shortages, flooding, and drought. By 1979, some 600,000 South Vietnamese had fled.

Over the next three years, the refugee label “boat people” became familiar as Vietnamese began trying to escape from their homeland aboard small watercraft, seeking temporary refuge in neighbouring countries.

*Private Members' Business*

Many countries refused to allow them to land. The United Nations High Commission for Refugees reported that while attempting to escape, at least 250,000 Vietnamese people lost their lives at sea due to drowning, illness, starvation, and sexual assault or violence from kidnapping or piracy.

In response to this humanitarian crisis, Canada responded by opening our doors. Between 1975 and 1976, Canada accepted some 6,500 political refugees who had left Vietnam after the fall of Saigon. In October 1976, Canada accepted 180 boat people. In August 1977, there was a further commitment for 450 people. In 1978, the government agreed to accept 50 boat families per month. By 1980, some 120,000 Vietnamese refugees were welcomed with open arms to Canada. Also, by demonstrating an ongoing concern, Canada aimed to encourage countries of first asylum to open their doors as well.

By 1986, the United Nations High Commission for Refugees was so impressed by Canada's role in accepting so many refugees from South Vietnam that the people of Canada were awarded the Nansen Medal for their "major and sustained contribution to the cause of refugees".

This medal is the refugee equivalent to the Nobel Prize, and marks the only time in history that an entire country has been recognized in this fashion. That is why I am so proud to co-sponsor, along with Senator Thanh Hai Ngo, Bill S-219, or the journey to freedom day act, which will serve three purposes.

First, it would establish April 30 as a day to commemorate the exodus of refugees from South Vietnam.

Second, it would recognize the extraordinary humanitarian role played by the Canadian government as well as Canadian families, voluntary agencies, communities, synagogues and churches, and religious groups in welcoming so many Vietnamese so warmly into the Canadian family.

Third, it should also be noted that this period in Canadian history is one that is not well known among younger Canadians today. For that reason, April 30 should serve as a day of reflection and education. All Canadians should know the story of Vietnamese refugees who were forced to flee their native land, of the vast humanitarian effort that was undertaken by Canadians to welcome them, and of the triumph over adversity that the vibrant Vietnamese community in Canada represents.

Canada was among the first countries to welcome Vietnamese refugees with open arms. When the people of Vietnam were in need, Canadians from all walks of life answered the call without hesitation and opened their homes and hearts to over 60,000 Indochinese refugees who desperately needed a place to rebuild their lives.

This is the highest number of refugees per capita taken by any country in the world during this period. Canada's role in opening its doors to so many Vietnamese refugees is an example of the best of Canada. It is a true demonstration of Canadian values.

Here is a little bit of how it worked.

The federal government developed a private sponsorship program whereby institutions such as churches and groups of at least five adult citizens would take a refugee family into their care for a year.

● (1720)

For each person sponsored privately, the government accepted another refugee under its own care. It was Canada that pioneered the private sponsorship refugee program, enabling our country to accept a much larger number of refugees while also reducing the cost to the government coffers and providing an example to the rest of the world.

Without the warm and caring efforts of thousands of Canadians, and the leadership, support, and co-operation of the Canadian government, as well as refugee agencies, non-governmental organizations, and religious groups, the movement of such large numbers of people, under such urgent and difficult circumstances, would simply not have been possible.

It is written in scripture that he who saves a single life saves an entire generation. Today there are approximately 300,000 people of Vietnamese origin living in Canada. More than 100,000 of them live in the greater Toronto area.

On April 30, for the past 39 years, Vietnamese Canadians have gathered to remember a new beginning and to thank Canada. In 2015, the Vietnamese Canadian community will celebrate the 40th anniversary of the resettlement of the boat people to Canada.

This bill speaks to Canada's long-standing tradition as a beacon of freedom and democracy, a nation that generously embraced refugees who were forced to flee their homelands through no fault of their own.

One of the more remarkable developments in this story is that many of those who came to Canada as boat people are today sponsoring refugees themselves. They have partnered with the Government of Canada, under the leadership of our Prime Minister, to bring to Canada the last remaining Vietnamese refugees, who have been stranded, without status, in Southeast Asia, in places like Thailand and the Philippines, for nearly 40 years. What a proud legacy, and what an amazing way to mark their journey to freedom: by helping others.

This is an important bill, and today I ask for all members' support in moving it forward. National recognition of this day would serve as a point of pride for people of Vietnamese descent and for all Canadians, highlighting as it does the generous Canadian spirit and national respect for freedom. Our nation is one built by immigrants, and our communities are enriched by the vibrant mosaic of cultural heritage within them.

Never again shall Canada's refugee policy be as disgraceful and despicable as it was before and during the Second World War, a time when "none is too many" was the order of the day. Canada's warm, generous acceptance of immigrants and refugees is one of our nation's most sacred traditions. Our historic and continued commitment to diversity is one that we as a government must strive to recognize and honour whenever we can.

*Private Members' Business*

This bill would also provide an opportunity for all of us to reflect on our own commitment to a diverse and inclusive Canada, a place where we are all united in our values, regardless of race, religion, colour, or creed. It is so important for all Canadians to remember and reflect on our nation's history and how it has contributed to our current culture of pluralism, diversity, and acceptance.

This bill would also provide an excellent chance to reflect on the strengths and diversity the Vietnamese community has brought to our country and to thank them for their contribution to our cultural mosaic. We can all learn something from the refugees who were willing to risk everything to live in freedom, because a life lived without freedom is no life at all.

I am a first-generation Canadian, and this bill invites reflection on my own experience as a child of a Holocaust survivor, whose dad came to Canada with nothing more than the shirt on his back, a number tattooed on his arm, but most importantly, hope in his heart. For so many refugees who came to Canada, like the survivors of the Holocaust, the Vietnamese boat people, the persecuted Christians and Yazidis of northern Iraq and Syria, and so many others, each and every one of them had a right to turn their backs on humanity, yet they did not. They came to Canada in search of hope, hope for themselves, yes, but more importantly, hope for their children so that they would not be forced live under the yoke of oppression or persecution. They came to Canada because Canada is a beacon of light in the world, a country that stands tall and strong, adhering to the values of freedom, democracy, human rights, and the rule of law.

• (1725)

The journey to freedom day act would offer an opportunity to reflect on our commitment to the very best of Canadian values. It would give us yet another reason to showcase Canada as the best country in the world to call home.

Today I ask for my colleagues' support to pass Bill S-219 and help us declare April 30 as journey to freedom day in this great country of Canada.

[*Translation*]

**Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP):** Mr. Speaker, I thank my colleague opposite for his very compassionate speech.

I want to ask just one question so that we can really talk about reconciliation and the path toward democracy and freedom of expression. I would like to know if the member would argue in favour of his government giving all Vietnamese people the opportunity to express their opinion in committee.

We know that at the Senate committee, only testimony in favour of the bill was heard. I hope that in the spirit of genuine, open and frank dialogue, the parliamentary committee will hear from Vietnamese people from all walks of life so that we can finally talk about reconciliation and moving forward toward respect for human rights.

[*English*]

**Mr. Mark Adler:** Mr. Speaker, this legislation is not about reconciliation. This legislation is first about remembrance and second about celebrating the great Canadian spirit of remembering, of knowing who we are, and celebrating Canadian values of

freedom, democracy, human rights, and the rule of law. We are here in the House today as an example of that. We are debating the bill here in the House today.

I know what the hon. member is referring to. At the Senate committee a representative—I believe it was the Ambassador of Vietnam—submitted a letter on behalf of the communist regime of Vietnam to give its perspective on the journey to freedom day act, to which I understand it is vehemently opposed. He submitted his remarks in writing. Unfortunately they were not in French and could not be translated in time to be put into the record.

This is an important bill, and I really hope that, in the true spirit of our great Canadian values, all members will support it.

• (1730)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, my question is based on the response to the previous question with regard to the Vietnamese ambassador. I think there is support for this legislation to go to committee. Is the member in a position to ensure those who might be listening or interested in presenting at committee on his bill that there will be fair representation at committee stage, so that all who want that input will be provided with the opportunity?

**Mr. Mark Adler:** Mr. Speaker, I looked at the record of the debate in the Senate, and it appears that there were four votes against the bill by the Liberal Party and 14 abstentions. I am a little perplexed that the Liberals would be interested in hearing the communist views of the Vietnamese government, given that they seem to have already made up their minds that they will not be supporting this bill. Maybe I should not be surprised. I think it would surprise even members of the NDP that the Liberals would be interested in hearing that.

I would be shocked if the NDP were against such a bill that would celebrate our great Canadian values of freedom and democracy and yet, on the other hand, remember that those in their time of need were helped by Canadians. Their generosity and the great Canadian spirit of celebrating Canadian values brought so many refugees here to Canada who have made wonderful lives for themselves. We as a country have benefited by their presence.

[*Translation*]

**Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP):** Mr. Speaker, I am very pleased to rise in the House today to speak to Bill S-219, a very important bill, which was tabled in the Senate and which seeks to create a national day of commemoration of the exodus of Vietnamese refugees and their acceptance in Canada.

We sometimes forget what it really means to be here in a democratic society where citizens can elect their members of Parliament, and both citizens and elected officials can safely exercise their right to freedom of expression. Most of the world's population cannot exercise that fundamental right.

If I am able to rise today as a member of Parliament and speak in the House of Commons, it is because my parents had to flee Vietnam and were able to find refuge here in Canada, start a family, live in peace, work and support themselves.

*Private Members' Business*

I myself, Anne Minh-Thu Quach, was born in Canada and grew up in Canada, and it is because of my parents' courage and Canada's acceptance that today I can take part in Canada's democratic life.

I would like to take a few moments to recount how my parents fled Vietnam and arrived in Canada. In 1979, after the Vietnam War, my parents decided to flee their country because of the horrible living conditions imposed by the new political regime and in the hopes of finding a better quality of life elsewhere. They could no longer endure the restrictions, the violence and the injustices that happened after the war.

They jumped at the first opportunity to flee in the middle of the night, in secret, with my two brothers, who were one and three at the time. They made their way to a port and paid the smugglers with the last of their belongings, that is, whatever they could carry. They got on a boat, with the direction indicated by a compass, in other words, anywhere, wherever the captain would take them, not knowing whether or not he would bring them to a safe harbour.

They lived in a refugee camp in Indonesia for 18 months, before the Red Cross came to get them. They then arrived in Canada. They had no identification; they had no goods or belongings. They had only their own lives and my brothers' lives. Canada gave them papers and welcomed them as refugees with great generosity.

**An hon. member:** Hear, hear!

**Ms. Anne Minh-Thu Quach:** Yes indeed.

When they arrived in Canada, my parents had to learn everything: how to survive winter, speak French, drive a car, look for work, cook Canadian food. In short, they had to learn how to live in their new country.

It is thanks to people like Captain Pierre Pellerin, Ginette Malenfant, Nicole Leduc and Estelle, who has now passed away, who welcomed my parents, but also other people, including Fred and Bonnie Cappuccino and many Canadians who opened their doors to my family and welcomed thousands of Vietnamese as if they were part of their own family. From that point on, many Vietnamese were able to begin integrating into Canadian life and making a contribution to Canada. Many thanks on behalf of all Vietnamese.

However, like more than 1.5 million people, my parents were boat people. Canada accepted 137,000 Vietnamese refugees at the time. The federal government also established a private sponsorship program that allowed agencies and Canadian citizens to welcome a family of refugees and provide them with support for one year. For each privately sponsored person, the government would sponsor another refugee. An entire movement of solidarity was created.

Here in Ottawa, at the corner of Preston and Somerset, there is a monument paying tribute to the boat people. Marion Dewar, the mayor of Ottawa at the time and the mother of our colleague from Ottawa Centre, worked hard to welcome thousands of Vietnamese refugees, so many in fact that Chinatown here in Ottawa is a primarily Vietnamese neighbourhood, where they serve the famous pho soup that is so warm and comforting, especially on a cold day like today.

The Vietnam War was the result of 50 years of cold war that divided the world in two. For ideological reasons, countries were at

war, families were divided, men and women were murdered. Today, we no longer live in that bipolar world where everyone tried to impose their own truth. It is high time we began a real dialogue.

Earlier, I spoke about openness and dialogue, because this is something we really need. The Vietnamese diaspora, here in Canada and throughout the world, is divided by economic, political and religious differences.

• (1735)

A round table must be set up where everyone has the right to express their own views. This is how we will move ahead and ensure that the world will change.

I think that Bill S-219 provides a perfect opportunity to establish this dialogue, in light of the fact that it adds a positive aspect to the usual commemorations by emphasizing Canada's acceptance of the refugees.

Out of respect for our refugees and in recognition of the Canadians who opened their arms to Vietnamese refugees starting in 1975, I think it would be worthwhile to at least allow a parliamentary committee to properly study the bill. It is up to us—the children of refugees, those in exile and immigrants—as well as all other Canadians who are open and interested in this dialogue, to help initiate discussion and debate about the Vietnamese commemorations.

I had the good fortune to go to Vietnam to see my family and get to know the land of my ancestors. It is a wonderful country where people are welcoming and very special. I still have many family members living there, and I want them and all Vietnamese still living in Vietnam to have the same opportunities as I did, so that they can live in peace and security and enjoy democracy and universal fundamental rights as I do.

Unfortunately, that is not yet the reality for everyone in Vietnam. Vietnam has signed or acceded to seven international conventions on human rights. It is a member of the United Nations Human Rights Council. Human rights are entrenched in the country's constitution. However, lawyers, journalists, bloggers and ordinary citizens continue to be arrested, tried and imprisoned merely for expressing their opinions.

Today, we must not be afraid to tell the truth. Every human being is entitled to life, liberty and equal opportunity. I therefore reach out to all Vietnamese, and all Canadians, who wish to undertake this dialogue with me and with parliamentarians.

Bill S-219 provides us with that opportunity for exchange, because the wounds have not all been dressed as yet. We must take the opportunity to sit down around the table, as I said, Vietnamese from all walks of life, so that the process of dialogue and healing can begin and we can at last look to the future.

As the member opposite said, the ambassador of Vietnam was not able to be heard. I have received many emails from other Vietnamese living in Canada who want to participate in this debate and were not able to participate in the debate held in the Senate.

*Private Members' Business*

This bill has to take its course in the Parliament of Canada, and I want it to be considered in committee and for all points of view to be taken into consideration when it is examined. Unfortunately, as has been said, the committee did not hear all the witnesses, but I believe that the House to which we have been elected, the House of Commons, can do better and can hear from everyone at the second stage. It not only can, I believe it must.

To demonstrate our values of open-mindedness, democracy, empathy and generosity as has already been done, we should allow the debate to continue. Let there be no doubt on this point: I am asking questions because I believe the process can be improved. I am in fact in agreement, and it is very important that this debate be allowed to continue.

On a somewhat more positive note, as the Asian new year, the lunar new year, will fall on February 18, I wish everyone a happy Tết. That is the Vietnamese word for the new year. To all Vietnamese everywhere in Canada and elsewhere,

*[Member spoke in Vietnamese as follows:]*

*Chúc mừng năm mới!*

• (1740)

*[English]*

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I truly appreciate the comments that the previous speaker has just put on the record.

She did a phenomenal job in expressing what I believe can be found throughout our country, families that have come to Canada through refugee status and do well. I am sure her parents and her community would be exceptionally proud of the speech she just delivered.

With respect to the member of Parliament who introduced this bill, Bill S-219, I must say I am somewhat disappointed by the manner he chose to answer the question.

It would be nice to see Bill S-219 go to committee. I am supporting Bill S-219 going to committee. I did not appreciate the insinuation that the Liberal Party does not support Bill S-219 going to committee. There is a great deal of value to it.

Much like the former speaker, I raised the issue of the importance of the committee hearing because it was something that was raised. I do think it is appropriate and I was somewhat disappointed with the member's implication that I might not be supporting the bill itself.

I do support the bill for a number of reasons, and I would like to point them out. However, before I do that, I would like to comment that just this last summer I travelled to Vietnam. I have had the opportunity to visit countries in Asia, and it was a very enjoyable experience.

I travelled with my daughter. One of the things that she really appreciated was the number of scooters, because she loves motorcycles. If members have the opportunity to travel in high-density areas, they will get a good sense of the mobility of so many people in some very small areas.

I personally enjoyed the marketplaces, the interaction. I had the opportunity to visit both small and medium-sized businesses. I can reflect on a candle store that assisted people with disabilities in being able to produce truly unique, 100% beeswax candles. As well, there were larger manufacturing plants, one in particular for wrappings. It is a beautiful country.

Maybe I can make reference to some key messages that I think we would like to emphasize.

At the end of the day, what the bill is proposing is that this day would recognize the journey, struggle, sacrifice, and survival of the Vietnamese boat people and remember the historical significance of their travel here to Canada.

Such a day would serve as an opportunity to raise awareness and enhance understanding of the plight of refugees around the world and of what it is to endure the status of refugee.

It is important to recognize that not only were the majority of refugees unable to communicate either in English or French, but it was also at a time when there were challenging economic issues. This complicated things for a number of refugees who landed here in Canada.

This day would commend Canadian families, charities, religious groups, and non-governmental organizations that sponsored an estimated 34,000 Vietnamese refugees to come to Canada and assisted them in their resettlement and adjustment between 1979 and 1980.

This day would also serve as an opportunity to recognize the ongoing contributions of Vietnamese-Canadian people in all aspects of Canadian life and society, including medicine, engineering, business, science, law, academia, arts, media, civil and community service, and, as demonstrated, politics.

• (1745)

These services to our community and so much more have been great contributions by the Vietnamese community, which Canadian society as a whole has grown to love and care for, and which has become a part of our multicultural fabric.

When I was first elected, I had the opportunity to serve as the multicultural critic in the province of Manitoba. What an enriching experience that was. One of my privileges was to visit what we call "Saigon centre", located in Winnipeg Centre. It is a housing complex and a Vietnamese individual there, Ba Tran, whom I have become very close to over the years, did a phenomenal job in educating not only individuals like me, but also others about what took place in Vietnam. We are also very proud in Winnipeg knowing that in virtually all major centres now and every region of our country, we see an enriched heritage because of the Vietnamese contributions over the last number of decades.

I can remember going from Saigon centre, which is a beautiful housing complex, down the block to a monument. A member referred to a monument here in Ottawa. There is a monument across the street from the University of Winnipeg that highlights a very important part of Canada's history.

*Private Members' Business*

A statement that my leader often refers to is that Canada's greatest strength is our diversity. It ultimately allows us the greatest potential around the world. We need to take a great deal of pride in who we are as a relatively young nation. I have had the opportunity to talk about Folklorama, in which Winnipeggers and people from around the world participate. Through 35 years we have seen the Vietnamese community get directly involved in different types of pavilions and the sharing of culture and heritage.

I have grown to appreciate this since I was first elected in 1988. For the first 20 years of my elected life, every day I would drive by the Saigon Manor, a beautiful eight-storey apartment complex. It has enriched my life.

There are other things I should quickly make reference to. It is important for us to recognize that journey to freedom day marks a significant day for the collective history of Vietnamese communities around the world. It recognizes the fall of Saigon on April 30, 1975, the takeover of South Vietnam by the north, and the establishment of the Socialist Republic of Vietnam government and the beginning of the mass exodus of millions of Vietnamese people from their homeland.

The vast majority of the Vietnamese migrants came to Canada as refugees on January 1, 1975, where 1,500 persons of Vietnamese ancestry were already living, predominantly in Quebec. After the boat people crisis between 1979 and 1982, some 69,000 individuals entered Canada. This group of wonderful people ultimately settled in all regions and has enriched the quality of life of all Canadians. I look forward to the bill ultimately going to committee.

• (1750)

**Mr. Bob Dechert (Parliamentary Secretary to the Minister of Justice, CPC):** Mr. Speaker, I am very honoured to speak today in favour of Bill S-219. In particular, I want to thank Senator Thanh Hai Ngo, the first Canadian senator of Vietnamese descent appointed as a suggestion of our government to the Senate. He does a very good job in representing the Vietnamese community across Canada.

I would also like to thank my hon. colleague, the member for York Centre, for sponsoring the bill in the House of Commons, and for the very eloquent speech he made a few minutes ago. He is a person who, through his family history, knows of pain, adversity and the struggle to come to Canada. He mentioned his father, who was a survivor of the Holocaust, a victim of Dr. Mengele. Just a little over a week ago, on the 70th anniversary of the liberation of Auschwitz Birkenau concentration camp, he spoke about his father's struggles there and his journey to Canada.

For me, the bill tells the story of the Vietnamese Canadian community and their struggle to come to Canada, but it is a story we have heard over and over again, repeated throughout Canadian history. It is a Canadian story. It is a story that represents all of us. So many Canadians have come to Canada from places torn by war, from great adversity and oppression, and have struggled very hard through very difficult conditions to come to this country. They have found a place of refuge and freedom in Canada.

This is a country that we all love so much. It is incumbent upon all Canadians, regardless of their background, to learn these stories and to understand how these stories have contributed to our great country.

I appreciate the opportunity to voice my support for this important legislation. As I mentioned, it recognizes the lives lost and the suffering experienced by the exodus of Vietnamese people following the end of the Vietnam War on April 30, 1975, the day that Saigon fell to Communist forces. It was a war, as we all know, that raged for well over 10 years. It was bloody and violent, and people's lives were torn apart. So many innocent lives were lost.

That is not a happy anniversary, but it is one that we must remember. We have to remember these events in history and how they affect people around the world, especially those in Canada.

Canada has played a significant role in aiding tens of thousands of refugees after the fall of Saigon when, according to the United Nations commission for refugees, more than 1.5 million Vietnamese were forced to flee their homeland under the threat of deteriorating living conditions and, it should be noted, widespread human rights abuses.

During this humanitarian disaster that followed, Canadians rallied to offer whatever assistance they could. A crucial moment came in July, 1979, when a previous Conservative government, under the leadership of prime minister Joe Clark and his cabinet, at the recommendation of the then immigration minister, the Hon. Ron Atkey, recognized the plight of these Vietnamese people and agreed to accept 50,000 Vietnamese refugees over the following year. That was a very significant number for Canada to have absorbed in one year. The Hon. Ron Atkey is a personal friend of mine who I have known for over 30 years. He is a very fine lawyer in the Toronto area today. He exemplified the finest in Canadian government at the time.

This effort ultimately brought more than 60,000 boat people, as they were then called, to settle and build new lives across our great country. It is estimated that 34,000 were sponsored by Canadian families, Canadian charities, religious groups and non-governmental organizations, and another 26,000 were assisted directly by the Canadian government.

Throughout Canada, church groups and other community organizations sponsored families to come to Canada. I know that happened in significant numbers in my city of Mississauga and the city in which I grew up, Hamilton. I went to high school and university earlier in my life with some of the young people who came with their families. I saw first hand in their faces the pain they had experienced in leaving their homeland and coming to Canada.

The hon. member on the other side mentioned what a shock it must have been for people to come from a tropical place like Vietnam to a very cold place. Let us face it, here we are in early February in Ottawa, and any of us who have been outside today know it is very cold here. What a shock it must have been for these people who had been through so much in their lives already.

*Private Members' Business*

• (1755)

It was an unprecedented example of the compassion of Canadians toward a multitude of people in need. More than a quarter of a million Vietnamese refugees lost their lives at sea during the exodus from Vietnam. Just in travelling, 250,000 souls were lost. Things had to be very desperate in their homeland for them to take the enormous risk to journey to freedom. Some were beset with illness, while others drowned or were victimized by violence from piracy, kidnapping, and other forms of violence.

The arrival of the Vietnamese refugees in Canada and their settling into new lives in what was a foreign land to them stands as a shining example of how Canadians responded to a world catastrophe. Canada's compassionate response included many sectors, communities, and governments. Many Canadian families took the refugees into their homes and helped them find employment and schooling. It is considered an exemplary moment in Canada's history of humanitarian protection and, in fact, was a contributing factor to the United Nations High Commissioner for Refugees awarding its Nansen Refugee Award to the people of Canada in 1986. It was the first and only time that this prestigious medal was awarded to an entire nation.

Due to the overwhelming success of the private sponsorship of refugees program during this time, it became enshrined as a fundamental part of Canada's refugee resettlement program.

Contributing to the success story of the Vietnamese refugees who settled in Canada are the Vietnamese people themselves. Vietnamese Canadians are participating actively in public life in Canada, distinguishing themselves in business, politics, the arts, sports, and humanitarian endeavours.

Here are just a few examples. Kim Phuc, an internationally recognized survivor of the Vietnam war, has established a foundation to assist child victims of war here in Canada. Paul Nguyen, a second-generation Vietnamese Canadian whose parents fled to Canada, is a 2010 recipient of the Paul Zyzyk Award for Multiculturalism. Kim Thuy, an internationally renowned author, received a Governor General's award for her book telling her story of her arrival as a refugee. These are just a few of the many stories of great Canadians of Vietnamese heritage who have told their stories and contributed to the development of our country.

Communities of displaced Vietnamese people around the world already refer to April 30th as black April day. Designating that day in Canada to honour our Vietnamese Canadian population would show our support to a community that has flourished in this country, economically, culturally, and socially. Bill S-219 proposes to designate April 30th as the journey to freedom day in Canada, as a day that would acknowledge the sacrifices made by the Vietnamese people during a very dark time in world history.

Last Sunday, February 1, I attended the annual Tet festival celebration in Mississauga at the International Centre near the Toronto airport. The Prime Minister, Senator Ngo, and many dignitaries spoke there. It was a room of 15,000 people. This is about the eighth time annually that I have had an opportunity to join with the Vietnamese people in celebrating Tet.

There were many speeches made there about Bill S-219. It was just astounding to me to see the overwhelming support of the Vietnamese community in Toronto for the bill. They know it tells their story.

I also want to mention the Tribute to Liberty organization, which is constructing the monument to the victims of communism. It is very close to the parliamentary precinct, near the Supreme Court. The government has donated \$1.5 million to that project. I would encourage all Canadians to go to the website, [www.tributetoliberty.ca](http://www.tributetoliberty.ca), and make a contribution. The Vietnamese Canadian people will be a very significant part of those honoured on that monument. They are an example of the hundreds of thousands of Canadians who were victims of communism, who have struggled to come to Canada.

For all of these reasons, to honour the more than 300,000 Vietnamese Canadian people in Canada who contribute to Canada's prosperity and growth as hard-working members of our society, I want to encourage all of my colleagues here to support the passing of Bill S-219.

• (1800)

[*Translation*]

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Mr. Speaker, I am pleased to rise in the House to speak to the bill that is now before us.

First, while I do not want to reiterate what has been said in this debate so far, I nonetheless would like to say how proud I am that we can talk today about the contribution made by Canadians of Vietnamese origin. This bill once again gives us an opportunity to thank them for their contribution to our communities across Canada.

In the constituency of Pierrefonds—Dollard, there is a fine and dynamic Vietnamese-Canadian community, one that we do not necessarily see a lot of, but that is there nonetheless. It is so well integrated into all the fibres of the community that it sometimes goes unnoticed. Still, it is very much present and very well integrated, in the social, economic, community and recreational spheres.

This is all by way of saying that I could not talk about this bill without mentioning them. I thank them for being part of our community and for the invaluable contribution they bring to it.

I will also take this opportunity to say that this day of commemoration is possible because at a certain point in Canada's history, we opened our doors and we decided, as a country and as a society, to welcome people who were seeking refuge following a major crisis. When a war that caused much human tragedy ended, Canada opened its doors and took people in, and they are now an integral part of the social, economic and political fabric of Canada.

The reason I bring it up this way, and I cannot conceal it, is that as citizenship and immigration critic for the NDP, I have to say that things have changed in Canada since that time.

Consider one simple figure. After the war in Vietnam, about 60,000 Vietnamese were admitted to Canada. Sixty thousand people sought refuge and found it here in our country.



*Private Members' Business*

I cannot help but draw a parallel with the current Middle East crisis, particularly in Syria. The United Nations tells us that this crisis is unprecedented. Hundreds of thousands of people have sought refuge either inside or outside the country, and yet the minister tells us that to date, only 1,300 Syrian refugees have been admitted to Canada since the beginning of the crisis, unfortunately.

The commitment to admit 1,300 refugees that the minister put on the table and that he has had every imaginable difficulty meeting on time is rather shameful when we compare it to the openness we showed some 30 years ago, when we took in 60,000 people who were fleeing hardship in their country of origin. I think those figures speak for themselves.

Let us go a little farther and examine the measures implemented in recent years, which have meant so many changes in the way we admit people seeking refuge.

For example, we could mention the changes to the interim federal health program, a federal program that offered basic health care for refugee claimants in Canada. Because of the changes made by the Conservatives, we now deny basic health care to people living here, in Canada, such as pregnant women and children, who do not have the medications they need to live safely within our borders.

I could also mention the changes made in relation to how refugee claimants arrive in Canada. At present, for example, a group of people who arrive by boat after fleeing a crisis in their country and seek asylum in Canada would automatically be incarcerated and might very easily be sent back, simply because they arrived by boat.

• (1805)

It is as if, when fleeing a crisis situation, people can choose exactly how and when to do it. These individuals are usually victims or people who want to give their children a better future or perhaps even save their lives.

Lastly, I want to talk about the list of countries of origin. The simple fact that a refugee claimant in Canada comes from a country on the list of countries of origin, which are for the most part recognized as stable, democratic countries, means that they are much less likely to be accepted. Furthermore, such individuals have no appeal mechanism available to them. This is problematic when we know that in some countries on that list, people are definitely discriminated against for their sexual orientation, for example, or even their cultural and ethnic origin. Consider, for example, the Roma, a population that faces increased deportation since the Conservatives changed the procedures and added their country of origin to the list. Basically, Romas face discrimination and danger in their country of origin. Because these individuals come from certain countries, they do not have the opportunity to be heard and they do not have time to gather all the necessary documentation to file a claim, in the same way as someone from another country might.

I mentioned just two or three measures that the Conservatives changed over the past few years. As a result of these measures, we are not welcoming 60,000 people who are facing a crisis or a war in their country of origin. We are committing to accommodating a hundred or so people, or a thousand, when global needs are so much greater. Canada has proven that welcoming a larger number of people because of an international crisis does not necessarily lead to

a tragedy or an internal crisis in our country. On the contrary, this is a good opportunity to remember that these 60,000 Vietnamese who arrived after the war were welcomed by Canada. They integrated very well and are full-fledged Canadians. They are proof that Canadians are capable of welcoming people and that together, we can build a better country. Without these people from South Asia, Canada would not be the country it is today. We can be proud that we welcomed all those people.

It is important to remember that at the time, the United Nations recognized Canada's impressive role in taking in refugees. Sometimes it would be nice to go back and polish our image and say that we are still the Canadians we once were, that we are still the country that we once were, and that we want to take people in and do our part in times of crisis, and that the international community can turn to Canada knowing, as it did when Canada was a leader, what its role will be.

I would like to end on a positive note by reminding everyone that we are talking about Vietnamese Canadians and their contribution today. Hats off to them, not only for what they have contributed, but also for the challenges they have overcome so brilliantly. Anyone seeking asylum here in Canada faces those challenges. Nobody chooses to be a refugee. I can hardly imagine the challenge that individuals face when they have to leave the people they love, the places they love and the culture, country and climate they love, sometimes in great haste, but I can understand it. Seeing how successful these people are today inspires me to thank Canadians in general for opening their arms, for contributing through social programs, for being so open and for welcoming these people. I think that all of us here in the House should salute all refugees, including the Vietnamese refugees who arrived 30 years ago, and congratulate them on having overcome their obstacles and on becoming part of the big Canadian family.

• (1810)

[English]

**Hon. Peter Kent (Thornhill, CPC):** Mr. Speaker, I rise enthusiastically in the few minutes left in debate to support Bill S-219, the journey to freedom day act.

I spent a significant amount of time in Vietnam in my previous life as a journalist in the 1960s, 1970s, 1980s, and even into the 1990s. I had the dubious privilege of being in Saigon on that dark day, April 30, 1975, when I was lifted out of the American compound with the final Americans present, other third country nationals, and more than 7,000 South Vietnamese nationals. I watched with great concern during the dark years of re-education through the late 1970s and afterward, and followed with great concern the plight of those who were forced through circumstance to leave their country and seek a better life elsewhere.

*Adjournment Proceedings*

I can reassure my colleagues who expressed concern, the members for Beauharnois—Salaberry and Winnipeg North, that this bill will be going to committee. The committee will hear witnesses across the spectrum, and I look forward to seeing the Vietnamese ambassador during this coming committee study.

I would say to him that this bill is not a condemnation of the present government. We have close and good ties with the current government. This portrays a particularly dark period and the journey to freedom of hundreds of thousands of people. Of these, 60,000 came to Canada. In fact, greater freedoms came to Vietnam not through war but through the pressures of capitalism, free enterprise, and the will of the people for better lives in Vietnam.

Just to conclude, the significance of the commemoration of journey to freedom day is really threefold. It would mark the tragic events following the fall of Saigon and the exodus of the Vietnamese refugees. It would also pay tribute to all of those Canadians who rose to the challenge, welcomed the traumatized refugees, and helped them adjust to a new and better life in a new and unfamiliar land. Finally, it would celebrate the incredible contributions that the Vietnamese refugees have made to the building of our great country.

This was demonstrated just last week at this year's Tet celebration in Toronto, where members will recall that the Prime Minister addressed a crowd of over 10,000 grateful Canadians of Vietnamese origin.

All Canadians should know the story of the Vietnamese refugees who were forced to flee their native land, of the vast humanitarian effort undertaken by Canadians from coast to coast, and of the triumph over adversity that the vibrant Vietnamese community in Canada represents today.

● (1815)

**The Acting Speaker (Mr. Barry Devolin):** The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

The hon. member for Thornhill will have six minutes when this matter returns before the House.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

### NATURAL RESOURCES

**Mr. François Choquette (Drummond, NDP):** Mr. Speaker, I am very pleased to be here this evening.

I would like to return to an important issue that I raised a few weeks ago, that is, environmental assessment. On November 24, I asked the Minister of the Environment a question about the pipeline assessment process.

Under the Conservatives, we no longer have a credible mechanism to determine whether projects are socially acceptable. The pipeline assessment process has been completely discredited.

The Minister of Natural Resources declared that social acceptability is nothing more than an ideological concept and that they cannot rely on the public. He does not care about public opinion.

People from all over Canada believe the complete opposite. In fact, it is vital that a project be socially acceptable in order to create jobs and to ensure that the public takes ownership of the project and is proud of it.

This week, an article in *Le Devoir* explained that the National Energy Board had once again restricted the public from participating in the pipeline assessment process. The changes made to the assessment process for energy projects have made it nearly impossible for the public to express their concerns, which would help improve projects and make them accessible.

The article also mentions that nearly 100,000 people signed a petition presented last Monday to the National Energy Board. They shared their concerns and demanded more access, so that they can contribute their experience, their views and their concerns about certain pipeline projects, such as TransCanada's energy east pipeline, whose assessment process just started. People can now sign up to have their say on this pipeline project.

I encourage everyone affected by this pipeline to have their say. It is very important. Those people demanded not only that there be more access, but also that the costs associated with GHGs from the pipelines be absorbed. That position is shared by the NDP and our leader, since we believe this is the challenge of the century.

Why have the Conservatives made it so difficult for the public to gain access to environmental assessments? What were they thinking? This will have a negative impact on social acceptability and pipeline projects. Why are they trying to undermine pipeline projects?

● (1820)

[*English*]

**Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC):** Mr. Speaker, let me begin by saying, as we have stressed in this chamber many times, that national energy infrastructure projects will only be approved if in fact they are safe for Canadians and safe for the environment.

The independent National Energy Board undertakes a science- and fact-based review of projects. In every case, project proposals brought to the NEB are scrutinized through this transparent process, which involves high-quality science and the technical knowledge and expertise of numerous federal department and agency experts. Evidence brought to the board's attention is tested for its veracity and its comprehensiveness to ensure that final decisions are based on science and facts, not ideology. Unlike the member and his party, we support this independent science-based review of proposed pipeline projects.

Allow me to quote, though, the other side. The leader of the NDP said, "There are some things that some people would send to the NEB that we would say no to".

While the opposition would rather make decisions on projects based on ideology, we will not take positions on projects until the NEB's review is complete.

*Adjournment Proceedings*

On this side of the House, we have been very clear that no pipeline will proceed in Canada unless and until it will be safe for Canadians and safe for the environment. Canadians can be confident in this rigorous review process and in the National Energy Board's ability to conduct an independent, fair, and open review of proposed pipeline projects.

I would like to remind members opposite that the NEB's scientific review of proposed pipeline projects includes taking into account comments submitted by the public, by industry, by environmental groups, and by aboriginal peoples. In determining if a person or organization has relevant information and expertise, the NEB considers a number of factors.

Once the NEB determines that a project application is in fact complete, it will issue a hearing order for a rigorous science-based review of the project to determine whether it is in the Canadian public's interest. During this process, interveners have the opportunity to test the evidence submitted and to provide comments on proposed mitigation measures to ensure that the project can be built safely for the environment and for the public. The board will assess all the evidence and formulate a recommendation. Through this rigorous process, our government ensures that no major pipelines proceed unless safe for Canadians and safe for the environment.

[*Translation*]

**Mr. François Choquette:** Mr. Speaker, my colleague said that the National Energy Board uses a number of factors to determine who will or will not be accepted. We do not know what those factors are, and they have been reduced more and more in order to limit access to these consultations. That is why there are petitions with 100,000 signatures from individuals and groups who are asking for greater access to the hearings.

The window for applying to intervene in the process has been reduced to such an extent that people are tearing their hair out trying to understand how they can gain access to these consultations. Moreover, the greenhouse gas impact of the pipeline will not be factored in.

These two elements show the Conservatives' lack of leadership and are detrimental to major projects. Limiting access to the consultations does not help major projects.

Once again, I would like to know what the National Energy Board criteria are. They should be disclosed and forwarded to us.

• (1825)

[*English*]

**Mr. Jeff Watson:** Mr. Speaker, I am very troubled to hear the member opposite talk down the independence of the National Energy Board, its competence, and how it conducts its affairs.

**Mr. François Choquette:** That is not what I said.

**Mr. Jeff Watson:** Mr. Speaker, I hear the member buzzing over there on the other side. I had the respect to listen to the member when he was talking. I would expect the same respect in the House, and I am sure his constituents back home would expect him to conduct himself in such a suitable manner.

All we have heard is the talking down of the energy board. It has been clear, and the Leader of the Opposition has signalled to this

House on occasion, that were they, God forbid, given the opportunity to govern this country, the New Democrats would make decisions on these projects based on ideology rather than trusting the credible, independent science-based, fact-based review of the energy board.

That is not the position of this government. We trust the independence and the science-based expertise of the National Energy Board and the process, including the input of public and industry stakeholders, to produce a result and a recommendation to the government. As we have said before, the government will not approve projects unless they are safe for the public and safe for the environment.

## RAIL TRANSPORTATION

**Mr. Mike Sullivan (York South—Weston, NDP):** Mr. Speaker, the events in Lac-Mégantic more than 18 months ago have caused the Canadian public to wonder just how safe our railroads are. Many communities like mine in York South—Weston grew up around railroads, as railroads were a key driver of economic growth for them. Alas, that economic driver has long since left my community, but the railroad tracks remain and are perilously close to houses, schools, daycare centres, seniors' facilities, and other sensitive locations throughout the riding and the whole of the city of Toronto.

Railroads began shipping crude oil in quantity in 2009 and have increased that amount more than five hundredfold since then. This means that trains with several hundred carloads of crude oil whiz through our neighbourhoods several times each day. Until the Lac-Mégantic accident, people did not pay much attention to this. We thought of crude oil as the sticky tar we saw on television on beaches after Exxon Valdez or the BP spill in the Gulf of Mexico. Who knew it was more like gasoline and that the effects of an accident could be so deadly?

When we learned at committee that even carloads travelling as slowly as 20 kilometres an hour ruptured and exploded at Lac-Mégantic, I demanded action from the government. The scathing report of the Transportation Safety Board found no one individual at fault but 18 different causes, including massive failure by Transport Canada, which reports to the Minister of Transport.

The Transportation Safety Board recommended that alternative speeds and routes be explored to move trains around major cities. This was one of many recommendations. This is done routinely in U.S. cities like Washington and New York.

The government's response was to lower speeds to 60 kilometres per hour in cities and to demand that the railroads do risk assessments and analyses of alternative routes to be provided to Transport Canada.

*Adjournment Proceedings*

The results of those government-demanded risk assessments and route analyses were provided to Transport Canada last fall. At committee I asked Transport Canada to provide a copy of those assessments to the committee as part of our study of the transportation of dangerous goods. The City of Toronto also requested copies of those reports. Imagine my surprise when Transport Canada replied to the committee that it would not release the risk assessments, that they are somehow the property of the railroads and are somehow protected, confidential information.

These reports and assessments were demanded of the railroads by the government as a necessary part of the determination of the level of risk the railroads were exposing populations to. The government can and should treat these reports as publicly available information and should have clearly indicated this to the railroads when these were demanded. To suggest now that residents of my riding or any riding through which a railroad runs cannot know the potential risk of the railroad to them, based on speed, routing, and the use of rail cars with a long history of rupture, is an affront and unacceptable situation.

To suggest, as the parliamentary secretary has done, that Transport Canada will only share notices and orders issued to the railroads with municipalities does not deal at all with the need for individuals and municipalities to know specifically what risk there is, what mitigation measures are available, such as rerouting and speed reduction, and any other information that may be disclosed by a risk assessment.

Residents of York South—Weston and beyond have learned that Transport Canada has not been a very good steward of the safety of Canadians. The Transportation Safety Board and the Auditor General of Canada were highly critical of the actions of Transport Canada. We deserve to see the evidence, and until it has proven itself worthy of our trust, we need to see these risk assessments.

• (1830)

**Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC):** Mr. Speaker, I beg the great indulgence of my colleague. We had an adjournment proceeding a couple of nights ago in which I gave prepared remarks because I thought the risk assessment question was to be asked at that particular proceeding. I gave a detailed response, so I point the member back to that response. However, he asked a separate question, the one I thought he was asking today, so I would like do two things.

First of all, I want to respond to one aspect of what he said today, and that is about what the TSB said in its report. In fact, it reported that the cause of the accident in Lac-Mégantic was that an employee did not follow the established rules—which have the force of regulations, once approved by the minister—with respect to the application of hand brakes, and more importantly, with respect to testing their effectiveness. Those rules were not followed, and that is why the Sûreté du Québec proceeded with an investigation and laid charges as a result. A criminal court proceeding is now under way. That should be clear for the record.

I do owe the member some pertinent information or response with respect to the question he asked Tuesday. He did have some discussion with respect to the Transport Canada budget.

With respect to the budgets that the government has passed in this House without the support of the opposition, I would remind the member that over \$100 million was for investments in the rail safety framework. That all came as a consequence of the rail safety review that had been initiated by this government and the report that had been received by the government pointing out the need to put in place additional measures in the rail safety framework.

With respect to the estimates, which list the requests for and the timing of spending year over year, obviously there are fluctuations. What the member referred to as “cuts” fall into two categories.

One category is savings. There are grant-based or application-based programs for rail grade crossing improvements, for example. There are other measures such as the airport capital assistance program in the air sector. If people are not applying for the money, the money does not get spent, even though it may have been allocated or prepared to have been spent. That is not a cut in aviation or rail safety; it is simply money that was not spent in a particular year, which is an important distinction.

The other thing that was referred to mistakenly as cuts are shifts.

First of all, there are certain responsibilities that were moved to other departments, and the funding followed those responsibilities. For example, in the case of environmental assessments, some of those responsibilities in the department were moved to the Canadian Environmental Assessment Agency, along with the funding. That is not a cut. It may not have been spent by Transport Canada, but it may have been spent elsewhere in the government.

Second, there were shifts of funds from back-office operations to the front line. There were legitimate cuts. Funding for professional services is significantly down. Waste is down. Senior bureaucrat travel is significantly down. It was in measures like those that we were able to find savings.

By contrast, just as one example, officials at the Transport Dangerous Goods directorate testified that their budget moved from \$13 million to \$20 million, which is what would be expected for dealing with any potential risk in the safety system.

We are getting the job done, and I hope the member will support us in that regard.

**Mr. Mike Sullivan:** Mr. Speaker, first let me say that I do not vote against budgets that increase rail safety; I vote against budgets that decrease environmental protection. I vote against budgets that deliberately do not protect Canadians from environmental disasters. That is what we are voting against, and not specifically the cut to rail safety. When it is all put together, one has to vote against it.

*Adjournment Proceedings*

On the issue of the cause of Lac-Mégantic, the new director of the Transportation Safety Board said again today that the result was not because of an individual. She said in a speech at the Economic Club of Canada that there were 18 separate causes and that even if the individual had followed the rules, which he admittedly did not, it would not have stopped the train, because the regulations were not sufficient and Transport Canada's oversight of that particular railroad was not sufficient. Transport Canada was in fact partly to blame.

• (1835)

**Mr. Jeff Watson:** Mr. Speaker, when it comes to assessing the budgets of the government, I have often heard New Democrats say in this House that rail safety is a priority. Then they turn around and say, "Well, other things were more important, and that is why we are against your budgets."

It is a question of priorities for this government. We have put significant resources into improving rail safety in this country. We

are on a hiring blitz for more inspectors and more auditors to address the concerns that the Auditor General has raised.

If he says it is a priority, I wish the member opposite would synchronize his stated priority with the fact that the budgets of the government authorize the funds to increase rail safety. At the next go-round when the budget is tabled, if there are funds for that, I encourage him to support it.

[*Translation*]

**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 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:37 p.m.)

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