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Speaker: The Honourable Peter Milliken

Speech from the Throne

Resumption of Debate on Address in Reply

Hon. Geoff Regan (Halifax West, Lib.):

Mr. Speaker, I hope that the former member for [Random—Burin—St. George's](#), Bill Matthews, is watching today because he will see that the excellent tradition that he carried on while he was here is being continued by the new member for that riding. I am so glad that I mentioned the fact that he was also the member because otherwise I would be hearing from him for sure.

Thank you, Mr. Speaker, and I would like to congratulate you on your re-election. I would also like to congratulate all members who, thanks to their election, hold a seat in the House of Commons. I would like to congratulate all new and returning members. It is an honour for us to sit in this place. It is a privilege and with it comes considerable responsibility.

I also want to thank my wife Kelly and my children, as well as my parents, for their support and guidance every day, and all those who supported me and worked for me in the last campaign, but it is of course my responsibility to serve all of my constituents.

Winston Churchill once said, "It's not enough that we do our best; sometimes we have to do what's required". The people of Halifax West sent me back here for a fifth time to do just that, to do what is required. I am grateful and deeply honoured to have this responsibility. We must do what is required for the future of our country.

Today is National Child Day, as has been mentioned. What we do in the next few weeks and the next few years will have a profound impact on the next generation. In these tough economic times, those children and all Canadians deserve a Parliament that will do what is required, that will put people ahead of petty partisan ideology. Yet it is our responsibility on this side of the House to hold the government to account and cause it to face up to reality, to face up to the facts before us.

Unfortunately, Canada has entered the escalating economic crisis that is gripping the globe with a lot fewer options than we should have. We are on the cusp of a deficit because of the actions, or lack of action, by the government over the past two years. Canadians know we have seen two years of mismanagement and that the government has put us in a very difficult position.

The [Prime Minister](#) and the [Minister of Finance](#) have demonstrated gross incompetence over and over again. They squandered a \$12 billion surplus that they inherited from the previous Liberal government. They abandoned the \$3 billion contingency reserve, which was a hallmark of fiscal prudence, a cushion that made sure governments did not fall into deficit. They abandoned that idea entirely. They recklessly became the biggest spending government in this country's history.

Who is paying the price for this fiscal incompetence, this economic mismanagement? It is Canadians, Canadian families, Canadian seniors, Canadian forestry workers, Canadian auto workers, poor people and pensioners. What is the government's solution? Its solution is a broken promise on deficits.

A month ago the [Prime Minister](#) was saying it was a ridiculous notion to think that the government would go into deficit. Now he is talking about it as if it is an ordinary thing. We are talking about a garage sale of crown assets and a Speech from the Throne that has little new and much that has gone unmentioned.

It is time for the [Prime Minister](#) and his [finance minister](#) to own up to their fiscal incompetence and economic mismanagement.

Some in the country are opening the door. We are hearing some people saying that it is actually maybe not so bad having a deficit. They are letting the government off the hook. How soon they forget. They should ask Michael Wilson if it is easy to get rid of a deficit, as his boss Brian Mulroney promised back in 1984. What did he do? Instead he doubled the debt over that period and left the country with the highest deficit in history of \$42 billion. How soon they forget.

Once deficits have started, it is obviously very hard to remove them. They could ask, if he were here, and unfortunately and regrettably John Savage is not here today to tell us, what it was like to deal with the debt that he inherited in my province of Nova Scotia from the Buchanan government, which started with a debt of less than half a billion dollars. In only 10 years it increased by 700%.

It is not easy for governments. Once they are in deficit, once that borrowing habit is started, it is a hard habit to kick and a very dangerous one.

The American philosopher George Santayana said, "Those who cannot remember the past are condemned to repeat it". The government was left with a \$12 billion surplus. It cannot point the finger at the previous government because whatever investments were made by the previous government, it still left behind a \$12 billion surplus.

The government arrived in government with the best fiscal conditions of any government in the country's history and it is trying to blame the world economy for the fact that it is already falling into deficit. Previous governments before this one would have given their eye teeth for such fiscal conditions, for such ability to spend and to keep the economy in good shape, but the government squandered it.

They ran a deficit for three months this year. The government is heading for a deficit, and current economic conditions will lead it further into deficit. They did not have to fall into such a serious deficit situation, but their choices created their current situation. And that is certainly a deficit.

As a country we will have much less ability to respond to what is happening in the world economy and in our country and its economy. As a result, the country will be left in a much worse situation than it would be otherwise because of the steps the government took over the past two years. It is really the result of reckless pride and profligacy. The government ignored

the advice of economists on how to handle its finances. It ridiculed the opposition and its suggestions and its concerns about where the government was going, where it was heading into deficit. It even said the notion of going into deficit was ridiculous. Suddenly it has become real; it is no longer ridiculous at all. The government frittered away the surplus with promises and programs targeted to gain votes.

This is not the time for more retail politics aimed at various groups with whom the government wants to curry favour. People who are anxious about their pensions or who have lost their jobs, whether they are in my riding of [Halifax West](#), or in Quebec City, or Windsor or Vancouver, do not care on what side of the aisle we sit in here. They want us to do what is required, which is to protect their homes and jobs, secure their pensions, support their families and, of course, help those who need it most. That does not mean executives with fat bonuses or large corporations.

Many are concerned about what has happened on Wall Street for the past few months and the fact that there was a system of compensation which encouraged short-term thinking, that there was this deregulation in the U.S., the kind of deregulation that we have seen that party advocate for so many years. Thank goodness the Conservatives did not have a majority. Thank goodness they did not have their way with our financial institutions. Imagine the mess we would be in today if they had.

I sat down a few days ago with people who provide services to those who are struggling with poverty, new immigrants facing barriers to employment, seniors, people with disabilities and people who are losing their jobs. This meeting of groups that are serving these people was organized by health workers because these things impact people's health. When the economy is strong as we have seen, as Statistics Canada showed a couple of years ago, between 1996 and 2005 poverty actually declined in the country and there was less domestic violence. With a strong economy, good things happen. However, when we have problems, the government has to respond.

I look forward to having the opportunity to continue with questions and comments.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC):

Mr. Speaker, I congratulate my hon. colleague on his re-election to the House.

Part of his party's election platform advocated \$12 billion in spending cuts. I also remember that in the previous Parliament his party criticized the cuts to the GST.

My two-part question for the hon. member is very short and fairly simple.

First, does he still stand by his party's position that the GST is too low and should go back up to 7% to solve the fiscal stresses we have now?

Second, what specific programs does he suggest for the \$12 billion in cuts that his leader campaigned for in the last federal election?

Hon. Geoff Regan:

Mr. Speaker, what my hon. friend is actually trying to do is to evade responsibility for the problems of the day. His party is the government. The Conservatives have formed the government once again. I congratulate him on his re-election and his party. However, the problem is that the Conservatives are the ones who have put the country in this dire situation. For two months at the beginning of the fiscal year and for the month of August, the country has been in deficit. How soon they forget.

Imagine that 10 years after we managed to climb out of deficit we would actually consider it would be so soon that a government would come and put us in deficit even before the economy got into trouble, not because of economic recession but because of recklessness and carelessness about the future.

It is up to the government to propose solutions. We will work with the Conservatives if they are reasonable. That is important. We want to have co-operation across the House. However, we will also hold them to account and hold them responsible for their activities and their mismanagement.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP):

Mr. Speaker, I listened to those fine words. I heard about the deficit. Earlier one of the member's colleagues spoke about \$13 billion in surpluses. The House well knows from where that \$13 billion surplus came. It came on the backs of workers and employers in our country. It came from EI money.

I would like to ask the member of the greatly reduced caucus what happened to the other \$40 billion which was taken out of EI.

Hon. Geoff Regan:

Mr. Speaker, I congratulate my hon. colleague on his election. It does not seem to be that he is one of those who is inclined to reduce the pettiness in the House, although I would encourage him to consider doing so.

The question of the deficit and how it was removed is one in which the NDP failed to play a positive role. In fact, every time there were measures in the House to get the economy of the country back in shape to reduce the deficit, to strengthen our economy, that party voted against them. The new member needs to do a little research and a little history. He needs to know a bit about the past of our country and what happened over the past years. When the economy strengthened, when the Liberal government got our finances in order, interest rates came down. The economy flourished. It created jobs. Poverty was reduced. People were better off.

In that situation real people benefited. Ordinary Canadian families were better off. If that is not what we are here for, then why are we here? We are here to serve people and to try to provide better conditions for every family in our country. If members fail to recognize this, they ought to reconsider why they are here.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):

Mr. Speaker, it has been since 1785 when New Brunswick and Nova Scotia were one. We have had many rivalries as provinces, but there is one thing I am sure the member will agree with and that is shipbuilding is a current industry very well thought of in both provinces and Atlantic Canada in general.

I ask my friend to refer to page 7 of the Speech from the Throne which speaks about the Canadian manufacturing sector and the automotive and aerospace industries, not shipbuilding. It talks about traditional industries and does not mention shipbuilding. Does he think the government has given up on shipbuilding? Does the government think that shipbuilding is a sunset industry?

Hon. Geoff Regan:

Mr. Speaker, it is very disturbing. When the government talks about industries, about high-tech industries, it fails to comprehend that shipbuilding should be listed among them. If one understood the kind of technology that goes into a modern ship these days, one would recognize this is cutting edge technology.