



CANADA

House of Commons Debates

VOLUME 141 • NUMBER 129 • 1st SESSION • 39th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, March 27, 2007

—

Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Tuesday, March 27, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to lay upon the table the report on the Canadian parliamentary delegation to Benin, Burkina Faso and Mali from January 8-16, 2007.

[*English*]

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, pursuant to Standing Order 34(1) I have the pleasure of tabling, in both official languages, the report of the Canadian delegation to the 15th annual Asia Pacific Parliamentary Forum, which took place in Moscow from January 21 to January 26.

* * *

COMMITTEES OF THE HOUSE

HEALTH

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Health, entitled "Healthy Weights for Healthy Kids".

Pursuant to Standing Order 109 the committee requests that the government table a comprehensive response to this report.

PUBLIC ACCOUNTS

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I have the pleasure to table the report from the Standing Committee on Public Accounts dealing with the protocol for the appearance of accounting officers as witnesses before the Standing Committee on Public Accounts. If I may say so, I consider this a historic report.

With the passing of the Federal Accountability Act, deputy ministers are designated accounting officers. This report sets out the protocol as to the accounting officers' appearance before the public accounts committee.

There was a major dispute. The Privy Council and the Treasury Board Secretariat felt that it was their job and their job alone to

determine how, why and in what manner accounting officers appear before Parliament, but as everyone in this assembly knows, that is not the case.

I am very pleased and honoured to present what I consider to be an historic report.

PUBLIC SAFETY AND NATIONAL SECURITY

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Public Safety and National Security. In accordance with the order of reference of Friday, May 19, 2006, your committee has undertaken and has completed its review of the Anti-terrorism Act as required by section 145 of the act.

I had the honour of chairing this committee and I want to commend members from all parties who took part in this study. The report was first undertaken in the 38th Parliament. It is now complete and is tabled today in the House. All members of the committee worked very hard and worked well together, but I do want to pay special tribute to the member for Scarborough Southwest, who really went above and beyond and did a great job of learning all of this. I am pleased to table this report.

* * *

CANADIAN SOLDIERS' AND PEACEKEEPERS' MEMORIAL WALL ACT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC) moved for leave to introduce Bill C-417, An Act to establish a Memorial Wall for Canada's fallen soldiers and peacekeepers.

He said: Mr. Speaker, it is an honour to rise this morning to present a bill to establish a memorial wall for Canada's fallen soldiers and peacekeepers.

Since 1885, over 115,000 people have shown unconditional sacrifice and have died in the service of this country. Before 1970, by Canadian law, those who had fallen were buried in the country in which they died. These individuals either were lost at sea or were buried outside Canada, in 73 countries around the world.

A memorial wall would be the only national memorial to properly honour all those who have given their lives in war and peacekeeping duties. It would allow Canadians and visitors the opportunity to understand the magnitude of the sacrifice that was made to ensure we maintain the rights and freedoms we enjoy today.

In closing, I want to thank Messrs. Ed and Robert Forsyth, who did yeoman service on this issue. Those who have a greater interest in this issue can look at their website at www.memorialwall.ca.

Routine Proceedings

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

* * *

INCOME TAX ACT

Ms. Chris Charlton (Hamilton Mountain, NDP) moved for leave to introduce Bill C-418, An Act to amend the Income Tax Act (deductibility of remuneration).

She said: Mr. Speaker, in my riding of Hamilton Mountain, and indeed right across this country, hard-working families are increasingly recognizing the existence of a prosperity gap. They do not feel that they are benefiting from the economic growth they keep hearing about. They are right. The numbers back them up. Not only is there a growing gap between the rich and the poor, there is also an alarming erosion of economic security for middle class families.

In 2005 Canada's top 100 CEOs were earning 240 times the salary of the average Canadian worker. By 10 a.m. on New Year's Day, the top CEOs have earned more than most Canadians make in a year. A recent poll showed that 82% of Canadians believe that one of the ways to narrow that prosperity gap is to close the tax loopholes that allow wealthy Canadians and corporations to pay less than their fair share of taxes. That is precisely what my bill does.

This legislation will no longer allow companies to write off against their business taxes the salaries of their CEOs and corporate officers in excess of \$1 million. This is particularly important in communities like Hamilton, where companies that are seeking CCAA protection from the courts are protecting the multi-million dollar salaries of their key executives through court-supported KERPs while they are exacting wage, pension and benefit concessions from their workers.

I want to thank my colleague, the member for Winnipeg North, for her support. I hope the House will recognize the inherent fairness of this legislation and pass it quickly.

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

* * *

●(1010)

PETITIONS

VISITOR VISAS

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have the honour of presenting a petition signed by almost 800 citizens and collected by the Canadian-Croatian Chamber of Commerce. The petitioners strongly urge the government to adopt Motion No. 99 and thereby follow the lead of the United Kingdom by lifting visitor visa requirements for Croatian nationals.

Croatia has made huge strides in recent years and today is a democratic free market country on a par with most European states. Croatia is also contributing internationally, standing shoulder to shoulder with Canada in Afghanistan, and is currently the second largest non-NATO troop contributor to the Afghanistan mission.

It is time for Canada to lift visitor visa requirements for Croatia.

SUPERINTENDENT OF BANKRUPTCY

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, I rise today to present a petition on behalf of a number of petitioners in my riding and across Ontario who feel that a bankruptcy that took place in September 2001 was poorly reported by the Superintendent of Bankruptcy. They ask that the report of the Office of the Superintendent of Bankruptcy be rescinded and the necessary steps taken to cause a corrected report be released.

LABELLING OF ALCOHOLIC BEVERAGES

Ms. Judy Wasylcia-Leis (Winnipeg North, NDP): Mr. Speaker, it is with deep regret that I present this petition on behalf of many Canadians, who also regret the fact that I have to continue to present this petition. This has to do with the fact that almost six years ago Parliament passed a motion to put alcohol warning labels on all beverage containers.

Here we are, many years later and two or three governments later, and still there is no action. Canadians are very upset and disappointed that parliamentarians say one thing at one moment and show support for dealing with fetal alcohol syndrome and then in the next moment refuse to implement this. That goes for Liberals and Conservatives. It is time, the petitioners say, that this motion was passed and action taken.

FOREIGN CREDENTIALS RECOGNITION

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I have the pleasure of tabling two petitions today.

The first is signed by hard-working families on Hamilton Mountain who are concerned about the recognition of foreign credentials. They state that Canada's failure to recognize the credentials of qualified, skilled and professional foreign-trained immigrants is not only hurting the economy and immigrants alike, but it is also contributing to unacceptable levels of child poverty and is increasing the strain on social services.

They are petitioning Parliament to create a foreign credentials recognition agency that will ensure foreign-trained immigrants meet Canadian standards while getting those who are trained and ready to work into the workforce as quickly as possible.

●(1015)

IMMIGRATION

Ms. Chris Charlton (Hamilton Mountain, NDP): My second petition, Mr. Speaker, is with respect to my colleague's bill, Bill C-394, the bill that we in the House call the once in a lifetime bill. Family reunification must be a key component of a fair immigration policy. The current family class rules, as we well know, are too restrictive and mean that many close relatives are not eligible.

The Budget

The petitioners are asking the Parliament of Canada to ensure, by passing Bill C-394, that Canadian citizens and landed immigrants are given that once in a lifetime opportunity to sponsor a family member from outside the current family class as it is currently defined in the Immigration and Refugee Protection Act.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 26 consideration of the motion that this House approve in general the budgetary policy of the government.

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, it is my pleasure to stand and talk on the budget today. I will focus my comments on the budget, specifically with reference to British Columbia and, obviously, how it affects my Department of Natural Resources.

I want to begin by saying at the outset that this is one of the best budgets that we have seen in this place for a long time. The budget is balanced, it cuts taxes for working families and it protects priorities like health care and the environment. We have seen long term committed investment in infrastructure. It restores the fiscal balance to provinces and gives them the resources they need to deliver frontline services to Canadians right across the country.

In my home province, the economy is very strong. Last month, British Columbia led the nation in job creation with over 32,000 jobs. We are seeing the lowest unemployment in British Columbia that we have had in 30 years. We have an unprecedented level of construction, over \$110 billion of activity planned between now and 2015. The Port of Vancouver alone saw a 56% growth in traffic with China last year and British Columbia is the gateway between our two continents. With one of the strongest economies that we have seen in a long time, our budget will continue to build on this to ensure we have continued strong economic growth.

One of the greatest strengths in the budget is that this government is one of the first governments to ever deal with equalization. The days of political gerrymandering of equalization formulas days before a budget to ensure one province gets more than another are gone. Again, this is something that was long overdue.

British Columbia is not one that is used to being a recipient of equalization. The equalization program started 50 years ago, the year I was born, and it was only once in 50 years that British Columbia

has ever had to rely on equalization. I cannot help but note that it was only after 10 years of disastrous mismanagement under the provincial NDP government. British Columbians commonly refer to that time as "B.C.'s dismal decade". It is something British Columbians never want to go back to.

The budget contains a number of very positive initiatives. One of the greatest strengths in the budget is the long term commitment to infrastructure. More than \$33 billion has been committed to infrastructure in the next seven years and, of that, \$4.8 billion will flow to B.C. The money will go directly to things like roads, highways and bridges to ensure our province's economic growth.

The budget contains an extra \$1 billion specifically committed to the Asia-Pacific Gateway where that money is already flowing. We have made a strong commitment to the 2010 Winter Olympics. Our government will accelerate the investments in own the podium program to support athletes who will compete against the world in Vancouver-Whistler. This is over and above the \$55 million that our government committed this year to cover cost overruns, adding to the almost \$400 million we have committed.

Some other very important criteria in the budget is the 50% straight line write-off provisions for manufacturing equipment. This will result in \$57 million in income tax relief for B.C. manufacturers. Again, this will be a welcome addition to the forest industry where it will be able to invest at a greater rate in modernizing some of the mills in British Columbia, which I think would be a very positive step forward.

Obviously, one of the cornerstones is families. British Columbia families alone will receive over \$300 million through the new \$2,000 child tax credit, the working income tax benefit and increases in the basic spousal support.

Another strong focus by our government is on the environment. The budget contains a number of initiatives. The Prime Minister announced in a number of provinces the \$1.5 billion ecotrust part of this budget. Coming back to British Columbia, \$200 million will allow British Columbia to pursue its priorities where it believes it can make the greatest reductions in greenhouse gases and other emissions.

The Budget

● (1020)

We have invested \$30 million in the Great Bear Rainforest. In R and D, we are committing \$15 million to the Brain Research Centre at the University of British Columbia. We have another \$30 million in the budget for the Rick Hansen Foundation. We all know the great work that Rick Hansen is doing with people with spinal cord injuries and the practical applications that will help to improve their quality of life. The budget also contains \$40 million to implement the immunization program to combat cervical cancer.

All of those are very real, practical applications that will help every Canadian in every corner of the country.

I will now come back to the environment. The budget contains an incentive to buy fuel efficient cars and it imposes a levy on those that are inefficient. Those are very strong commitments to take real action. I know that my department has invested \$2 billion in our ecoenergy initiatives. Again, all of those are initiatives that will have a significant benefit to the environment.

I will quickly touch upon those initiatives. First, we looked at where we could make the greatest gains on reducing greenhouse gases and emissions and we decided to really focus our priorities. We have invested \$230 million in targeted research on things like clean coal technology and CO₂ capture and storage where we can remove almost all the emissions out of coal-fired generation plants. That is where this technology is going. We want to put 4,000 megawatts of renewable energy on the grid; absolutely clean energy that is emission free, things like wind, solar, biomass and small scale hydro. Those are important initiatives to which our government is committed.

We also want consumers to do their share. We announced our ecoenergy efficiency initiative where consumers will be able to have an audit done and get a grant of up to \$5,000 to make their homes more energy efficient.

All of those initiatives are real, practical applications on which we will see real results.

On a larger scale, we have launched our CO₂ capture storage task force where we are working with the Alberta government to find out what we need to do to start sequestering CO₂ gases, capturing them, putting them into a pipeline and putting them back down into the ground in the geological formations where they are best stored.

Those initiatives show great growth and great promise. The technology is there but it has never been done on a commercial scale of this magnitude. This is a priority for our government. We think there is an enormous promise and opportunity there, as well.

I want to mention some other really specific areas to natural resources. The one that is long overdue is our \$60 million commitment to streamline the regulatory approval process. In the budget, our government has committed \$60 million in resources over the next two years and \$150 million over the next five years to create a major projects approval office for all Natural Resources' major projects. Under previous governments, it was quite a painful process. The applicants quite often would need to go through a number of federal agencies. We want to streamline that process so they come through a single window approach, which would provide certainty.

We will also get a much stronger result for the environmental process as it will be focused again.

Those are a number of initiatives that our government has undertaken. I have absolutely no doubt in my mind that the budget will continue to ensure strong economic growth, that we will see great initiatives to protect the environment and that there will be even more coming forward. Those are the types of things that Canadians, in every corner of the country, have been asking for.

● (1025)

We are very proud to deliver this budget on behalf of all Canadians. I look forward to receiving support from all corners of the House as this budget will have a very strong impact on the lives of everyday Canadians.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the prior government had a program that was commonly referred to as the EnerGuide program where Canadians could have energy audits done on their homes to determine their condition in terms of energy efficiency. The Government of Canada would subsidize the audit fee by \$100. After any work was done and to get the credit that was offered under the program, a post-audit was required to ensure the work was done and that it would translate into valuable and necessary work to make the home even more energy efficient and that the investments and the credits being offered by the government was money spent wisely. That generally was the program that was in place.

The minister outlines that Canadians can also now apply for up to \$5,000. I wonder if the minister could explain to the House the mechanism that will be in place so that all Canadians can be assured that any moneys that are being contributed for the work done on their homes are subject to some scrutiny so that the investment that the Government of Canada is making is a wise decision.

Hon. Gary Lunn: Mr. Speaker, I am happy to answer the question. What the member is specifically referring to are the audits. Under the new ecoenergy efficiency initiative, all homeowners will need to have an audit done before and after. One of the major differences is that the homeowner will need to pay for the audit because we want to get their participation early on.

In one of the programs under the previous Liberal government, after people had government subsidized audits, 70% of them did nothing. They did not do any renovations. Only 30% of the people actually went on to do any retrofits. Over 50¢ of every dollar was being doubled up in administration, which is inefficient for an efficiency program. There were absolutely changes made.

The Budget

I will give another example. Hundreds of the programs of the previous government lacked focus and direction. We are trying to really focus our programs so we get results and there is accountability.

One program that comes to mind was another energy efficiency retrofit program for commercial buildings which was actually doing some good work. Ironically, when I looked into it further, does the member know who the Liberal government was giving cheques to under that program? It was giving cheques to the Royal Bank, to Zellers, to MacDonald's, to Famous Players Theatres and the list goes on and on.

Our government does not feel that we need to be subsidizing those types of profitable corporations that can do the retrofits on their own. We absolutely made changes that we believe are in the taxpayers' interests.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I have a concern about the budget. While the manufacturing sector will receive a 50% capital cost allowance, which is probably good because it can invest in retooling and all those things that he talked about, I want to know how that helps the industry, especially the forest industry in Vancouver Island North and elsewhere in British Columbia where we have had so many mill closures because of the softwood sellout and raw log exports. What incentives are there for manufacturing to stay in British Columbia?

The minister spoke previously at the natural resources committee about being concerned about raw log exports but I have not seen anything in the budget that would stop that and would keep the manufacturing and the value added in British Columbia where we should keep our jobs.

• (1030)

Hon. Gary Lunn: Mr. Speaker, specifically, this manufacturing accelerated capital cost allowance is exactly the type of thing that will help the forest industry. It will be able to make investments and it will receive obviously some assistance or accelerate the depreciation on this equipment, which is badly needed.

Our government has also recently invested \$400 million in the forest industry: \$200 million to help them cope with the pine beetle problem, and another \$200 million to help restructure the forest industry to ensure its long term competitiveness.

I am very proud to say that this is an unprecedented commitment. We have not seen these types of investments in the forest industry for many years. The industry itself, under FPInnovations, will be prioritizing these funds. It has brought research institutes together to decide where to best invest this money. This investment was strongly supported by the Forest Products Association of Canada and all the players. It was very well received.

These are the types of specific investments that we are making in the industry that will show results and ensure that we have a long term sustainable industry in every corner of the country.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, I will be splitting my time with the member for Labrador.

I am pleased to have the opportunity today to comment on the recent Conservative budget. Like most Canadians, I was hopeful that the budget would provide substantial measures to address issues

such as social justice, the environment, and economic development and prosperity. Like most Canadians, I was extremely disappointed when the budget failed to deliver on any of these priorities.

As the member of Parliament for Nipissing—Timiskaming, I was also looking for some kind of indication that northern Ontario and rural Canada would no longer be overlooked by the Conservative government, but once again, the budget proved that the Conservatives have all but abandoned the people of northern Ontario.

The budget made no mention whatsoever of regional development programs such as FedNor. Rural issues were simply ignored and precious little was done to address the needs of farmers.

What I find truly astonishing is that the Conservative government has increased federal spending by more than \$24 billion over the past 14 months and yet the average Canadian has very little to show for it.

While the Conservatives are willing to invest millions of dollars to encourage youth participation in Canadian heritage sports like three down football and lacrosse, they seem unwilling to put money toward high profile areas such as municipalities, post-secondary education, and the fight against climate change.

Like most Conservative initiatives, the budget is big on rhetoric and small on substance. It serves as further proof that the Conservative government is more concerned about electioneering for the short term than helping the average Canadian succeed now and in the long term.

Take for instance the Conservative government's proposal to encourage Canadians to use fuel efficient vehicles. The Prime Minister would like us all to believe that this is a formidable way of addressing environmental concerns and promoting greener initiatives. Upon closer examination, however, we quickly discover that only eight vehicles will be subject to the full green levy of \$4,000, seven of which have an initial price tag of \$100,000.

Furthermore, for Canadians who are interested in buying more fuel efficient vehicles in the hope of qualifying for the highly touted rebate, most will be very surprised to learn that only 21 vehicles in all qualify for a rebate, and of those only four qualify for the full \$2,000 rebate.

In truth, the Conservative budget that promised something for everyone neglects those who are most in need.

There is little relief for single taxpayers or childless couples. New cash for aboriginals and affordable housing is conspicuously scarce or missing altogether. The \$250 million a year being spread among the provinces that agree to create child care spaces falls well short of the \$1.2 billion promised by the former Liberal government in each of the next three years.

One only has to scratch the surface of the Conservative budget to recognize that the Prime Minister is aiming tax cuts and fiscal perks at politically popular targets rather than those who need it most.

The Budget

For instance, new spending committed this fiscal year for aboriginal causes totals a paltry \$21 million. The budget contains no new cash to repair, let alone replace, housing on more than 600 reserves that the Auditor General has warned is increasingly decrepit.

It is also worth noting that a Conservative government, that seems convinced that tax cuts are the only solution to the world's problems, has refused to provide any broad based reduction in Canadian personal income tax.

Lower personal income taxes are far superior to cutting the GST in terms of Canada's longer term prosperity and productivity. Lower income taxes induce people to save more and to invest more in improving their skills and education, whereas lower consumption taxes simply encourage spending.

Furthermore, the finance minister did not see fit to permit full income splitting whereby couples could file joint tax returns and split their combined incomes evenly between them, thereby reducing their total tax bite by thousands of dollars.

The promised tax exemption for reinvested capital gains is also nowhere to be seen, with the finance minister left saying he will do something at some time. That is not very specific.

In short, the Conservatives have implemented tax policies that look helpful on the surface, but their benefits are cancelled out by the tax hikes on low and middle income Canadians hidden in last year's budget which have still not been reversed.

During the last campaign, the Conservatives ran on a platform of fiscal discipline and economic prudence. The budget further emphasizes what Canadians have already come to expect from the Prime Minister and that is that he simply cannot be trusted to deliver on his commitments.

The Harper government wasted a year slashing funding and breaking promises instead of making—

• (1035)

The Deputy Speaker: Order, please. The hon. member knows he cannot refer to the Prime Minister or any other member for that matter by name and he just did. Do not do it again.

Mr. Anthony Rota: Mr. Speaker, in 2006 the Conservatives promised 125,000 new child care spaces over five years. Fourteen months into this mandate Canadian families are realizing that this promise was not worth the paper it was printed on. There have been zero spaces created in this past year.

What is worse, the so-called universal child care credit, which is neither universal nor child care, is fully taxable and the government will rake in an average of \$400 per family.

The reversal by the Conservatives on income trusts caused Canadians \$25 billion from their savings. The softwood lumber deal left \$1 billion, money of Canadian businesses, in the hands of their U.S. competitors. The Conservatives decided to cut \$1 billion from crucial social programs despite a \$13 billion surplus.

Now the Conservatives are on a spending spree, repackaging many of the programs that were originally cut. They are misleading

Canadians by re-announcing the programs as new, in a cynical strategy aimed at calling an early election.

The restraint that the Conservatives preached while in opposition is nowhere to be found in this budget. The \$4.4 billion in new spending announced in this budget for 2007-08 comes on top of a normal rise in the cost of government and items announced in previous budgets. In all, it means that spending will rise by 5.6%, from \$189 billion to \$199.6 billion. It is interesting that the government kept the spending under the \$200 billion. This may be something that it wants to brag about. The spending will go up again in 2008-2009 to \$206.8 billion. It will lose its bragging rights then.

In other words, the Conservative government which pledged to keep a cap on expenses will have overseen close to an 8% growth in spending on new federal initiatives during its first year in office. Although the Conservatives tried to rationalize the numbers by including projections in future years, the fact is that 8% growth this year and 6% next year far exceeds the economy's projected growth.

It almost goes without saying that this kind of big spending approach is both irresponsible and unsustainable. In the words of one analyst, the budget demonstrated "a massive unconservative and fiscally irresponsible expansion of government".

When the Liberals took office in 1993 they inherited a debt and deficit ridden economy from the Conservatives and turned it into the best economy in the G-7. Thanks to 13 years of Liberal government fewer Canadians now live in poverty, the unemployment rate is the lowest it has been in 30 years, and a strong economic base allowed us to build a better Canada.

What we are witnessing is a regression of epic proportions; an inflationary budget that could have devastating consequences on the Canadian economy for years and possibly generations to come.

In short, Canadians were expecting the Conservative government to put the long term economic growth and prosperity of the country ahead of whatever plans they may have for an early election. This budget clearly falls short.

On behalf of the people of Nipissing—Timiskaming I will be voting no on this budget.

The Budget

•(1040)

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, perhaps you will remember the days when we had to eliminate a \$42 billion deficit. I remember you being here. It was a time when we made some serious decisions and trade-offs. The previous Liberal government eventually left surplus budgets to the Conservative government. I can say that it is unbelievable how many people the government has left behind in this budget when we consider the surpluses with which it is operating.

I want to ask the hon. member, what does he feel and what are his constituents saying about the failure of the government in relation to tax relief? The government has attacked the lowest income Canadians. The government has actually raised taxes. It did not reverse the mistake that was made in last year's budget.

There is the issue of the environment where the government cut back the Liberal commitment to renewable energy to 4,000 megawatts from 5,500 megawatts in support of clean and sustainable production. This goal is not reached either.

The government has talked a great deal about the end of provincial and federal bickering. It did not take long for the premiers of this country to criticize the manner in which the government is dealing with federal-provincial relations and now it has reneged on commitments it actually made.

I also want to ask my hon. colleague his feelings about the fact that the Conservative government has also failed in preparing Canada for the 21st century when it cut programs such as the CAN-Trade strategy and scrapped initiatives that relate to universities. The government offers absolutely no hope for students. The Conservatives have also not created one single child care space as the member correctly pointed out. How can a government with so much have done so little?

Mr. Anthony Rota: Mr. Speaker, the hon. member did a very good job of giving a synopsis of what the government has done, which is precious little.

We talk about the tax cuts. The tax rate base for lower income Canadians was 15%. The Conservatives came into government bragging about how they were going to lower taxes. What did they do? They raised the rate by half a per cent on the most vulnerable people in Canada. That is unacceptable. That is just not Canadian, for lack of a better thought.

What I look at what the Conservatives did cut, it was the GST. The GST cut of 1% is where we see where the Conservative government is going.

Someone who orders a lobster dinner will save 1% on the bill for that lobster dinner. That is pretty luxurious and it might be a fair amount, but someone who can only afford a hamburger will not have the same amount of saving. The real difference can be seen there. We can look at the price of cars. Someone buying an expensive car saves a substantial amount. Someone who buys a cheaper car does not save that same amount.

When we look at it we can see the real difference in where the Conservatives are concentrating. If people have money, then the Conservatives are really there to help them out, but if people are

struggling and trying to get ahead, I am sorry but the Conservatives are just not there.

In talking about cars, my hon. colleague mentioned the environment. We heard about the Conservatives' great tax credit. There is going to be a levy of \$4,000 on a vehicle if it produces too much carbon or burns too much fuel. There are very few cars that qualify. What I find very interesting is the way in which the levy will be implemented. CTV reported that it will be implemented by the manufacturer. It will be buried in the price and it will not be seen. On a \$100,000 vehicle, \$4,000 probably will not make a difference to the buyer.

Let us look at the other extreme. On a cheaper, low end vehicle, if people qualify for the \$2,000, it is graduated. Most who do qualify will only qualify for perhaps \$500 or \$1,000 and not the full \$2,000. In that situation it will not be buried in the price. People will apply and they will get a cheque from the Government of Canada, which is the Conservative government. We can see the optics of this and how the Conservatives have engineered it so that they look like the ones that are handing out the cheques.

The Conservatives talk about accountability and honesty in government. I am sorry but I really have to question what kind of accountability and honesty there is in that program.

•(1045)

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, I am pleased to speak against this divisive minority Conservative budget. I say divisive knowing that the Tories themselves are divided on its merits, especially when it comes to their successful efforts to create a fiscal imbalance in Canada.

This weekend a Conservative candidate in a Newfoundland riding, Ms. Cynthia Downey, washed her hands of the Conservative Prime Minister, her own leader, in no uncertain terms. Not only will she not run again, she says that she feels "very betrayed because...I spent...weeks saying that"—the current Prime Minister—"was the person who would work best for Newfoundland and Labrador...this gentleman has not done what he said he was going to do". She said that the Conservative Prime Minister, whom she campaigned for last time, has got feet of clay.

There are so many things that could be said about the shameful flip-flop by the Conservative government. The only thing is most of them have been said before.

For instance, "It is so nice not to have to drag a prime minister kicking and screaming to fulfill a promise to our province". That was Premier Danny Williams speaking not so long ago about the current Prime Minister and, by implication, insulting the former Liberal prime minister. I wonder whether Danny Williams would say the same thing now.

In a speech to the Empire Club of Canada in February 2005 Premier Williams said that the prime minister, the member for LaSalle—Émard, "lived up to his commitment. I applaud the Prime Minister for keeping his promise". It was a Liberal promise made and a Liberal promise kept. Contrast that with what Premier Williams now says about the current Prime Minister and his duplicity and broken promises.

The Budget

Here is another line said by another Conservative: “What we need is fairness. We certainly do not need another snow job”. That was said by the current Minister of Fisheries and Oceans. A snow job is just what the people of Newfoundland and Labrador got. It is also what the people of Nova Scotia and the people of Saskatchewan got. It was a blizzard of deceit. What about this statement:

This deal must be outside the equalization process. This deal must confirm that 100% of the revenues go to Newfoundland and Labrador. This deal must not be subject to clawback. This is what was promised and this is what must be delivered.

That is a statement by the same minister again in a press release dated October 18, 2004. I wonder, does the Minister of Fisheries and Oceans today feel the same way?

I will mention this statement:

The two MPs reiterated that the Prime Minister's promise of 100% of offshore revenues, with no Equalization clawback, is a promise to which they intend to hold the...government, today, next week and in the weeks to come—until the promise is honoured in deed, as well as in word.

The two MPs who iterated that are, once again, the current Minister of Fisheries and Oceans and the member for St. John's East.

Our regional minister had another line for the press after his motion was voted on back on November 16, 2004: “This vote was either you're for us, or you're against us”. Perhaps it is time for him to decide who he was for, who he was against.

How about this statement: “I'm really surprised that”—he—“would sell out our province on billions of dollars”. He said that they have gone back on their word and that it is okay to share in poverty but not in prosperity.

That was said by the minister's colleague, former provincial finance minister Loyola Sullivan, who now is in patronage heaven in DFO. He was talking about our former regional minister, Mr. Efford, in the Transcontinental newspapers in November 2004.

There is this one: “We cannot be assured of obtaining 100% of the net revenues from offshore...unless the Conservative Party has made these solid written commitments, wins this election and becomes the Government of Canada”. That was said by former Conservative cabinet minister John Crosbie writing in *The Western Star* in June 2004. How naive. We had a written commitment. Look at what it was worth. It was not worth the paper it was written on.

The Conservatives opposite vilified and demonized hon. members on this side of the House throughout 2004 and 2005 and now they find themselves defending their own broken promises. We kept our promise on the Atlantic accord.

Premier Williams recognizes that the former prime minister, the right hon. member for LaSalle—Émard, kept his word and he also recognizes that the Conservatives have not kept theirs. It was a Conservative promise made and a Conservative promise broken.

• (1050)

All three Conservative members from our province have disappointed us on this issue. They have turned their backs on the people of Newfoundland and Labrador.

The member for Avalon, for example, wrote, “no province will be adversely affected”, to which the premier responded:

It basically doesn't give the clear and unequivocal support that I asked for....That letter could have been a lot stronger.

I have in front of me the Prime Minister's letter of January 4, 2006. It contains his promise concerning equalization. It is one of six occasions where he made the same promise in writing, the same broken promise. It would be one thing if this were the only Conservative broken promise to our province and to my riding of Labrador, but it is just one of many.

The Prime Minister also said:

A Conservative government would support extending custodial management...to the nose and tail of the Grand Banks and the Flemish Cap—

Now the fisheries minister is NAFO's best friend and NAFO is his best friend. He says everything is fine beyond the 200 mile limit. It was a Tory promise made and a Tory promise broken.

The Prime Minister wrote, “We support...in principle” a loan guarantee for the development of the Lower Churchill. I noticed that the Prime Minister recently announced financial aid for hydro development in Manitoba, for which I am pleased for the people of Manitoba, but anyone who was counting on federal money for hydro projects in Labrador is sorely disappointed. It is a Conservative promise made and a Conservative promise broken.

The Prime Minister wrote:

—an effort must be made to ensure that there is a fair distribution of the federal government presence across the country.

According to the most recent Statistics Canada data, there were fewer federal employees in our province after the Tories took power than there were the year before. Again, it is another Conservative promise made and another Conservative promise broken.

The Prime Minister promised a Conservative government would support a cost-shared agreement to complete the Trans-Labrador Highway. What was in the Tory budget? There was no money for the Trans-Labrador Highway, not a cent. There are infrastructures, like the building Canada fund, but the Trans-Labrador Highway is not eligible. Thanks for nothing, I say to the Conservatives, literally. It is a Conservative promise made and a Conservative promise broken.

The Prime Minister wrote that a Conservative government will:

Station a new Rapid Reaction Army Battalion...at CFB Goose Bay.

Station a new long range Unmanned Aerial Vehicle (UAV) Squadron at CFB Goose Bay...maintain a foreign military training program at 5 Wing Goose Bay and actively encourage increased allied flying training operations at 5 Wing Goose Bay.

Four Tory promises made and four Tory promises broken; goose eggs for Goose Bay.

This one is a gem: “A Conservative government would live up to and respect its constitutional responsibilities” for Marine Atlantic. The constitutional responsibility is to maintain a service to Port aux Basques in accordance with the traffic offering. What did the Conservatives announce last month? They announced Marine Atlantic fare hikes, fuel surcharges, and hints that they will reduce services, and there is nothing in this budget. It is a Tory promise made and a Tory promise broken.

The Prime Minister wrote:

The Budget

A Conservative government would develop infrastructure programs which will allow provinces to address their unique needs and requirements.

What is in the budget? There are infrastructure programs that go nowhere near far enough and which certainly do not allow us to address our needs or requirements, especially in Labrador. It was a Conservative promise made and a Conservative promise broken.

And of course, there is the granddaddy of them all, where the Prime Minister wrote:

We will remove non-renewable natural resource revenue from the equalization formula—

It was a Conservative promise made and a Conservative promise broken. My Liberal colleagues from Nova Scotia have made that very point forcefully in the last number of days.

No one on this side believes that the Conservatives kept their promise. No one in the provincial government believes it. No one in our media believes it. The only ones are the Conservatives over there, the Prime Minister and the Minister of Finance, the money bunny, the Minister of Fisheries and Oceans and the Minister of Foreign Affairs, who are hiding behind their buddies on the front benches, deflecting questions on how they have betrayed their own people, the very people who elected them. The members for St. John's East, Avalon, South Shore and Cumberland—Colchester are the only ones who believe they have kept their word. They might be fooling themselves but they are not fooling anyone else and they do not deserve a second chance to entice the people again with promises they have no intention of keeping.

On behalf of the people of Labrador, I will vote against this budget.

• (1055)

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I listened intently to the member's speech and I have a real concern with the way those members characterize the deal with the Atlantic accord.

I heard part of *Cross Country Checkup* on the CBC on my way to the airport on Sunday. The same kind of misinformation was being put out by various members. This is what I am talking about. Let me give the man a quick analogy.

Let us say an employee is hired onto a sales job and his boss said that he would pay him \$5,000 a month. He was doing sales of around \$100,000 a month. Then the boss said that instead of paying \$5,000 a month, he would offer 10%, which would give him \$10,000 a month income if he kept up the same sales level. However, the boss would give him the choice. He could either stay with the plan when he was hired or he could go with the new plan. It would be the employee's option.

Could that employee tell his friends that his boss had broken his promise? No, he could not because of the fact that the boss gave him the option. He could stay with the original deal or he accept the new one. This is exactly what the budget provides.

If the member had been paying attention to the Minister of Finance, he said that explicitly. I do not know why they keep saying it was a broken promise. It is up to the Premier of Newfoundland and

Labrador to say which kind of a deal he wants. He can keep the old deal and that would be fine. That is the promise made and that is a promise kept.

Mr. Todd Russell: Mr. Speaker, if the hon. member does not like my characterization in my speech then he does not like the truth. I will repeat time and time again that the Prime Minister gave in writing to the people of Newfoundland and Labrador an explicit promise and he did not live up to that promise. It was a matter of deceit. As the Minister of Fisheries and Oceans said back in 2004, it was a snow job on the people of Newfoundland and Labrador. The premier knows that. Everybody in the province understands that it was a snow job.

There are over \$13 billion in surplus and the Conservatives say that the people of Newfoundland and Labrador should be happy with nothing. They call that fairness when it comes to what they characterize as the fiscal imbalance. There should have been something for everybody and there was not. When it came to the offshore accords, when it came to this non-exclusion or the exclusion of non-renewable natural resources, the Prime Minister did not live up to his word to the people of Newfoundland and Labrador.

Is it fair to say to the people of Newfoundland and Labrador that they either choose between nothing or less than nothing when it comes to something new in this budget?

When we look at what the Prime Minister promised in writing on six different occasions, he did not live up to it. If that is the truth, and that is the truth, then I am sorry that the hon. member feels a little uncomfortable about it. The truth is that the Prime Minister broke his promise, not only to the people of Newfoundland and Labrador but to the people of Nova Scotia and Saskatchewan.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, the member is quite correct. There is hostility in Atlantic Canada about these broken promises. We are dealing with a Prime Minister right now who is getting very used to breaking promises and he is getting very good at breaking them. I suppose the previous questioner across will argue next that there was no broken promise with the income tax trust.

I recall vividly the debates that took place two years ago when the member for Avalon, the member for St. John's East and the Minister of Fisheries and Oceans were in the House arguing that everyone in the House, including the Prime Minister, should keep the Atlantic accord. In fact, he called the member for Humber—St. Barbe—Baie Verte a weasel because he was not going to keep the Atlantic accord.

What are these three Newfoundland members of Parliament now saying?

The Budget

• (1100)

Mr. Todd Russell: Mr. Speaker, I can only repeat what the people of Newfoundland and Labrador are saying about the three Conservative members for St. John's East, St. John's South—Mount Pearl and Avalon. They say that they are not standing up for their province. They are turning their backs on the province. They are basically defending a broken commitment and promise by the Prime Minister of Canada. They say that they should have a bit of backbone, that they should stand up for their province and not turn their backs on their people, the ones who elected them. They should not be duplicitous and hypocritical. Two years ago they said one thing and two years later they have done another thing just because they are on a different side of the House.

The people back home are saying that they should defeat the budget and stand with the people of Newfoundland and Labrador.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I will be sharing my speaking time with the hon. member for Laval.

First off, I want to emphasize how proud I am to see that the Bloc Québécois' hard work to eliminate the fiscal imbalance is finally paying off. This long standing effort undertaken by the people of Quebec, which the Bloc Québécois then took to Ottawa, is now producing initial results. It translates into actual monetary gains for Quebec.

I want to remind the House that we are the ones who initiated the fight against the fiscal imbalance by chanting that the money is in Ottawa while the needs are in Quebec City. Let us not forget that the Séguin commission was struck by the sovereignists. In Ottawa, it was the Bloc Québécois that kept the pressure on the federal government and maintained standards high enough to make sure they would be taken seriously. The people of Saint-Maurice—Champlain and myself are convinced that we owe the new federal transfers we are seeing today to this relentless fight. The people of Quebec stand to benefit from the fiscal imbalance eventually being resolved. For these reasons, my colleagues and I will be voting for this budget. This money rightfully belongs to Quebeckers, and we have to make sure that they benefit from it as they should. However, the elimination of the fiscal imbalance remains only a possibility, since it is clear from reading the budget for 2007-08 that the federal transfers it contains do not quite eliminate the financial pressures Quebec is currently facing.

Clearly the Prime Minister did not keep his promise of fully eliminating the fiscal imbalance. It is deplorable that the Conservative government is still not planning to put an end to the federal government's power to spend in Quebec's jurisdictions, as the Séguin report recommends. I would remind the Prime Minister that there is a general consensus on that report in Quebec.

At most, the Conservative budget talks about limiting federal spending power by offering the right to withdraw from cost sharing programs with compensation and with conditions imposed by the federal government, which is unacceptable. Not only do the current intrusions in Quebec's jurisdictions have to stop, but Quebec has to be able to withdraw without condition and with full compensation every time it sees fit in the future.

Clearly the government has disregarded the basic solution long proposed by the Bloc Québécois and confirmed in the Séguin report, which is to transfer income tax points or GST points to Quebec and the provinces. This is not over yet.

In a number of matters, the proposed budgetary measures do not respond in any way to the requests of the Bloc Québécois or the expectations of Quebeckers. I am referring to the forestry industry, and especially to the older workers who are victims of one of the worst crises in the history of that industry. The lack of true measures to help these workers and this industry concerns me very much since the people and families in my riding are severely affected by this crisis. In Saint-Maurice—Champlain, this crisis translates into 500 lost jobs and the loss of over 1,000 jobs in the Mauricie region alone.

Clearly the Conservative government passed up another chance to help workers of the forestry industry. The Federation of Paper and Forest Workers was critical of the government about this in a March 23 press release. A suitable income support program for older workers is noticeably absent in this budget. Ever since POWA, the program for older worker adjustment, was cut by the Liberals in 1997, the Bloc Québécois and a number of groups have been calling for a new income support program for workers 55 and older who can no longer be retrained and who are victims of mass layoffs. The Conservative government has to respect the amendment to the 2006 throne speech, which was passed unanimously.

The Bloc Québécois wanted to find a concrete and immediate solution to the problem of older workers who are the victims of mass layoffs, or at least wanted the Conservative government to allocate funds to the income support program for older workers in response to the conclusions of the expert panel set up in January 2007.

• (1105)

To demonstrate this need, I will give the example of the workers at the Groleau plant in Sainte-Thècle, in my riding. This wood processing plant, which closed in February 2005, employed over 90 people. At the end of January 2007, 11 of these workers aged 55 to 64 stopped receiving employment insurance benefits. These workers must now turn to social assistance.

It is shocking to think that people who gave 30 to 40 years of their life to a company and then suffered the effects of the softwood lumber crisis are now in such a dire situation. These employees from the Groleau plant were not able to benefit from the TIOW because they did not meet one of the eligibility requirements—losing their job after May 1, 2006.

It is unconscionable to leave these people with nothing, and that is what the Conservative government did when it tabled this budget. These are honest citizens who have worked their whole life and now find themselves having to apply for social assistance. This is unacceptable.

The Budget

As this example proves, again, it is those who are less fortunate who are the victims of the social policies of the Conservative government. So, it is not surprising that once again, the unemployed are the big losers in this federal budget. There is no separate employment insurance fund in the budget speech or plan. As a member of parliament for a region where the unemployment rate is relatively high, I am greatly distressed to see that this government is ignoring a whole category of the population.

On the subject of an independent fund, the Prime Minister previously said, on May 1, 2006, “—we share the Bloc leader's philosophy on this”. He even said that he was “on the verge of proposing to the Minister of Human Resources and Social Development that she formulate alternate measures for this government”. However, the budget that has been presented does not respond to any of the demands of the Bloc Québécois.

I want to emphasize that it should have been the duty of the federal government to create an independent employment insurance fund and an independent commission. Likewise, the day after tabling the budget, the government should have immediately taken steps to return the \$48 billion that was taken from the fund.

It is deplorable to see that, in addition to making no improvement to the plan, the Conservative government will continue to use part of the employment insurance fund as it pleases.

It is obvious that even if the Conservatives claim to share the Bloc Québécois' philosophy, in fact, they follow the same practices as the Liberals. That party abandoned the population by transforming the employment insurance plan into a disguised and discriminatory tax on employment. By refusing to move on this question, the Conservatives are doing no better, as the tabling of this budget proves. The Prime Minister is far from repairing the damage done by his predecessors. On the contrary, he is once again showing his contempt for all workers.

The Bloc Québécois will continue to pursue the government on this vital issue. We will do everything we can to restore the plan to its original purpose as an instrument for ensuring reasonable support for workers who lose their jobs.

All the signs provide evidence that the most unfortunate have been cast aside by this government. You must know that for us, as members who represent all sectors of the population, it is very painful to have to explain to our voters that some of them do not appear to be considered as valuable as the rest of the population by the current government.

I recently heard from Jean Marcel who lives in Grand-Mère in my riding. This 52-year-old man has worked hard since he was eight years old and he is now unable to work. He receives \$852 in social assistance per month, giving him an annual income of \$9,760. He pays \$5,000 in rent. This sick and very poor man does not have a family doctor. He feels abandoned by society, the same society to which he actively contributed all these years. This man asked me if he is entitled to live. What do I say to him when governments, such as the one in power, have clearly abandoned people like him?

The Bloc Québécois will continue to lead the charge on key issues such as the fiscal imbalance and to stand up for the interests of Quebecers. As the vice-president of the Desjardins Group has said,

the fiscal imbalance has only been resolved in part; a definitive solution remains to be found.

● (1110)

In addition, it seems that Ottawa still meddles too much in provincial areas of jurisdiction, namely health, education and labour force training. You can rest assured that the Bloc Québécois will continue to fight, with the support of all Quebecers, for the complete resolution of the fiscal imbalance.

[*English*]

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I paid attention to the hon. member's speech and was struck by some of the things he said.

He was right when he said that the Conservative government has turned its back on the forest industry and that there is really no program for older workers. He went on to say that income support for 55 year-olds and older is non-existent. He also said that many people in his own riding have lost jobs as a result of the Conservative government's economic strategy and that honest citizens who have worked throughout their whole lives are now being left behind. In fact, this Conservative government is really leaving the disadvantaged people of our society behind.

The hon. member also said that the Conservative government is showing contempt for workers, that the most disadvantaged are ignored. I am wondering if he is willing to stand up for his constituents. If he really believes what he actually said in his speech, then why is the Bloc Québécois supporting the budget?

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Speaker, I thank the hon. member for his question.

I will answer by explaining why the Bloc Québécois will vote in favour of this budget, despite all the problems I pointed out and that he repeated.

First of all, one extremely important component of this budget is the interesting approach it takes regarding the correction of the fiscal imbalance, even though the approach is only partial. We in the Bloc Québécois are convinced that correcting the fiscal imbalance will allow Quebec to find its own solutions to the problems we have raised.

In addition, I would say that a full resolution of the fiscal imbalance issue is needed to allow Quebec access to its full powers. Thus, the encroachments on Quebec's jurisdictions must stop, so that Quebec may, once and for all, address the problems that we raised and of course find its own solutions.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I would also like to ask the hon. member why the Bloc will vote in favour of this budget.

Some comments I heard indicated that, since the budget addresses the fiscal imbalance, Quebec will help Quebecers resolve problems such as those seen in the manufacturing industry and problems regarding poverty, among others. I also heard the Quebec premier say that he will use that money to lower taxes in Quebec.

The Budget

I would therefore like to ask the hon. member how simply lowering taxes will help people? How will Quebec be able to invest in social programs if there is no money, if the money from the fiscal imbalance is used to lower taxes?

• (1115)

Mr. Jean-Yves Laforest: Mr. Speaker, as the hon. member is no doubt aware, an election was held in Quebec yesterday. Not all of the parties committed to reducing taxes.

It is now up to the Government of Quebec to manage the funds that are to be transferred. At any rate, the point is that Quebec is entitled to these transfer payments because the fiscal imbalance really exists.

The funds that are to be made available will enable Quebec to choose. I hope that Quebeckers and their government will make the best possible choices to enable all Quebeckers to resolve as many issues as possible, including the ones we have raised today.

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, I would like to thank my colleague for sharing his time with me.

I would like to take advantage of this opportunity to congratulate all of the people who were elected yesterday evening in our great country of Quebec, as well as those who had the courage to run in what promised to be a difficult election and who nevertheless conducted an outstanding campaign.

I would like to offer my sincere sympathy to the members of the Parti Québécois—which I support—who were not re-elected. I am sure that we will still succeed in doing what we must do for Quebec.

I have risen today to discuss the budget not because we do not support it—everyone already knows that we will support it. However, over the past few weeks, my colleague from Laurentides—Labelle and I have toured the regions in Quebec to find out what women think of the cuts to Status of Women Canada, and to better understand how women view this budget overall, how they view these cuts and how concerned they are about the rise of the right in Quebec and in Canada.

We have met with 47 groups but we have not finished. We are going to continue meeting with women's groups over the coming weeks. Those 47 groups represent more than 100,000 people in Quebec. In all of those groups, the women we met told us the same thing.

In this budget, we are solving part of the fiscal imbalance, but we are not solving all of it. There will still be a lot of things to do before that happens. We know that the government has promised us that it will continue to put a major effort into this. We hope that it will keep its word. However, we see that it is still continuing to invest in areas that are under provincial jurisdiction, and we are not all happy about this.

When the Minister for the Status of Women decided to cut her budget, she told us that she wanted to reinvest that money to meet the needs of more women. However, women have seen that the way these cuts and these reinvestments were made means that women now have to look for charity.

There is no longer a desire to give women the tools to liberate themselves and get out of the rut we have been in for many years,

with families, single parent heads of household—mostly women, older women, and a large number of people in Quebec and Canada, all getting poorer. That means that we are increasingly needing federal transfers to be able to meet the needs of our people. The federal government is not meeting those needs, and it is not the job of the federal government to do that.

When it comes to the needs of women in general, in Quebec and in Canada, I would in fact say that, in this budget, the federal government is neglecting certain women for whom it is actually responsible. Obviously, I am talking about first nations women, aboriginal women, women in the north, the Inuit, and so on.

Those women fall within the direct jurisdiction of the federal government, and there is absolutely nothing for them in the budget that has been presented to us. I am very disappointed to see this, and extremely concerned. We know that it is even harder for women in aboriginal communities to have a decent life. Housing is virtually nonexistent. There is no waste water treatment. There are problems with education. Some Status of Women Canada programs were designed specifically to enable women to pass on the aboriginal communities' values and way of life to the children, so that they could have a better life and feel better about themselves. We are familiar with the many problems faced by young people in those communities.

But the minister and the government were not concerned about solving those problems.

• (1120)

They spread the money around various programs—not the kind of programs that communities had asked for—but the kind of programs that give the government visibility. When governing you must respond to the needs of the people and not do what will keep you visible or popular, as the current government has done.

Unfortunately, since having become an MP, this is the first government that I have seen act in this way. I am troubled because people are not aware of the dangers that await when they elect such a government, even though it is a minority. Several issues are still on the table and the government will go to any length to pass bills that we, as a democratic society and a social democratic society, hope will not see the light of day.

I have been reading quite a bit about the budget and also the views of several groups about it. I would like to share some of what I read regarding the budget in a FAFIA summary:

Women in Canada are affected differently than men by tax and spending policies of governments as a result of their varying labour market opportunities, family and community responsibilities, and levels of economic security. This budget demonstrates how little these facts are acknowledged. Some of the measures in this budget continue a trend that was documented in FAFIA's ten year retrospective budget analysis...authored by Armine Yalnizyan.

They also speak about aboriginal women, as I mentioned, as well as immigrant women. FAFIA states:

The Budget

While this year's federal budget invests an additional \$342 million per year for language instruction and employment-related support, the federal government has backed away from its commitment to establish a federal agency to assess and to recognize credentials at the federal level. It has instead directed resources to providing immigrants with path-finding and referral services to identify and connect with the appropriate assessment bodies. However, the difficult question of how foreign credentials will be assessed has yet to be resolved.

In addition, many groups have called for the elimination of the live-in requirement of the Live-In Care-Giver and Domestic Program, which attracts skilled and almost exclusively female professionals to work as full time care-givers while residing in their employer's home. Groups have also demanded that these workers be granted landed status upon arrival.

This has not yet happened. I find that unfortunate because we know of situations where these women, these people, have been abused and used as slaves in the homes of people who have the means to pay for slaves in modern times. These are modern-day slaves.

The Standing Committee on the Status of Women has often discussed human trafficking in terms of sexual abuse, but it has not discussed these women even though this is a major issue because there are so many of them. There are thousands of them living in people's homes. They are hidden. They are forced to keep quiet because often, they do not even have an opportunity to learn a language that would enable them to communicate with the outside world. This is a very dangerous situation.

Earlier, we talked about social housing. The budget does not mention social housing even though we know that the CMHC is making astronomical profits—over \$11 billion. I think they might even be making \$15 or \$16 billion.

When drafting a budget, the government must consider the people it represents. Even though it was elected by 36% of the population, it should meet the needs of more than 36% of the population. When a government is elected, it is elected for everyone and it must meet everyone's needs.

That is why the Bloc Québécois will continue to demand that the government do better, that the government do more and that the government do a better job of meeting the needs of Quebecers and Canadians.

• (1125)

[English]

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I enjoyed listening to the speech by the hon. member, who apparently is in the process of doing a tour in relationship to the challenges facing women in her province.

However, I will tell the House something that is becoming pretty evident in this budget debate. In fact, Liberals feel that the budget has failed Canadians when it comes to income tax relief, when it comes to the issue of climate change, when it comes to the issue of federal-provincial relations and when it comes to the issue of preparing this country for the 21st century. Liberals feel that the budget fails students and universities, working families, and aboriginal Canadians as well as women. This party is willing to stand with those individuals and tell the Conservative government that in fact we do not agree with the direction in which it is taking the country.

On the other hand, in what the Bloc is trying to do, always under the guise of fixing the fiscal imbalance, the Bloc is not actually standing up for the women of Quebec. It is not standing up for those individuals who need social housing. The Bloc members are going to vote with the government. They are not doing what the Liberal Party is doing. The Liberal Party is saying that we do not agree.

The hon. member would like to have it both ways. On the one hand, those members deliver nice speeches to women and nice speeches to social and housing groups, telling them that they are there to support them and that they feel their pain, but they are not willing, in a very principled way, to vote against the government.

If they truly believed in their speeches and truly believed in their words, they would vote against a government that is not acting in the best interests of women and is not acting in the best interests of those individuals who unfortunately do not have access to housing in this country. It is not acting in the best interests of the students who need student aid—

The Deputy Speaker: Order, please. We do need to leave some time for the hon. member for Laval to respond.

[Translation]

Ms. Nicole Demers: Mr. Speaker, how pleased I am to hear my Liberal colleague's tirade.

They should really stop treating us like fools. The Liberals were in power for 13 years and ignored even the basics of the principle of fiscal imbalance. They stopped giving money to the provinces in 1994, so they could line their pockets and do what they wanted. They stopped giving people what they needed. Under the Liberals, the CMHC raked in enormous amounts, as did the employment insurance fund. The Liberals took money from workers and kept it. And today, they would dare tell me that I am not defending Quebecers because the Bloc will vote for the budget? We promised Quebecers that if the government committed itself to correcting the fiscal imbalance, we would support this budget. We are probably the only party in this House that sticks to its promises, come what may.

I would ask the Liberal member to think before trying to make us out to be dishonest. He should take a look at himself, the members and the policies of his own party before trying to cast others in a bad light. We must look at ourselves before talking about others.

• (1130)

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I share the concerns of the hon. member opposite regarding the government elected yesterday in Quebec. I also agree with her on the fact that the budget does not correct the problem facing women, who still earn only 70% of what men earn. It changes nothing for the unemployed, employment insurance, immigrants, aboriginals, students and so on. That said, I still wonder how the Bloc can vote in favour of this budget, which claims to correct the fiscal imbalance, when that money will be used to lower taxes instead of being invested in social programs to improve the lives of Quebecers.

The Budget

Ms. Nicole Demers: Mr. Speaker, from my perspective, the hon. member across the House is quite right to say that I am concerned. However, I would remind the House that it was not the Bloc Québécois nor the Parti Québécois that decided to put the money given to Quebec for the fiscal imbalance towards lowering taxes. Once again, it was a Liberal government that decided to do so. And they did so not to meet the needs of Quebecers but in response to an election campaign that was very difficult for them.

I would like to tell the hon. member not to worry. I believe our colleagues in the Parti Québécois will do their work and demand that the government use the money given to Quebec to improve the lives of all Quebecers, for things such as social housing and the programs developed by the Parti Québécois over the past 30 years.

[English]

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, today I will be splitting my time with the hon. Minister of Fisheries and Oceans.

I am pleased to rise to speak to budget 2007. In particular, I want to focus on what this budget means and what our Conservative government has meant for my constituents and all British Columbians.

On January 23, 2006, Canadians elected a new Conservative government and we have delivered real results for British Columbians.

We are a minority government in this Parliament, with 10 fewer seats than the recent Liberal minority government, and we have fewer than one in four seats in the Senate.

Historically, minority governments have had limited success in achieving their goals.

Our government, on the other hand, is getting things done for hard-working Canadians. Actually we have done more in 14 months to create a more rewarding future for British Columbians and their families than our predecessors did in 13 years. Let us just look at the facts.

We have signed a seven year softwood lumber agreement that will provide market stability in B.C.'s largest industry. The agreement will return \$5 billion in illegal duties to Canada. The agreement was supported by the B.C. industry, supported by all the softwood producing provinces of Canada, including the government of British Columbia, and supported by all Conservative MPs, but it was opposed by the Liberals and the NDP.

We have supported the 2010 Olympic and Paralympic Winter Games. When the government of B.C. and the 2010 Olympic organizing committee asked for an additional \$55 million on top of the hundreds of millions of dollars the federal government is already proudly providing the 2010 games, we delivered.

Our Conservative government has delivered record tax relief for British Columbians in our two budgets. We have cut the GST to 6%; cut small business taxes; provided an annual \$1,200 per child universal child care allowance; created a \$2,000 per child tax credit; made the largest debt paydown in Canadian history, \$22 billion over

two years; allowed pension splitting for seniors; and created a \$500 per child amateur sport tax credit, which is an idea, I am proud to say, that originated with Sharon Mack, a constituent of mine and a resident of Port Moody.

In the last election campaign, Conservatives promised \$1 billion over 10 years to address the mountain pine beetle infestation in B.C. We are delivering on this commitment and we are doing so ahead of schedule, with \$200 million committed in our first budget alone.

It should be noted that neither the Liberal Party of Canada nor the NDP have ever presented a plan or made any commitments on the mountain pine beetle issue, while Conservatives have honoured the promise we made.

Our government has also supported B.C.'s environment. When asked to contribute to the cleanup of Stanley Park after the devastating windstorms, we immediately responded with \$2 million in assistance.

We have also contributed \$199.3 million toward the B.C. government's environmental agenda through our own ecotrust initiative.

We have reversed the federal Liberal cuts and hired more fish habitat and conservation officers for B.C. than ever before.

We have also invested \$30 million toward B.C.'s Spirit Bear rainforest, the largest intact temperate rainforest left on earth.

We have also supported B.C.'s infrastructure needs.

In the campaign, we promised to support the Asia-Pacific gateway, and we have kept our promise in government, with a commitment of \$1 billion toward this key initiative.

We are increasing the GST rebate for municipalities from 57.1% to 100%, which will mean millions more for local infrastructure across British Columbia.

For commuters in B.C. using public transit, whether it is our bus systems, SkyTrain or West Coast Express, monthly transit passes are tax deductible.

We have invested millions in the Prince George and Cranbrook airports.

We have followed through on \$450 million for the Canada Line rapid transit extension that links downtown Vancouver to Vancouver International Airport in Richmond.

Our Conservative government has also ended the Liberal cuts to the Fraser River. For years Liberals refused to do proper dredging in the Fraser River. We have invested \$4 million over two years for dredging in the Fraser River.

The Budget

British Columbians value our cultural diversity. Our Conservative government has taken action to bring our diverse province together by addressing past wrongs. We have offered a historic apology and redress for the racist Chinese head tax.

While in power, the Liberals refused to launch an inquiry into one of the worst terrorist attacks in our history, the bombing of Air-India flight 182, which saw the murder of 329 Canadians. We have taken action and launched the Air-India inquiry.

For B.C.'s first nations, after 13 years of no progress and hundreds of millions wasted on lawyers and failed negotiations under the Liberals, our Conservative government has reached historic treaty agreements with three B.C. first nations: the Lheidli T'enneh in the north, the Maa-nulth First Nations on Vancouver Island, and the Tsawwassen band in the lower mainland.

We also signed a new education agreement for B.C. first nations, and we addressed a tragedy of our past by putting in place the Indian residential schools settlement agreement.

Our Conservative government is also working to improve public safety and enact justice reform.

● (1135)

In budget 2007, we committed \$324 million for six new Coast Guard vessels, three of which will be based on the west coast. We have passed tough new laws against street racing, made investments to hire more police officers and more border guards. We have allocated \$9.9 million to TransLink to improve security on public transit, particularly on SkyTrain which has seen some appalling violence that must be stopped.

We also have legislation to end house arrest for dangerous offenders, enact mandatory minimum sentences for gun crimes and protect children from sexual abuse but the Liberals and the NDP are preventing those bills from becoming law.

Criminal justice reforms are crucial to the future health of B.C. residents and only the Conservative Party of Canada is taking the need to get tough on crime seriously in this Parliament.

In just over a year in office, our Prime Minister and our Conservative government have brought real dollars, real results and positive change for British Columbians. We have kept our promises and British Columbia is stronger for it.

In my riding of Port Moody—Westwood—Port Coquitlam, I have fought hard for important investments and real results for my community. Our government delivered \$1 million for the new Port Moody arena, \$1 million for the redevelopment of the Rocky Point Park in Port Moody and tens of thousands of dollars to support local art programs.

On the transportation front, we have delivered the largest federal infrastructure investment in my community in my lifetime: \$90 million toward the new \$198 million Pitt River bridge.

We have also delivered \$120,000 to the village of Anmore for Anmore's innovative renewable energy project which will assess the feasibility of producing green hydrogen and clean electricity by integrating three sources of renewable energy: micro-hydro, solar power and micro-wind.

My riding is surrounded by water, the Fraser River to the south, the Pitt River to the east and Burrard Inlet and Indian Arm to the west. We value our environment and keeping our coastal waters clean is something all my constituents support. That is why our government is enacting new regulations that will protect my riding's and all of Canada's coastal waters from sewage, garbage, oil and other pollutants. Among the regulations is a complete ban on the dumping of untreated sewage from all boats and ships along Canada's coastal waters.

Our Conservative government has delivered for Canadians, delivered for British Columbians and delivered real results for my constituents.

Every day that I serve as the member of Parliament for Port Moody—Westwood—Port Coquitlam is an honour. I will continue doing all that I can to ensure that my community, the community that I love, has the best possible results from this Parliament, which is why I will be voting in favour of this Conservative budget.

I encourage all members of this House, from all parties and from all corners of this country, to vote for this budget because it will make Canada stronger. It gives real tax relief to all Canadian families. It pays down our debts, makes the important social investments and it does exactly what Canadians voted for in the last election campaign, which was to have a change from the past, to cut back on corporate welfare, to make important social investments, to give tax cuts that Canadian families voted for in the last election campaign and to continue building this country to be as strong as it can be as we go forward.

I am proud to be voting for this budget on behalf of my constituents, on behalf of all British Columbians and on behalf of Canadians because it will continue to make this country stronger.

● (1140)

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I would like to draw the hon. member's attention to some of the commentary that ensued after the budget speech was delivered.

Nancy Hughes Anthony, who is the President of the Canadian Chamber of Commerce, said:

We don't see any broad-based tax relief either for taxpayers or businesses.

The government promised in November that they were going to make Canada more competitive and control spending and I think they broke that promise today.

As well, when we examine the issue of the environment, John Bennett from the Sierra Club said that the government was basically ignoring the climate crisis.

The Budget

John Williamson, who I am sure the hon. member knows, the President of the Canadian Taxpayers Federation, said, “The fellow working in the line or anyone with a salary income and no children will receive no tax relief. That’s disappointing. Ottawa is running huge surpluses. This is a good time to cut the rates for all taxpayers up and down the economic ladder. The government decided to broadly target, for example, seniors, not tax relief in this document for all taxpayers”.

Andrew Coyne, the *National Post* columnist, said, “With this budget [the Minister of Finance] becomes officially the biggest spending finance minister in the history of Canada”. He went on to say, “The budget in fact has no sense of health priorities”.

I need not remind the hon. member what Danny Williams said about federal-provincial relations. He said, “Newfoundlanders and Labradorians are feeling an intense sense of betrayal by this government”. That was said after the Minister of Finance actually stated that the era of federal-provincial bickering was in fact over.

I would like the member to explain to me what in fact is going on. The government has a certain view of the budget but it seems to me that many other Canadians view this budget as a very disappointing one.

Mr. James Moore: Mr. Speaker, as I counted, I think my colleague raised four points.

First, with regard to Premier Williams and Newfoundland and Labrador, I know the Minister of Fisheries and Oceans will be speaking in a moment in more detail and more broadly on that, but we did keep our campaign commitments. I think Danny Williams will be very delighted to hear the speech from my colleague, the Minister of Fisheries and Oceans, from St. John’s, addressing that issue and how good this budget will in fact be for Newfoundland and Labrador.

On the issue of the environment, with respect to my good friend, the member for Vaughan, we will not be taking lectures from Liberals on how to get results on the environment. We have put forward the clean air act, Bill C-30, which is now before its own independent parliamentary committee. We are approaching this with open minds and open hearts on how to achieve the best possible results for our environment.

However, while we recognize that climate change is the most important issue on the environment front right now that Canadians and the global community want us to address, it is not the only front on which we need to take action on the environment, which is why I mentioned the important steps that our government took in protecting our coastal waters from the dumping of raw sewage, pollution, garbage, paint, effluent and bilge water from ships. We are banning all that to ensure that our coastal waters will be clean.

We are taking a multifaceted approach to the environment, dealing with protecting our waters, protecting our land, protecting our soil, protecting our air and also dealing with the issue of climate change internationally.

With regard to tax cuts, my colleague dealt with the issue two ways. I do not think my colleague will ever accuse Andrew Coyne and John Williamson of being good Liberals with regard to the budget, so I am surprised that he is quoting Andrew Coyne and John

Williamson who are both good friends of mine, but, frankly, we have a disagreement with John Williamson and Andrew Coyne, I take it, on this budget. However, for every \$3 in surplus, we put \$2 toward tax relief.

The vast majority of our tax relief will go toward families, especially in suburban communities like my own, because we think the people who are facing the biggest financial crunch in our society are new and young families. I think about my sister and my brother-in-law Dave, my little niece Abby, my other sister and her husband Tony, and my other niece—

● (1145)

The Deputy Speaker: Order, please. I have to cut the hon. member off. There is one more question. This interchange has taken up four out of five minutes already.

The hon. member for Parkdale—High Park.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I also hate to interrupt the family discussion that has just taken place but I would like to ask a question that is important to constituents in my province, the province of Ontario, which is the manufacturing heartland of Canada.

I am very troubled that the budget contains no initiative toward an industrial strategy. Tax cuts that are not tied to investment and job creation are just a giveaway to corporations. Far too many people in this country are losing good paying, decent manufacturing jobs and are falling through the cracks because of manufacturing restructuring.

The government has done nothing to bring down the high dollar and the poor exchange rate. It is negotiating free trade deals with Korea where we already have a massive trade imbalance for manufactured goods. It is just giving away free money to companies and nothing is tied to job creation.

Could the hon. member explain how he will defend good paying manufacturing jobs here in Canada?

Mr. James Moore: Mr. Speaker, I just want to finish off my answer to the previous question, which is that the lion’s share of the tax cuts that we put forward in our budget are geared toward families because we think families, like the people I know in my life very well, are the people who are most in need of tax relief from the federal government.

With regard to the manufacturing and industrial sector, which my colleague, the member for Parkdale—High Park, raised, we have put forward initiatives in our budget. In fact, a number of the recommendations that came forward from the industry committee, which is chaired by my good friend, the member for Edmonton—Leduc, found their way into the budget. It was an all party committee that came forward with unanimous recommendations on how to help the industrial sector and the manufacturing sector. We made important changes to industrial reform, especially with regard to the capital gains taxes and the dealing of assets.

The Budget

However, this is a little curious coming from the NDP. We hear constantly in the House of Commons, New Democrats saying that we need an auto strategy, that we need to ensure auto workers have their jobs protected. On the other hand, we have the leader of the NDP riding his bike to work every day and encouraging all Canadians to get out of their cars and car pool every day. The NDP want to build more cars, it wants to protect auto makers and it especially wants to have more cars built in this country, but it does not want anybody to drive them.

The NDP members are speaking out of both sides of their mouths here when, on the one hand, they encourage the federal government to protect all auto jobs in this country with some kind of subsidy and encourage us to build more cars in Canada but, on the other hand, they want us to give incentives for people to not drive cars at all. The NDP plan on the economics makes perfect sense, given its past track record with regard to economics.

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, it is my pleasure to speak in the House today to our budget 2007. It is good news for both my home province of Newfoundland and Labrador and the Department of Fisheries and Oceans, which I have the honour of overseeing.

Media coverage in my province has focused almost exclusively on the issue of equalization but that is just one part of the overall budget. Even with so much attention in the media, unfortunately there has been significant misinformation put forward in some quarters concerning the Atlantic accord.

I will not dwell on that issue today since it has already received so much coverage, and perhaps too much coverage, but I will make a few basic points.

Despite inaccurate comments reported shortly after the budget was introduced, the Atlantic accord is still completely in effect. There is no cap. The Atlantic accord was a hard fought deal that I and others in the caucus fought for during our time in opposition. We would not have stood for there to be any changes that would have weakened that accord.

I am confident that the province, through introduction of its promised energy plan, can maximize the development opportunities that exist in the offshore oil and gas industry. In fact, these benefits continue to increase, not decrease as some have argued over the past week.

In 2005-06, we received \$180 million in offset payments. This year we received a total of \$329 million, with projections for the next two years of \$494 million and \$757 million respectively. With no cap on how much money we as a province can bring in through these royalties, it is completely within our own control to become a have province before the accord expires. As a proud people, that is what we should be striving for.

A budget should be judged by its entire content, however, and whether it will help families of ordinary people, these are the things we must assess. In this case, the budget certainly does.

Newfoundlanders and Labradorians are tired of hearing governments bicker. They want governments to work cooperatively and get things done for them, and this budget is an important step in that direction.

The budget invests heavily in Newfoundland and Labrador. We have invested in infrastructure that really matters for the province; \$52 million has been earmarked for infrastructure projects which will help improve the quality of life in Newfoundland and Labrador.

In addition, special attention was given to the needs of small provinces, provinces with smaller populations. There is a base of \$25 million approved for infrastructure. Instead of giving money based upon the number of people where smaller provinces always get hurt, we have a \$25 million base and then we will build upon that on a per capita basis.

We will also receive \$151 million for Canada's social transfer, including additional funding for post-secondary education and child care, along with \$347 million under the Canada health transfer. This is money that will go toward providing important frontline services for people in my home province.

Finally, there are two other items of note. We will receive \$23 million for the Canada ecotrust for clean air and climate change and \$17.7 million earmarked for the province should it decide to participate in the health care wait times guarantee program. That is a total of more than \$1.5 billion being invested in Newfoundland and Labrador.

However, the budget does more than invest in Newfoundland and Labrador. It reduces taxes in our province. Families are the big winners. We have created a tax benefit of \$2,000 for each child. We have increased the spousal exemption amount, made it easier to save for children's education and have protected loved ones from financial hardship in the case of disability. Those measures are all aimed at putting money back into the pockets of people where it belongs, not into government coffers.

In our province alone, those measures will keep over \$24 million in the local economy, instead of sending that money to Ottawa. The working income tax benefit will provide an additional \$7.1 million in tax relief.

• (1150)

An increased RRSP and registered pension plan maturation age will save Newfoundland and Labrador taxpayers \$200,000. Then there is pension splitting. People on pension income who quite often are having a rough time, particularly when there is only one working person, now have the ability to split the pension income for income tax purposes. This is a major boost for a lot of people.

Perhaps one of the most significant changes is the increase from \$500,000 to \$750,000 in the capital gains exemption for our fishermen. This was extremely well received. When we announced the \$500,000 tax exemption in relation to capital gains, it was praised heavily around the province. This increase has certainly added to that. The capital gains exemption is a key element of tax fairness and will help many people retire from the fishery with dignity and on a solid financial footing.

The Budget

In regard to my own department, we added \$15 million a year last year on a permanent basis for science. We have now followed up with \$105 million over the next five years. Investing in fishery science is absolutely critical. It is not uncommon for there to be healthy tension between fishermen and scientists when it comes to assessing the health of fish stocks. In the past, quite often fishermen would say, "What do you know, you have not invested in science". Now we have, and collectively we can make the right decisions. The new government has been glad to help reverse that trend.

We have announced approximately \$70 million for capital improvements to our science facilities across the country, on top of the money I already mentioned. This helps keep our top notch staff working at home instead of going abroad for different opportunities. We increased DFO's permanent science budget last year, as I mentioned. Then we allocated additional funding this year to help deal with pressures created by the Laroque decision and to ensure we continue to move in the right direction.

We directed more than \$300 million to purchase six new large Coast Guard vessels to ensure that proper patrol, science and search and rescue can be conducted. Last year we had added \$45 million per year on a permanent basis to the Coast Guard budget to ensure that the brave men and women had fuel and could make the necessary repairs. We do not have boats tied up to the wharf any more as we did when the previous government was in power. We have them on the ocean doing the job for which they are designed.

There was also new money for species at risk, the health of our oceans, the Atlantic integrated commercial fisheries. This budget is about aspiring to be a stronger, safer and better Canada, and this includes Newfoundland and Labrador. I would encourage all Newfoundlanders and Labradorians to look at the entire document to see where it affects them in their own pockets, and not to get caught up in the hype that some people like to perpetrate. They should have a good look for themselves to see how the plan will improve their situation. Through this budget our province and more important our people will be better off.

We in Newfoundland and Labrador can be very passionate about our province. We have to be. We were the last province to join Confederation in 1949. We brought with us tremendous riches. Over the years we have seen a lot of those riches dissipate. We have seen our resources develop and we have not always been the beneficiaries. That is changing.

Despite the spin that some people might put on how they are being treated by the present government, I ask people to get the facts, to think about what they see, to read, to understand, to talk. I urge them not to listen to just one side of any conversation. They should make up their own minds as to how this government is treating the province of Newfoundland and Labrador.

This is a good budget for people. There may be some who think we could have done better. There is nobody in this country who does not want to do better. We have had a number of provinces express concern, as has my own province of Newfoundland and Labrador, but when we look at Saskatchewan, which has probably been the most outspoken, its main wish is to have a deal like the one Newfoundland and Labrador has. Generally I think we have done very well.

●(1155)

Does that mean we stop here? No, not at all. This is just another step toward working for a very bright future in resources for Newfoundland and Labrador. We can be the main beneficiary of the great resources we have, but at the same time make sure that we are part of the great Canadian Confederation, because when times are tough, we always look to others to help.

I always tell the story to my friends from Alberta about when times were tough during the Depression, people from Atlantic Canada, from Nova Scotia and Newfoundland and Labrador, sent out fish to help feed those who were going through a really tough time. Then things turned around for Alberta and we have all benefited, the whole country has benefited from Alberta's great resources.

However, we are moving. Our province is one of the fastest growing provinces in the country, economically speaking. Very soon we will be a have province. That will be something to be very proud of, when the day comes when we can say, "Thank you very much for the help you have given. Now it is our turn to help you".

That is what makes this a great country. That is what makes Confederation as strong as it is.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I find the debate on the Atlantic accord very interesting. I followed it very carefully in 2004 when the debate was raging between the Newfoundland members of Parliament. I listened with interest to the minister who told the other Newfoundland members of Parliament to stand up for Newfoundland. In fact, he called one member a weasel for not supporting the Atlantic accord. All the comments, remarks and statements by the minister are clearly, unfortunately for him, set out in *Hansard*.

The Prime Minister promised the people of Newfoundland and Labrador that the accord would be respected, no clawbacks, no caps, nothing. He broke that promise. There is not one person, except perhaps the minister in Newfoundland, not Danny Williams, not the provincial government, not a city government, not an editorial writer, none of the people who live in Newfoundland, who believes for one minute, for one second, that the Atlantic accord was not broken.

It was a promise broken. The minister does himself a disservice when he states that it was not a broken promise, and he does politicians a disservice.

In reflection, does he not now, looking back, regret some of the comments that he made in 2004?

●(1200)

Hon. Loyola Hearn: Mr. Speaker, if I really called somebody a weasel, I apologize. That was during my more immature days, probably in the heat of debate.

However, let me say to the hon. member that he does not have a clue what he is talking about. He said that the Prime Minister promised that the Atlantic accord would be respected, that it would not be clawed back. That is exactly what happened. The Atlantic accord was protected. There was no clawback.

The Budget

The Prime Minister made a commitment to every province in this country. Our party made a commitment to every province in this country that if we formed government, and then after we formed government we repeated the commitment, we would be satisfied to take non-renewable resources out of an equalization formula, if they wanted it.

What happened was that most of them did not want it, so the government decided it had to impose a formula, because it is a federal program. Most people understood it would be the O'Brien committee report recommendation that would be implemented, but that would be negative toward our province, because the O'Brien report suggested a cap on the Atlantic accord. We said absolutely positively no cap on the Atlantic accord.

The Atlantic accord is completely and utterly unchanged and will be unchanged until it expires. We have no control over the date. The date was negotiated between the former prime minister and the premier of Newfoundland and Labrador.

However, until that accord runs out, the accord will not be clawed back. It will not be capped. The beneficiaries are the people of the great province of Newfoundland and Labrador.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I listened with interest to the speech of the Minister of Fisheries and Oceans, the member for St. John's South—Mount Pearl. I find it rather remarkable that he would stand here and defend what his Prime Minister did last week, what the Minister of Finance did, what Premier Danny Williams, the Progressive Conservative premier of Newfoundland has called a betrayal, what the premier of Nova Scotia has called a betrayal, what commentators throughout Atlantic Canada are condemning.

What is most remarkable is that he himself told CBC News last week, "Would I rather see what we clearly committed done? Absolutely, but...if it can't be delivered, you try to deliver the next best". That is a long way from the words he used a few years ago.

What I really want to know is whether he is planning to run in the next election. He should tell the people of Newfoundland and Labrador that.

Hon. Loyola Hearn: Mr. Speaker, that is a tremendous question. One thing that surprises and disappoints me is that neither the hon. member nor one of his colleagues, another former minister of fisheries, who are both in the House today, asked me a question about all the money the Department of Fisheries and Oceans is spending, the money that is going to the Coast Guard that the Liberals did not provide when the boats were tied up to the wharf, about the job we did at NAFO to protect our fisheries from overfishing.

I will answer his question by saying that anything I said in the House at any time I will defend. It does not matter if it was last year, the year before, or five years ago, when I was in opposition or in government. Look at anything I said in context and I will defend it. I have no intention of walking away from the people I serve. I ask them to put my record and my involvement when times were good and when times were bad up against anybody's, including that of the premier of Newfoundland and Labrador.

●(1205)

[*Translation*]

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Vancouver Centre.

[*English*]

It was interesting listening to the fisheries minister. It is amazing how people can change their views. He has said in the House and in the media that Premier Danny Williams is wrong, that he is not stating the facts. In a sense he is saying that he is lying, or that he does not understand, that he is not intelligent. I know him to be a very intelligent guy.

The Premier of Nova Scotia is saying exactly what that member said a couple of years ago; that the Atlantic accord has to be above and beyond any other change in programs, any new programs. He said that a decision did not have to be made. He said that premiers do not have to swallow a poisoned pill. The minister now has a different understanding. His mathematics are different.

A change happens in a member when he spends too much time in a Challenger jet. He sees numbers and the facts differently. As a minister, he now understands things in a completely different way than he did when he was a member. He somehow believes that he has a clear insight into the finances of Newfoundland and Labrador from his office in Ottawa, finances that are impossible to see from St. John's, that Premier Williams absolutely cannot understand. He cannot see that less is more.

I will speak about other matters also.

We cannot say that the budget is all bad. Not all the initiatives in the budget are bad. It is theoretically impossible to have the largest spending budget in the history of Canada to not have a few good initiatives in it. I welcome the capital tax exemption for Canadians. The Conservative government had a lot of money with which to work. It had large surpluses that were built up by the Liberal government. It had a lot of potential.

I cannot support the budget because it is a huge lost opportunity, and I regret that. The Prime Minister has not tried to hide the intent of the budget. It is intended to target a group of people in the most populace regions of the most populace provinces who are most likely to change their vote for the Conservatives and force a majority government. That is it. The budget is all about majority building, not nation building.

When we have the ability and the surpluses to build a nation, in my mind and in the minds of all Canadians, we should try to assist those who are most in need. We should try to develop potential when there are problems.

The Budget

The government had an opportunity to assist Canadians in problem situations. With the proper investments, the government could have helped them out. It could have given them a hand up so they could have full participation in the economy. The government could have helped other regions. What do we see? We see targeted money going to the most populace areas, to the richest provinces. The government is ignoring single seniors and families and children in poverty who are in great need. The government needs to make real investment in innovation and post-secondary education. We do not see that. Money is not targeted for those who need it. It is very simple to send a lot of money to Quebec, Ontario, and Alberta in an attempt to influence those urbanites to vote for the Conservatives. That is all I see.

With respect to the Atlantic accord, Nova Scotia signed an agreement that its natural resources, such as offshore gas, would be used for its benefit and the money would be above and beyond any other funding program in equalization, health, education or infrastructure.

The Premier of Nova Scotia now has to swallow a poisoned pill. If he wants new money in equalization under the new formula, he has to forgo the potential benefits of the Atlantic accord, benefits that would have been there for the next 15 years. He has to sign away the future of Nova Scotia for much needed cash in the short term. This is unfair and it is certainly contrary to the intent of the accord and contrary to the stated intentions of the Prime Minister when he was in opposition. That is unacceptable.

There is no new money for ACOA. We see diminished funding. We see less spending and investments by ACOA. There is a huge opportunity to maintain the principle, but we know the Prime Minister does not like the agency and that it will suffer the death of a thousand cuts over time.

There were some good initiatives for our farmers a couple of weeks ago. There was an opportunity in the budget to assist the regions, to help farmers in Atlantic Canada, particularly in Nova Scotia where we produce less than we consume. We are not part of the problem in overproduction, but our farmers are being starved out of the industry. There is nothing in the budget to help them. The opportunity was there to work with the provincial government, but we do not see that potential.

• (1210)

When we see the attack on the Wheat Board, we know supply management is at risk. Some time ago he called it a glorified communist plot against the free market. I do not remember the exact terms he used, but it is the same type of thinking with which he has been attacking the Wheat Board. When the Prime Minister applies that to supply management, rest assured our supply management sector will be in trouble.

In my part of the country the poultry farmers and producers, egg producers and dairy farmers are the basic building blocks of the community. They are stable and doing quite well, not leaping great riches, but they are supplying jobs and participating in the economy. They need domestic protection to be maintained. A government sponsored price fixing cartel I guess is what he called supply management. We have to be very vigilant and seriously call the government to task on these matters.

I am pleased that the Minister of Fisheries and Oceans was in the House to speak. He was on the committee of fisheries and oceans when a report called for more funding for small craft harbours, which I agreed with as a minister. I was minister of ACOA at the time. I was able to get a \$100 million investment over five years into small craft harbours. That expired this year.

In our election platform last year we promised to put in even more money, and that is what is needed. What do we see? We see the government letting it expire. The Minister of Fisheries and Oceans hypocritically called for more funding when he was in opposition. Now that he is Minister of Fisheries and Oceans, he is calling for less funding. Not only did he let that \$20 million a year lapse by not reintroducing the funding next year, but there is less funding for Small Craft Harbours.

I was amazed and amused, but irritated, yesterday when on a question from the Bloc Québécois, he indicated in the House that he would find some money here and there for the wharf in the Bloc member's riding to get his support for Bill C-45. There are good elements to Bill C-45, but there are some very difficult, scary elements for the fishing industry that he does not seem to want to clarify.

I remember the opposition talking about how it was important to invest in the Digby wharf. We do not see that any more. There have been five years of legal wrangling brought about because the member for Cumberland—Colchester—Musquodoboit Valley made some very serious allegations, allegations and questions that I shared, and they had to be answered. The legal process ended up 14 months ago.

We were told that the fault was the contract written by the Department of Transport. Has the Minister of Transport stepped up to the plate? Do we see anything in the budget to get that facility back in the hands of the community? I believe it should be owned by Small Craft Harbours, like the other fishing harbours, and administered by a local harbour authority with the proper funding assistance. We see none of that.

There is the Digby/St. John ferry service. Last year I was pleased that the federal government, with the provincial governments of Nova Scotia and New Brunswick, found a short term two year solution for that ferry service. However, I did not see anything about it in the budget, but I will keep some hope. I understand the bureaucrats within the Department of Transport are working seriously at finding a long term solution. I encourage the minister to take quick action to ensure that we know a good year or year and a half in advance of the termination of the agreement that there will be a long term service there so businesses can make the necessary plans.

The Budget

The government had a real opportunity to assist working families. What did it give them? In some cases \$20 a week. It did nothing for the working poor. We know the federal government does not want to put anything in the second budget or third budget next year. It wants to force an election. It gave away every opportunity it had to help the poor.

If promised next year, there will be another cut in the GST. That is \$6 billion. The \$6 billion invested in the child tax benefit would bring a million children above the poverty line, and he has given away that potential. We know that next year it will be a very difficult budget. I am afraid we may go back toward deficit financing in the medium to short term with the type of budget introduced this year. We are not helping to build our country or our nation. Nor are we helping those most in need.

• (1215)

I am afraid I cannot support this budget. While I like some initiatives within it, it would be impossible for me to stand in support of a budget that throws away so much opportunity to build a nation.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, in my colleague's fine speech one thing he said raised a question. He spoke about the regional agencies and mentioned ACOA. This budget fails all regional agencies. It fails FedNor in my part of the world, and we have heard no mention of this. For those who do not know, FedNor is one of the lifelines for northern Ontario as we suffer through the forestry crisis and a number of other things.

The member mentioned that the regional agencies would suffer the death of a thousand cuts. How can this can serve northern Ontario, my area, or Atlantic Canada and will this shake the confidence in the regions that have struggled so much? How is abandoning the regional agencies going to serve Canadians?

Hon. Robert Thibault: Mr. Speaker, it would be a great disaster. I am afraid we would head in that direction if the Conservative government ever got a majority. We know the government does not like the regional development authority. We know the Prime Minister does not think the federal government should be doing anything outside of Ottawa and maybe Washington, that the provinces should have full control over everything and that the federal government should be reduced to a very essential international role.

I do not share that opinion. I believe there is a role for the federal government to provide opportunity to all Canadians so everybody across the country has a similar opportunity. What the regional development agencies can do very well is create partnerships among the communities, provincial governments, the federal government, community organizations, local business and do some development. That financial capacity by the federal government in conjunction with these communities and provinces has done a lot of good in the country. In Atlantic Canada good knowledge and partnerships have been created and they should be maintained.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I enjoyed listening to the speech by my hon. member for West Nova. I had the opportunity on Friday to listen to another speech, one by the finance minister of Nova Scotia, Mr. Michael Baker, who has recently had a recurrence of cancer. I am sure hon. members would join me in

expressing our wishes for his speedy recovery and successful treatment. Our thoughts go out to his family.

He said one thing in his budget speech, which I have with me. He stated:

Measures in the federal budget will widen, not close, the gap that exists between the richer and poorer provinces in this country.

That is not a Liberal finance minister of a province. He is a Progressive Conservative finance minister.

He goes on to talk about equalization and the accord being cancelled, being torn up. He says:

And new methods of allocating other federal transfers, based on a cash amount per capita, actually favour the more-populous provinces like Alberta and Ontario—the ones that already have a far greater fiscal capacity relative to Nova Scotia.

In view of those comments from finance Minister Baker of Nova Scotia, in view of the brochure that was sent out by Conservative members a few years ago that said there was no greater fraud than a promise not kept and that Nova Scotia would be left with 100% of its offshore oil and gas revenues, no small print, no excuses, no caps, what are my colleague for West Nova's comments on this betrayal?

Hon. Robert Thibault: Mr. Speaker, it is a 100% betrayal. The Prime Minister said that Nova Scotia would not have to make the decision for a year, that it would not have to swallow the poison pill until next year. A partially kept promise is a fully neglected promise. The Conservatives broke that promise.

The member speaks about funding on a per capita basis. If we look at areas like health care and education, the province of Nova Scotia has more seats in universities per capita than probably any other province. It has outstanding universities. Students from all over Canada and internationally come to our universities, but they are expensive to operate. They are old universities and have old infrastructure.

Rather than giving the money out on a needs basis, in accordance with the number of students attending or another formula that would recognize the need, the Prime Minister chooses a per capita basis. Where does all the money go? It goes to Quebec and Ontario. Is that a surprise? Those are the provinces with the most seats in the House of Commons.

His intent is not to improve the system, not to build a nation, only to try to improve his electoral chances in an election, which I presume he will try to force relatively quickly. I know Canadians will not be fooled by that. Canadians will see through that charade.

• (1220)

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I wish I had two hours to speak about the budget because I would really love to talk about it. However, what I am going to do is focus on two components of the budget which I think are important.

The Budget

First and foremost is what I like to call the smoke and mirrors component of the budget which is what is said in the budget that is meant to be helping Canadians and what it really means.

Lots of buzz words were used in the budget, things like families and children were a huge priority supposedly in the budget. However, let us examine exactly what is happening to families and children.

We see that there was a tax credit given. We know the poorest families, those who make under \$30,000 a year, will not see a penny of that because 99% of that socio-economic group, who make under \$30,000 a year, do not pay taxes. One cannot get a tax credit if one does not pay taxes. Therefore, they are not going to see a penny of the money promised.

The money to get people out of poverty and off the welfare lists will help people who make about \$14,000 and less. These people are going to be getting \$500 a year. That is \$500 a year for a family on welfare to help them to live, to feed their children, and to be able to do certain things to help that family. That is not going to go anywhere. That is going to buy two winter coats for two kids and that is it. The amount of \$1.37 a day does not take people off welfare. People think they are getting money and they are really not getting any money.

We also heard about the fact that seniors are getting money and there will be income splitting for seniors. In my riding I have a large number of seniors. The fact is women tend to live longer as seniors. The senior women cannot split income, so single seniors in this country will not get a single penny out of this. In fact, they are going to, as usual, be left to continue to live in very low income circumstances. Therefore, nothing is really done for seniors even though they were used in the budget as a group who was being helped.

Let us talk about health care and wait times. Money was put in for wait times and this is a very clever trick that the government did in the budget. The Conservatives took money that the Liberal government had put in that was in the base budget, they added the small amount that they put into that base budget that was put there by the Liberal government, and then they gave us the grand total so that if we were not paying attention we would think that suddenly they put tons of money into something.

Let us look at wait times. The government only put \$600 million on top of the money promised in 2004 for wait times which was given by the federal Liberal government. The Canadian Medical Association has said very clearly that \$600 million will do absolutely nothing to deal with wait times.

The second part of wait times is health human resources. Anyone who understands the problem knows that people are waiting longer because we do not have health care professionals to deliver the care. There are lab technicians needed, doctors needed and nurses needed. There is not a word in the budget about health human resource development. There is not a single word. I would love to see how wait time guarantees will in fact be met without that component.

We heard again, laid on top of Prime Minister Chrétien's budget for grants for students in the millennium budget scholarship, how the Conservatives added a small amount to that and renamed the whole

thing. They said that they had put in all this money, which was mostly Liberal money. They have done absolutely nothing to help students.

The biggest challenge the country is facing is productivity and competitiveness. When we look at a small country like Ireland with 4 million people, it took money given to it by the European Union. What did it invest the money in? It invested it in education, skills and training, innovation, and research and development. It is now among the top five competitive nations in the world. That is 4 million people.

Nothing happened here. There was a bit of money given on top of old money given by the Liberals, a small amount of money, so we think that students were helped.

Let us look at other issues like the environment. The Conservatives said for years in the House that global warming was a myth. Suddenly, they have found science. However, now they still believe that if we put a border around the country that they will be able to fix it. I guess the wind, the sea and the air never heard about that border because I think they can come across Canada's borders very easily. Therefore, the Conservatives are doing nothing globally to deal with environmental issues. They call it the ecotrust, but they have cut the money that the Liberals were going to be transferring to the environment and to the provinces. The money is cut.

● (1225)

On the one hand we hear that the provinces are getting a ton more money on equalization payments and the boast is that this will create peace among the provinces forever. What we have seen is what the provinces were given with one hand was taken away with the other, so that their wait times money has been cut. There is no money for health human resources.

We have watched \$250 million a year replace a billion a year for child care spaces with the provinces. We have watched the environmental transfers to the provinces cut. We have watched the skills and training agreement with the provinces cut. The government is cutting the provinces on the one hand and saying it is giving them the money on the other.

What for me is the saddest thing about this budget is that the government was handed a huge surplus due to good, strong fiscal management by the previous Liberal governments over the last 13 years. The Conservatives took that money, \$35 billion, and they blew it on little boutique programs that are not, as I said earlier on, really going to help people. The government has wasted this money. What a squandering of an opportunity.

Here is an opportunity on health care. Let us do something about health human resources. The government could think about the aging population and take the opportunity to deal with long term care and bring about a long term health care act to help seniors who are looking for health care.

The government had an opportunity to help with the huge catastrophic drug costs that people are facing for health care. Nothing was done about that.

The Budget

The government had the opportunity to do something about helping the epidemic of obesity in this country among our youth and with diabetes, and with heart disease and stroke that will occur as a result of that. There was nothing to deal with issues of obesity which should have been a number one issue for the government in terms of health promotion and disease prevention.

With regard to education, it was an opportunity missed. Here was an opportunity to create an education act that would work with all the provinces, in partnership, to ensure that there is not a single child or a single youth in this country who does not have access to post-secondary education, training, skills or the ability to get a licence or trade. Not a penny was given to that. That is what the Irish did in terms of productivity and competitiveness. The Irish trained their people. We had an opportunity to get the best and the brightest in our workforce and nothing was done. Instead, the government cut programs in adult literacy.

We know that science again tells us that early learning is important for children to be able to be the best they can be. That has been cut. Opportunities have been lost.

With social transfers we had an opportunity to talk about the problems that are facing people, the homeless in the cities. Nothing has been done about this.

The number one priority for 80% of people who live in the urban areas in most provinces, including my province of British Columbia, is housing. Why? It is because our property values are increasing. Last year property values increased 24%, but people's incomes did not increase 24%. People cannot find rental housing in Vancouver. People do not have the money to buy a house.

We have poor families that will be getting \$1.37 a day, but they still cannot afford to pay rent. There was nothing at all on housing. What an opportunity that was squandered and missed. In our entire country housing is the single most important thing for families.

We have talked about the cities agenda. There was nothing in the budget to help the cities. The government says it will be tough on crime. Here is what the previous Liberal government promised on how it would deal with crime. We promised that we would give \$20 million to increase the number of RCMP officers to create a SWAT team that would deal with issues such as gun crime in the urban areas.

The Liberals promised that they would create 2,500 new municipal police positions to help the province to police property crime and gun crimes. The government promised Vancouver's mayor that it would give him 69 police officers. Nothing was done. Then I listened to the minister in the House saying, "oh, let them go and ask the province". He might as well have said, "let them go and eat cake".

This is the attitude. What saddens me most is that there was nothing for aboriginal people. Canadians have to go to the four western provinces and actually see the plight of urban aboriginal people. There is homelessness and drug addiction. We see people living on the streets who have nothing. They have the lowest health care status in Canada. There was nothing for aboriginal people and nothing for urban aboriginals.

The budget is ideological. If the government approved of certain individuals, it gave them something in the budget. If it did not approve of other individuals, then they got absolutely diddly-squat. This is so sad. Here we are at a point where we should be dealing with the challenges that face this country.

How do we help people get out of poverty? There must be real strategies to help people get out poverty. The government has to help them with housing, learning, education and training, so they can find better jobs. Nothing was done.

I cannot support this budget because it was an opportunity wasted, \$35 billion squandered.

● (1230)

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, I listened with interest to my friend's comments across the aisle. She talks about the money squandered and refers to the budget as one big boutique item. Almost two-thirds of the new spending announced in budget 2007 is related to transfers to other levels of government to restore fiscal balance and provide long term predictable funding for the provinces. Two-thirds of the money would go to health care, education, infrastructure and housing, and I could go on. Of the remaining third of new spending, two out of every three dollars invested goes to tax reductions for hard-working families.

The member refers to these boutique items, but two-thirds of the money goes to other levels of government for the exact priorities that she was identifying. That is the first issue I would like the member to comment on.

Second, the member commented on the wish list of things that the Liberals had promised in terms of justice. Canadians watching at home know that there is only one party, and that is the Conservative Party, that is going to provide the answers in terms of justice, judicial reform, help for our police, and cracking down on crime.

The member listed a litany of things that the Liberals were going to do, but is it not the case that after 13 long years of Liberal government they just simply did not get it done? They talked about all the promises, but they did not get it done and that is what Canadians are well aware of.

Hon. Hedy Fry: Mr. Speaker, the most interesting thing is that obviously the hon. member was not listening to what I had to say because the smoke and mirrors of this budget is exactly what he reiterated.

We see that ordinary families are not going to get any tax relief in this budget. If people make under \$30,000 a year, they do not get a penny because if they do not pay taxes, they do not get a tax credit. If they are making under \$14,000 a year, which are the very lowest income Canadians, they are getting \$1.37 a day. That does nothing for them.

What is more interesting, as the Liberal government we had lowered that lowest tax bracket by one percentage point. The Conservative government increased it last year by one-half a percentage point and did not lower it. The Conservatives do this, they give with one hand and take away with the other, so there is no real relief here.

The Budget

Being hard on crime is to talk about how to intervene and stop the judges from making the kinds of decisions that they should be making. However, when it comes to giving real help to cities for real police officers in municipalities, real help to boost the RCMP so that it can be effective, none of that was done, absolutely nothing was done.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, the member for Vancouver Centre mentioned diabetes and other health care concerns that were forgotten by this Conservative budget.

In my riding of Kenora we have a growing epidemic of diabetes and in the first nations communities they are suffering. Children and youth, adults and seniors are all suffering and I want to put it in context. In many communities in the south we have services that can be accessed by the residents, but first nations communities generally have no services.

My question is in regard to the abandonment of first nations communities and what it is going to mean for health care. These people are suffering now. I believe it is only going to get worse, but I would put that question to the member for Vancouver Centre.

Hon. Hedy Fry: Mr. Speaker, I am glad the hon. member asked that question because I happen to come from a city, Vancouver in British Columbia, and by the way, Mr. Speaker, there is a province beyond the Rockies just in case anyone did not know that across the way.

In that province the city of Vancouver has large numbers of aboriginal people who are living in urban areas. Their lives are typified by poverty, homelessness and substance abuse. They struggle every day to make ends meet. When the Kelowna accord was signed, it may not have been perfect but it was a start. There was \$5 billion to help aboriginal people with housing, education and health. However, that was cancelled by the government and very little was given. If we added up the amount for aboriginal people, it was something like \$60 million replacing \$5 billion. Come on, smoke and mirrors.

• (1235)

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, the provinces have exclusive jurisdiction for education, health and social services. There are \$2.9 billion in social transfers, \$1.9 billion in equalization, \$650 million in infrastructure, and \$612 million for health wait times. These address all of these issues.

The member spoke as if nothing was happening. We are giving the provinces, who have these responsibilities, the fiscal capacity to get on with their job and the member should give us some credit.

Hon. Hedy Fry: Mr. Speaker, I am here to say that my premier, Gordon Campbell, in the province of British Columbia, does not believe that he was given anything. For the first two years he gets nothing. He gets no equalization payments to help him with doing anything in the province because the Conservative government added property values as one of the criteria for transferring funds.

As I said earlier, property taxes are high in the urban areas of British Columbia, but people's incomes have not risen with the property taxes. It is paper money. There is no money for the problems that British Columbia has to fund. For us to hear that transfers have been given only to find out that money has been taken

away for child care and for agreements on early learning, it means that all of those things are gone. Government cannot give with one hand and take away with the other—

The Acting Speaker (Mr. Andrew Scheer): Resuming debate, the hon. Secretary of State for Agriculture.

Hon. Christian Paradis (Secretary of State (Agriculture), CPC): Mr. Speaker, I will be sharing my time with the member for Palliser.

[*Translation*]

Before discussing the federal budget, I want to congratulate all the men and women who took part in yesterday's election in Quebec. In particular, I want to congratulate Premier Jean Charest on his reelection, and Mario Dumont on his fine campaign.

I am pleased today to be able to address this House to discuss the merits of the excellent budget tabled a week ago by my colleague, the hon. Minister of Finance. This budget reflects the Government of Canada's unwavering support for our agriculture and agri-food sector. Our government has confirmed its intention to ensure a prosperous future for our farmers. Quebec's agriculture sector is a major contributor to the Canadian economy. We know that Quebec's producers, just like the producers in the rest of the country, are not asking for a handout. We want them to be able to benefit from solid, predictable programs in order to face the growing challenges they encounter. The new Government of Canada is keeping its promises to improve farm support programs and encourage the production of renewable fuels. We are supporting our producers and protecting the environment at the same time.

The 2007 budget contains an additional \$1 billion for producers. Once the cost-shared agreement for the new savings account program is signed with Quebec and the provinces, the government will give \$600 million to producers for them to put in their new savings accounts. To help compensate for the increased cost of production over the past four years, the budget also includes an immediate \$400 million payment.

The launch of a program focussed on savings accounts for producers is a major step in replacing the Canadian agricultural income stabilization program, commonly referred to as CAIS, with programs that are more predictable and better suited to our producers' needs. As I was just saying, we have entered into negotiations with the provinces in order to implement a savings account program. Together, this new program, the disaster relief framework, improved production insurance, and an improved margin-based program will replace CAIS.

The Budget

That was an election promise and we have kept it. Investments in renewable fuels production will allow Quebec and Canadian producers to help the bioeconomy grow. Budget 2007 will provide \$2 billion over seven years for the production of renewable fuels, including \$1.5 billion for incentives to produce renewable fuels such as ethanol and biodiesel. In addition, \$500 million will be made available to Sustainable Development Technology Canada to invest with the private sector in setting up large facilities producing renewable fuels. These actions show that the Conservative government listened to producers. We keep our promises and we deliver.

I would like to take a moment to explain how the investments this government is making will help producers in Quebec. Budget 2007 builds on the proven ability of the new Government of Canada to provide Canadians and their families with tax relief, including a new working income tax benefit of up to \$500 for individuals and \$1,000 for families, to reward work and strengthen incentives to work. Workers in Quebec will receive \$106.7 million under this new initiative. We also have a new child tax credit that will provide more than 3 million Canadian families with up to \$310 in tax relief for each child, resulting in savings of approximately \$297.2 million for Quebec parents, and an increase in the basic spousal amount that will provide tax relief of up to \$209 to a supporting spouse or a single taxpayer supporting a child or relative. This initiative will translate into savings of approximately \$55.7 million for Quebecers. Also, raising the age limit for registered pension plans, or RPPs, and registered retirement savings plans, or RRSPs, to 71 years of age will save Quebec taxpayers \$28.4 million.

The correction of the fiscal imbalance brings unprecedented levels of federal support to Quebec and the provinces. For Quebec, transfers total more than \$15.2 billion for 2007-08. Once again, we are keeping our word and delivering the goods. Under a new and improved equalization system, payments will total \$12.8 billion in 2007-08, including nearly \$7.2 billion for Quebec.

In 2007-08, the Canada health transfer will give Quebec and the provinces cash payments of \$21.3 billion in 2007-08, including \$5.2 billion for Quebec. The Canadian government will pay \$9.5 billion in 2007-08 through the Canada social transfer, including \$2.2 billion for Quebec.

In 2008-09, all provinces and territories will benefit from an additional \$250 million in the form of permanent CST funding for the creation of child care spaces, as well as an additional \$800 million for post-secondary education.

•(1240)

The combination of those two transfers means that Quebec will receive \$410.4 million, with an annual increase of 3%.

Furthermore, in 2007 and 2008, all provinces and territories will benefit from an additional \$250 million for the creation of new child care spaces. This funding is meant to round out the CST, and includes \$97.5 million for Quebec.

Budget 2007 provides \$500 million a year for labour market training beginning in 2008-09, including \$117 million for Quebec. We have accomplished a great deal, for Canada as well as Quebec.

Overall, Quebec farmers should receive \$896 million through various programs begun in 2006. The payments made to Quebec producers during the first three years of the Canadian agricultural income stabilization program should total \$598 million. Additionally, Quebec will receive over \$51 million of the total budget of \$1.5 billion announced for agriculture in budget 2006.

Quebec producers will also benefit as follows: \$50 million to cover the additional costs related to changes in the criteria respecting coverage of the negative margin under CAIS; \$90 million under the cover crop protection program; and \$550 million under the Canadian farm families options program. Quebec's producers will also benefit from the payment of \$46 million under the grains and oilseeds payment program. In addition, the federal government contributed some \$22 million to production insurance premiums in 2006 to help Quebec producers manage their production costs.

For Canada's new government, the long-term prosperity of farm producers also depends on a firm defence of their interests internationally. In fact we think it is crucial to fight the trade distortions caused by domestic aid policies, to work for improved market access and to oppose all export subsidies.

Canada's new government has demonstrated over and over again that it is prepared to stand up for farmers in Quebec and Canada where our supply management system is concerned. These past years, American corn subsidies have risen to \$9 billion a year. That worries us. That is why, last February, Canada held formal consultations at the WTO with the United States about the financial assistance paid to American corn producers with respect to the total level of support for agriculture, which gives rise to a trade distortion, and about some of its export credit programs.

More recently, the Minister of Agriculture once again demonstrated our commitment to defend our supply management system by announcing that Canada's new government will announce negotiations under GATT Article XXVIII to restrict imports of milk protein concentrates.

I wish to conclude by expressing my pride in this government's achievements in the agricultural sector in both Quebec and the country as a whole. Thanks to our ongoing action in this sector, we can look forward to a prosperous future for agriculture in our country.

The Budget

•(1245)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as I listen to the speeches from the government, I note that they are quite repetitive and tend to show that a spray of different things has occurred, but not one of those little paint dots touches another one. There does not seem to be a direction, a vision or a priority for Canada.

I wish I could go into all of these items, but we do not have the time, so let me get to an item that I thought was one of the most significant items in the budget document, affecting two and a half million Canadians, and which was not mentioned in the budget speech and has not been mentioned in any of the speeches of the Conservative members. That is the broken promise that the Conservatives would not tax income trusts, which in fact they have. They have introduced a 31.5% tax on income trusts. In terms of decline in value of the investment, the nest egg of Canadians for their pensions, it cost about \$25 billion.

I have a question for the member. On a major decision like that, where the finance minister refused to provide the calculations supporting the tax leakage and refused to answer the questions raised by expert witnesses that the methodology was flawed, why is it that no one in the Conservative Party is prepared to talk about it?

[Translation]

Hon. Christian Paradis: Mr. Speaker, I thank my colleague for his question.

He speaks of repetition. In fact, there is a great deal of good news from the government. I think that our election platform clearly spelled out our priorities. We wish to support the agricultural sector. Since being elected, we have injected \$4.5 billion into the agricultural sector. This sector had been woefully neglected for 13 long years by the Liberals with catastrophic consequences. The sector is reeling and has a lot of catching up to do. This government is determined to put it back on a sound footing.

These are unprecedented measures and we can be proud of them because the agricultural sector is the engine and the foundation of our economy. We must keep this sector in good financial health.

There are extraordinary measures for our seniors. They can split their pension income for tax purposes in order to obtain additional amounts. Furthermore, as I mentioned in my speech, amounts can be transferred to an RRSP or a RRIF.

These concrete measures will put a fair bit of change in taxpayers' pockets. Agriculture and families are the priority, are at the forefront. Let us not play petty politics with that. We can see that the Liberal Party does not know what to attack.

[English]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I would like to ask the hon. member about the so-called national water strategy that is mentioned in the budget.

Curiously, it is not a strategy. It is individual little bits of money for various cleanup sites, but the largest amount of money is going to purchase six large vessels, four for the Coast Guard and two

scientific vessels. I notice that the strategy includes no national water standards and no ban on bulk water exports.

I also notice that missing among the cleanup sites is anything around the city of Toronto. My riding is a waterfront riding. We have beautiful beaches there. I have pictures of my parents swimming there as young people, but today those beaches are polluted and unusable all summer long.

Why has Toronto been excluded from the Great Lakes cleanup and why is the so-called national water strategy not really a strategy at all?

[Translation]

Hon. Christian Paradis: Mr. Speaker, I thank my colleague for her question. She brings up a very important point.

We know that a certain climate change policy was established over the past 10 years with the previous government. There was a lot of talk, but nothing was done. This is disastrous.

Our government is making things happen. We are introducing clear and concrete regulations that will produce results for Canadians. We are already seeing the positive effects. We can see that it has been well received.

But it is not just about air. Canadians should also be entitled to expect clean water. This was announced in our election platform. Only 14 months after taking over, the Minister of Finance is already introducing a national water policy. He is announcing tangible results and projects.

This is good news for Canada, and we will work on this with the provinces and territories.

•(1250)

[English]

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, it is a great honour to rise today on behalf of the people of Palliser to support budget 2007.

Throughout the great constituency of Palliser, in Moose Jaw, Regina, Avonlea, Wilcox, Rouleau, Caronport, Caron, Pense and other communities throughout Palliser, our constituency is blessed with families who work hard and seniors who have spent their lives building their communities.

Palliser is made stronger through the work of our farm families, whose dedication to the land is an inspiration, and through the small businesses that create the jobs we need to sustain a strong economy.

The people of Palliser want a government that delivers results, a government that cuts taxes for working families and invests in priorities like health care, the environment and infrastructure. That is what our Conservative government has done in budget 2007.

This budget delivers real results for Saskatchewan families. It invests in the important social and health priorities of Saskatchewan people while cutting taxes for families and addressing the fiscal imbalance by delivering the best equalization deal to Saskatchewan of any federal government in our history. This latter point is significant.

The Budget

Our government campaigned in the last election on the promise to fix the fiscal imbalance that had been allowed to continue under the previous Liberal government. This budget delivers on that commitment by offering the province of Saskatchewan the option of excluding natural resources, as we promised, and delivering \$226 million in equalization payments to Saskatchewan this year, the best equalization deal in our province's history.

In fact, under the fiscal balance package in this budget, Saskatchewan will enjoy the largest per capita increase of any province.

A renewed equalization deal is part of the \$1.4 billion this budget delivers to Saskatchewan in transfers for health care, infrastructure, post-secondary education, child care and other measures under the Canada health and social transfer.

I want to remind Saskatchewan residents of what happened the last time a Liberal finance minister brought down a budget in this House, a budget that was supported by the NDP. That budget contained no measures to exclude Saskatchewan's natural resources and nothing to provide additional resources to Saskatchewan as part of a long term equalization deal.

Where both the Liberals and the NDP failed Saskatchewan, our government has delivered.

Even Janice McKinnon, the former NDP finance minister in Saskatchewan, agrees with us. She says that Premier Calvert's desire to negotiate a side deal for Saskatchewan is "particularly disturbing" and that "he wants to take us back down the road that got us into this mess".

It is not just through a new equalization deal that Saskatchewan people are benefiting from this budget. I want to take a moment to list the benefits that the people of Saskatchewan will see because of our government's budget.

The benefits include: \$250 million for Saskatchewan farmers as part of our plan to provide producers with a new farm income stabilization program; \$75 million for infrastructure; \$24.8 million through the patient wait times guarantee trust over the next three fiscal years; \$8.9 million to implement an immunization program to combat cervical cancer over the next three fiscal years; \$44.4 million from the Canada ecotrust for clean air and climate change; and \$10 million to support the Canadian Police Research Centre to establish its permanent base in Regina.

Budget 2007 will provide the residents of Saskatchewan with over \$878 million in new money. That funding will be used to directly improve the lives of Saskatchewan residents and deliver real results on the priorities of Saskatchewan people.

Not only does the government's budget provide increased transfer payments to Saskatchewan to address the fiscal imbalance and invest in the priorities of Saskatchewan people, it provides concrete benefits to families and seniors.

Budget 2007 contains a new \$2,000 child tax credit for families. This measure will save Saskatchewan parents \$45.2 million this year.

●(1255)

The budget increases the basic spousal amount to provide up to \$209 of tax relief to a supporting spouse or single taxpayer supporting a child or relative, saving Saskatchewan residents an estimated \$7 million.

As well, it contains a working income tax benefit that will provide \$19.4 million in tax relief to low income workers in Saskatchewan.

Our government has delivered for seniors.

Budget 2007 delivers on our commitment to allow senior couples to split pension income. It also increases the age credit amount by \$1,000 to \$5,066, while increasing the RRSP and registered pension plan maturation age, saving Saskatchewan taxpayers \$3.9 million this year.

These are the benefits budget 2007 delivers to seniors and families.

Budget 2007 also delivers results for businesses in Saskatchewan.

Our budget will help manufacturing and processing businesses make major investments by allowing them to write off their capital investments in machinery and equipment acquired on or after March 19, 2007, and before 2009, through a special two year 50% straight line rate. This will provide \$13 million to assist Saskatchewan businesses this year.

The budget supports Canada's job creators by increasing the capital cost allowance rate from 4% to 10% for buildings used in manufacturing and processing and from 45% to 55% for computers.

The budget rebalances the tax system to encourage investments in oil sands and other sectors in clean and renewable energy while phasing out the accelerated capital cost allowance for oil sands development.

Budget 2007 will provide \$3 million in tax savings for farmers and small business owners by increasing the lifetime capital gains tax exemption to \$750,000.

Through these measures, plus \$75 million for infrastructure in Saskatchewan and \$23.6 million in gas tax funding for municipalities in Saskatchewan, our government is delivering real tax relief and enhanced support for my province.

The Budget

Our government believes in balance. While we have continued to provide real tax relief to Canadian families and businesses and have addressed the fiscal imbalance, we have also strengthened investment in health care and the environmental security of our country.

I have already outlined some of the new funding our government will provide for health care in Saskatchewan, but I want to talk about the commitment that our budget makes to the environment.

Battling climate change and creating a sustainable environment for Saskatchewan people is a priority for this government. Through our budget, Saskatchewan will receive over \$44 million from the Canada ecotrust for clean air and climate change initiatives.

Our government is also taking action to preserve and protect the environment by assisting Canadians to make green choices. We will do this through rebates of up to \$2,000 to assist Canadians in buying fuel efficient vehicles, through a green levy that will apply to the most fuel-inefficient vehicles and through an incentive plan to retire older, polluting vehicles.

In addition, we will provide \$500 million to Sustainable Development Technology Canada to support private sector production of next generation renewable fuels. Iogen, one of Canada's leading biotechnology firms, is seeking \$180 million to build a new plant in Saskatchewan and would be a candidate for funding.

We will also be allocating \$1.5 billion toward operating incentives for producers of renewable fuels. This funding will help Saskatchewan farmers by creating new market opportunities and creating value added jobs here in Canada.

The measures contained in the budget are good news for Palliser residents, good news for Saskatchewan and good news for Canadians.

Through budget 2007, our government has taken action to build a stronger, better and safer Canada. Our government has delivered a balanced budget that cuts taxes for working families, invests in priorities such as health care, the environment and infrastructure, and moves to restore fiscal balance by giving provinces the resources they need to deliver the front line services that matter to Canadians.

In addition to investing in spending priorities, we are cutting debt by \$9.2 billion, bringing our government's total debt reduction since taking office to over \$22 billion, or \$700 for every man, woman and child in Canada. As well, we are delivering on the tax back guarantee by dedicating over \$1 billion in debt interest savings to ongoing personal income tax reductions.

● (1300)

I am proud to support this budget on behalf of the people of Palliser and I am proud to be a part of a government that continues to take action to build a better future for the people of Palliser and for Canadians across our great country.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I listened carefully to the words of the hon. member for Palliser and, being that he is from the west, I think he would share some of my concerns about what is not in the budget. I heard other hon. members earlier say that the government had made it easier to save for children's education but that it did not make education any less expensive. It is really difficult for families to save for their

children's education when they have such high child care costs and housing costs.

Income splitting does not help single seniors. It is a fact that many women outlive their partners and many of those women are living in poverty.

First nations want to settle their treaties but there was nothing in the budget for them. They are very concerned in British Columbia about what has been left out of the budget with regard to treaty settlements.

One of my other big concerns is western economic diversification. I did not see any mention of that in the budget. I understand, when I met with the department, that there have been cuts to WED. I wonder what the member can tell me about western economic diversification. Will there be any funding for the program and will it continue?

Mr. Dave Batters: Mr. Speaker, the member touches on a number of points and I will try to respond in kind.

The member said that there was nothing in the budget for education and yet we increased post-secondary education funding by 40% to ensure that Canadians are the best educated and that we have the most flexible workforce in the world.

By fixing the fiscal balance and providing two-thirds of the spending in this budget to lower levels of government to discharge their responsibilities, a lot of that money will flow into things like education, health care and housing.

The member asked what the budget does for first nations. In my province, the first nations in Saskatchewan will benefit from \$35 million over the next two years in the aboriginal skills and employment partnership, a skills training program for aboriginal people.

What is really significant about the budget is some of the troubling questions that come out of the positions taken by the New Democratic members and the Liberal members of the House. We need to ask ourselves why they are saying no to a budget that provides \$1 billion for producers, \$250 million of which will go to Saskatchewan. They are saying no to a \$2,000 child tax credit for all children under the age of 18. They are saying no to over \$1 billion in tax relief every year for seniors.

We have heard a lot of troubling questions, a lot of things that the NDP and the Liberals will need to answer to when they face their constituents.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member should say "not for seniors but for some seniors".

The Budget

In fact, what the budget does not do is address those in most need in our society and they include seniors in poverty. An increase in the age credit does not help people who do not have any income to apply that non-refundable tax credit against.

The increase in the age at which RRSPs must be converted into RRIFs does not help someone who does not have an RRSP. Pension income splitting does not help someone who is a lone senior, who has no partner, whose income is below \$36,800 of pension income or, if they are a couple, their retirement amounts or pensions are already taxed at the lowest possible rate.

The issue is that some seniors benefit but it is the more well off seniors who benefit, except those for whom the government broke its promise on income trusts and brought in a 31.5% tax on income trusts which destroyed \$25 billion of the pension nest egg of seniors.

Mr. Dave Batters: Mr. Speaker, Palliser seniors watching at home know that this budget delivered for them. It certainly delivered on their priorities. It increased the age credit by \$1,000, as the member pointed out, to \$5,066.

Since this government has taken office, seniors see the tax savings every time they go to a store. Seniors are consumers and they see that benefit every time they purchase something at a store.

The member made reference to income trusts. This is a government that makes the tough decisions as opposed to the previous government that dithered, delayed and whispered about perhaps doing things. These whispers caused tremendous turmoil in the markets. Then there were public servants leaking information, which was all under the leadership of the member for Wascana, the previous finance minister. E-mails were sent by the member for Kings—Hants to his friends on Bay Street.

I want to point out for Canadians at home that this government made the tough decisions. This government is not under investigation by the RCMP. The Liberal Party is under investigation by the RCMP.

• (1305)

[*Translation*]

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, I will be splitting my time with the hon. member for Jeanne-Le Ber.

It is a tremendous pleasure for me to rise today on the 2007 federal budget. Much has been said about it since it was introduced by the finance minister. The analysts have had a lot to say and we have seen many strong reactions. Although the budget is basically far from perfect or ideal, it does address one issue of primordial concern for the development of Quebec for which we have been fighting incessantly for the last five years, that is to say, resolving the fiscal imbalance.

I want to remind the House that it was the sovereignists who waged this long battle, continually showing that the money is in Ottawa while the needs are in Quebec. We sovereignists were the ones who established the Séguin commission. We were the ones who kept up the pressure on the federal government here in Ottawa and kept the bar high. Without the Bloc Québécois, the fiscal imbalance would not even be an issue.

This is a first here in the House of Commons. By starting to resolve the fiscal imbalance, the federal government has acknowledged that it exists. The display of some desire on the part of the federal government to deal with this nagging problem shows what my colleagues and I in the Bloc have always believed: a strong Bloc presence in Ottawa pays off for Quebec. I am sure that the people of Quebec will recognize how much of all this is due to the efforts of the extended sovereignist family.

Although this news is a good start, all the effects of the budget have to be well understood in order to appreciate its real gist and what it will mean for Quebecers as a whole. Thanks to the first steps toward resolving the fiscal imbalance, we will be able to support the budget. Quebecers in general will benefit from the gains that the Bloc has obtained here—a party known for its responsible, pragmatic approach. In a direct continuation of this approach, I firmly believe that the struggle is not over. Quite to the contrary, the budget makes it abundantly clear that this government and its leader have not kept their promises.

First, this budget gives Quebec revenues based on Ottawa's goodwill. My colleagues at the Bloc will agree when I say that the past is full of negative examples of this. For instance, how can we forget the child care agreement that was torn up by this government? No new independent revenue was given to Quebec.

That is why it is so important to control the federal government's spending power, which truly leaves the door open for all sorts of intrusions into provincial prerogatives and Quebec's interests. I am not surprised to see that this budget still does not include a plan for putting an end to the federal government's spending power, as recommended in the Séguin report, except perhaps the "limit" the Minister of Finance has suggested, offering the right to withdraw with compensation from shared cost programs and with conditions imposed by the federal government.

This is unacceptable. The current intrusions have to stop and Quebec has to be able to withdraw without conditions and with full compensation whenever it sees fit in the future.

This budget has some obvious holes in it that this minority government is trying to cover up. The Minister of Finance has announced with great fanfare that the fiscal imbalance has been corrected and that the era of bickering between the provincial and federal governments is over. I, however, can see that we have a long way to go. For Quebec alone, there is a \$950 million shortfall in achieving the levels that were indexed to inflation in 1994-95.

That is why the Bloc will continue to fight for a fiscal transfer. In this budget, no concrete progress has been made since the only real, lasting solution to the fiscal imbalance is a fiscal transfer of the GST and tax points. What Quebec is looking for is independent revenue.

There are other issues I am very concerned about. Why did this government fail to include post-secondary education transfers? Given repeated demands from the education sector and other partners, not to mention the pressing needs in this sector, we would have expected Quebec to begin receiving its share in 2007-08.

The Budget

I would like to remind the House that the education network has called that post-secondary education institutions across Canada need at least \$5 billion. That means \$1.2 billion for Quebec. Obviously, there is work to be done, especially since the Prime Minister has recognized these needs and has committed to increasing post-secondary education transfers. The Bloc will never give up on this issue. We will keep working to increase transfers for post-secondary studies.

Earlier, I was saying how hard it is to believe that the government can hide such obvious social priorities.

• (1310)

I would therefore add to this long list the complete absence of initiatives and financial means to support social housing. Social housing is a major problem in my riding, Châteauguay—Saint-Constant. I am not at all surprised to see that this government cares nothing for the poorest members of our society.

In Quebec, there is a social housing crisis. Of course, not everybody needs social housing, but this is an undeniable necessity in any healthy society. People with low incomes need social housing. Having visited social welfare agencies in Châteauguay—Saint-Constant, I know that women alone, both young and old, are often the ones who need this kind of housing.

Speaking of the status of women, I also wonder why this government once again turned its back on advancing this cause. Not only has it neglected this issue since coming to power, but the government is sending a clear signal in this budget by giving nothing to outspoken women's groups.

Admittedly, there is \$20 million for Status of Women Canada, which includes \$5 million previously announced on March 7. However, this government is neglecting the serious problems that directly concern women, such as pay equity, women's access to the employment insurance plan, and the issue of new funding for those groups that work to defend the rights of women.

In addition, how can we ignore the failure to create an independent employment insurance fund for Canadian workers? The fund has fantastic surpluses that could be used to improve conditions for the plan's contributors. We could reinvest in jobs. But that is not what is happening. In fact, the surpluses in the employment insurance fund are not being returned to the unemployed. They are not benefiting from it as they should. This situation has been widely criticized but it was not corrected in the present budget.

Still on the subject of the great failures of the budget, I find it regrettable that assistance to aboriginals has been put off for a year. I am well aware of their social concerns because the Kahnawake Mohawk reserve is in my riding. It is heartbreaking, knowing that aboriginal communities are in extraordinary difficulties and that they need special support.

Because of these great oversights, I conclude once again that the government is doing little to reduce poverty or to help the most needy in our society. They will have to answer for it to the voters in the next federal election. I could speak at even greater length about the missed targets in this budget, however, I will conclude by repeating that the Bloc will, nevertheless, support this budget, in

particular because of this first step toward a full adjustment of the fiscal imbalance respecting Quebec. The government has a great deal to do. It must fulfill its promise to fully correct the fiscal imbalance and propose a tax transfer to Quebec, as well as increasing transfers for post-secondary education.

I call on this government to provide workers with an accessible employment insurance plan and to create an independent employment insurance fund. It must transfer money to Quebec and the provinces for social housing. It must help older workers with an income support program that will pave the way to a decent retirement. Yes, there is a lot of work to be done by this government, but also by us, members of the Bloc. For our part, we will continue to propose solutions and we will speak up for the interest of Quebec every time, on every issue, in a responsible way, dedicating our hearts and our minds solely to the interests of Quebec.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member raised some interesting issues. A general summary of her concern was that the budget did not seem to respond to the needs of those most in need in our society.

With respect to seniors, I think it has been laid out in prior questions that low income seniors are not the beneficiaries of most of the items in this budget. In fact, the beneficiaries would be high income seniors, except for those who happened to have purchased income trusts, because 70% of seniors do not have a defined pension benefit plan.

The disabled were not really looked at. The government brought in a registered disability savings plan. Setting up something very similar to an RESP, a registered education savings plan, to deal with the disabled, seems to presume that people who have a disabled family member do not live from paycheque to paycheque to take care of those needs, that somehow they have extra money to put away for the future when they will no longer be there to care for their loved one.

I would ask the member whether or not she has any other concerns about those disadvantaged within our society who fell through the cracks with regard to this budget.

• (1315)

[*Translation*]

Mrs. Carole Freeman: Mr. Speaker, I thank my colleague for his remarks concerning people with disabilities.

Many are left out in the cold with this budget: the disadvantaged, especially those in real need of help, women, social housing; I have listed them all. Of course, the situation of the disabled should also be looked into. What my hon. colleague is suggesting is certainly worthwhile. We will have to consider the feasibility of his suggestion at committee.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I enjoyed the presentation of my hon. colleague from Châteauguay—Saint-Constant.

I have a very simple question for her in light of the progress made with respect to the fiscal imbalance.

The Budget

Does she not think that this is essentially a minority government budget and that, had Quebec not elected 51 Bloc Québécois members and had this government been a majority government, it would never have bothered to respond to the aspirations of Quebeckers?

Mrs. Carole Freeman: Mr. Speaker, I thank the hon. member for Jeanne-Le Ber for his comments and question.

If this is a good budget for Quebec, it is primarily due to the sovereignists, the people of Quebec and the Bloc members. Just four years ago, no one believed in the fiscal imbalance. It was after the Séguin commission that the problem began to be recognized. As a result of the ongoing dedication and attention of Bloc members we have a favourable budget.

I also believe that, if not for the fact that it is in a minority position, the government would not have been as generous in its allocations in this budget. I believe that we will have to continue to be mindful of this issue because the Conservatives have not resolved the fiscal imbalance. They may have taken one step forward but they have resolved nothing, because we continue to rely on Ottawa's goodwill. It will always be up to them whether or not they wish to give us the money.

It is imperative that we obtain these tax transfers and these tax points. We must obtain these transfers and it must be clearly established that we are entitled to receive these monies. It is money that belongs to our province's taxpayers and they are owed this money.

These measures must be clearly defined and we must know exactly where we are going in future. This budget is favourable but it is not a guarantee for the future.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I am pleased to speak in this House to this budget.

My colleague from Châteauguay—Saint-Constant explained the reality of this budget quite well. This is a step toward correcting the fiscal imbalance, but things are not really resolved. We are still at the mercy of the federal government's goodwill. All we need is an election, another budget or another government and all this can change.

In fact, the first thing this government did when it came into power was tear up the agreement on child care reached with Quebec. It could very well do the same in a few months or another government could do so in a few years. Such is the cost of dependency: being at the mercy of another government for making our strategic choices in Quebec. The only solution to this is independence.

The hon. member for Châteauguay—Saint-Constant pointed out that the government needed to have the fiscal imbalance explained to it. It was the Bloc Québécois that proposed this debate in the House. Even though some progress has been made, the Conservatives still do not understand what the fiscal imbalance is. The minister claims that it has been resolved, that it is over and that nothing more will be said about it. To resolve it, he would have had to offer a real and complete solution to the fiscal imbalance, but he does not understand what that means.

The concept of the imbalance was first introduced by the Séguin commission in Quebec. It received a broad consensus, regardless of political stripes and allegiances to national unity.

When the term “fiscal imbalance” was adopted, people at the Séguin commission did not just randomly pick two words out of the dictionary. They did not draw them out of a hat. These words did not come out of nowhere. These people came up with the term “fiscal imbalance” because it was an imbalance and because it was fiscal. This seems logical enough to me.

The imbalance means that the central, federal government collects more taxes than it needs to discharge its constitutionally-assigned responsibilities, while the governments of Quebec and the provinces do not have sufficient tax revenues to provide all the services designated or required by the Constitution and the related fields of jurisdiction shared by the provincial governments.

This situation will only get worse, because expenditures related to federal jurisdictions tend to increase relatively moderately, while expenditures related to provincial jurisdictions, especially health and education, for instance, increase quite quickly.

That is the imbalance aspect and there is also the fiscal aspect. It is a taxation issue, a question of predictable, own-source revenues the provinces can collect in order to provide their citizens with the appropriate services.

One cannot consider the fiscal imbalance resolved as long as there are no fiscal solutions. It is not called the budget imbalance, the financial imbalance or the monetary imbalance. It is called the fiscal imbalance. I repeat this, because we have been repeating this for four years and, as of just last week, the government still did not understand what it was.

Thus, the government has taken a first step. It has decided to transfer more money to Quebec and the provinces. That is a step forward. However, it is not enough. This can only be a short-term solution. What Quebeckers want—and all party leaders in Quebec have said so, partisan politics aside—is to take this even further. Independent transfers are needed. The GST, for instance, must be handed over to the Quebec government to collect directly, increasing the Quebec sales tax by six points, for example and, in exchange, the federal government would agree to stop collecting that tax in Quebec.

• (1320)

That was the Séguin commission's preferred solution. It would be the simplest solution to implement and would give the Government of Quebec its own revenues that would grow at the same pace as its economy and would be controlled by Quebec voters when they choose their government. That is what we want. We do not want to have to start everything over in a few months, which is what happened in the past. This could be a solution to the problem.

We could also solve the problem through tax transfers, which has been done in the past. We could increase the federal income tax allowance for Quebeckers. The Government of Quebec could then increase its income tax rates by an equivalent amount. This would be completely transparent for taxpayers. This would make a difference for citizens and the government because Quebec could take advantage of its own revenues. That is what should have been done.

The Budget

With respect to the budget, there is still a lot to do. In terms of equalization, the point is to ensure fiscal fairness—as I said, this is about taxation—which means that all of the provinces would have similar fiscal capacities. This regime is for provinces that fall below the Canadian average for fiscal capacity. The money they receive will enable them to offer services similar to those offered in other provinces based on the Canadian norm without having to raise their own taxes unreasonably. How is the tax base calculated? In any reasonable federation anywhere in the world, people would say that it is not complicated, that the tax base is simply all of the revenue sources available to governments.

In Canada, the government has decided to exclude, on a totally arbitrary basis, a source of revenue equivalent to half the country's non-renewable natural resources. That is completely arbitrary. It just so happens that the province that will suffer the most because of this exclusion is Quebec. In the current budget, there are two levels of inclusion that can be used to calculate equalization: 0% and 50%. Why is there no 100% level, which would benefit Quebec? The Conservative members from Quebec have failed to ensure that Quebec's voice is being heard.

I would like to address my colleagues from the rest of Canada who might say that we are complaining for nothing. How would they have reacted if the government had decided to exclude aerospace from the equalization formula. Why not? Would the Bloc support that? That would be good. It would mean additional revenues for Quebec. The aerospace industry is concentrated in Quebec and is part of our fiscal capacity. So it would be to our advantage to remove it from the calculation. But that would not make sense. Everyone would say, “why aerospace?” Why would we not exclude hydroelectricity? Why not? Non-renewable resources are excluded, so why not renewable ones?

What I am trying to show is that this measure is completely arbitrary and that it goes against the very spirit of the Canadian federation. The amount Quebec receives might of course seem large. We heard some of our colleagues speak about this. Of all the provinces that receive equalization payments, Quebec receives the least per capita. Quebec obviously receives more in equalization than Prince Edward Island. It is not just about volume, number of residents and the principle of fiscal capacity. Fiscal capacity is calculated per capita. Is each province able to offer similar services to every resident?

In conclusion, the government has taken a step forward. It is a start. The government could have done better by eliminating the arbitrary nature of equalization.

• (1325)

It could also have done better by offering a tax transfer.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I listened with interest and I understand the member's position, as do other Canadians, but we are talking about the budget. We are talking about what is in it and maybe what is not in it.

Earlier the member's colleague talked about how the budget does not seem to address the needs of those who are most disadvantaged in our society, the poor. Those who live on CPP and OAS, maybe

even GIS, do not pay income taxes. They do not make enough money to pay income taxes. An increase in the age credit really does not do anything for them. They cannot benefit from an increase in the age credit, nor can they benefit from splitting pension income. That is not applicable for them.

Is the member of the same view that the budget does not seem to address the needs of low income families, of seniors, of the disabled, of those who are the most disadvantaged in our society?

• (1330)

[Translation]

Mr. Thierry St-Cyr: Mr. Speaker, indeed, there are a number of holes in this budget and a number of things missing. Nonetheless, there is an attempt to start correcting the fiscal imbalance. If this allows the governments of Quebec and the provinces to put more money into health, education and social services, then this will, among other things, help the least fortunate that the hon. member was talking about. The Bloc Québécois does not agree with the NDP's centralizing, paternalistic approach that promotes interference in provincial jurisdictions.

The Liberals had 13 years to correct the fiscal imbalance and they never did it. Worse yet, they are mostly responsible because they were the ones who savagely cut transfers to the provinces in 1995. Since that time, the Bloc Québécois has been working hard in order to correct the mistake the Liberals made at the time. What is more, they never acknowledged the fiscal imbalance.

Now that the government is starting to propose a correction with this budget, we will support it, but we will continue to exert pressure in order to have this fully and completely resolved.

[English]

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, we went off the track sometime in the 1970s with the Trudeau regime. Sections 91 and 92 of the Constitution were forgotten. Section 92 states that health, education and social services are the exclusive jurisdictions of the provinces and we piled up money in Ottawa for all sorts of Liberal games that went on, such as the sponsorship and money blown away, whereas those areas have been very much neglected.

I have heard the Liberal members whine and complain, but in this budget there is \$2.9 billion more in social transfers. Going forward it is going to be predictable and in place. There is \$1.9 billion more in equalization payments for the provinces. There is \$650 million more money for infrastructure that will help to build roads and bridges and so on in the communities. There is \$612 million for wait time issues and so on.

The Budget

I heard the member from the Liberal Party say that there is nothing in the budget for people. Social services, education and health, if they do not benefit low income Canadians, I do not know what does. When people need these services they really do not care whether the services are coming from Ottawa or from their provincial government, just as long as they get the services they need when they require them.

Because the Liberals cannot take credit for it, it bothers them but it is not a problem with us. We respect the Canadian Constitution and the budget reflects that understanding.

[*Translation*]

Mr. Thierry St-Cyr: Mr. Speaker, I am very pleased to see that there are people reminding us that we have a Constitution in Canada that provides for the division of powers. I wonder why the Conservative government did not take that approach even further to ensure that taxation respect this division of powers. Why would we not use tax solutions to transfer monies to resolve the fiscal imbalance?

I would also like to know why this government, which claims to respect provincial jurisdictions, encroaches frequently in education and health. There is still talk of creating a federal securities commission when this is clearly an area of provincial jurisdiction. That is the problem.

There is a difference. The Conservatives give the appearance of respecting jurisdictions, but there remains a tendency to centralize, even among the Conservatives.

• (1335)

[*English*]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I will start by making clear that I am splitting my time with the member for Fleetwood—Port Kells.

It is a real pleasure to rise to address the budget. In budget 2007 Canada's new government has done a number of things to actually deal with issues that are important to Canadians, whether it is solving the issue of the fiscal imbalance and bringing balance to our relations with the provinces, ensuring they have the resources to provide all the services in their domain, as we were just discussing in the House, or in terms of providing tax relief for Canadians who have been hard pressed for a long time.

We believe that Canadians pay too much in tax, so we have done some things to lessen the burden, including introducing a new child tax benefit. It goes beyond that of course. We have also beefed up the spousal amount so that there is no longer discrimination against married couples in the tax system. There are a number of other tax changes I could go into but I will not as my time is very limited.

As is the custom during a budget speech, I want to acknowledge the people of my riding of Medicine Hat, who have been very generous and good to me and elected me a number of times. It is a great honour to serve the people of Medicine Hat, Brooks, Taber, Bow Island, Foremost, Bassano, all these great communities. They are good folks who do not mind extending a hand over a fence to help their neighbours. It is an honour and a privilege for me to have the chance to represent them day to day in this place, but also today as we debate this budget.

There are a few things I know I can say on behalf of the people of my riding, including that they like this budget. They are very much supportive of the measures that we brought forward. I want to talk a little about those measures right now. I am also going to talk about them from the perspective of being the Minister of Human Resources and Social Development.

I could talk about a lot of issues. We were very busy in the budget. We introduced a lot of good measures, including the new disability savings plan. My friend from the Liberals asked what was in it for the disabled. The new disability savings plans is extraordinarily important. There is another initiative in the budget that will provide for capital projects for businesses and not for profit organizations that need wheelchair ramps and that kind of thing.

There is a lot more in the budget and I cannot get into everything, so I want to talk about a few very specific issues. I want to preface that by saying we are working together with the public and the provinces on these very important issues.

[*Translation*]

For the first time in 13 years, we have a government in Ottawa that is doing what my constituents have been saying for a long time: we must work together, across the country, and recognize the ability of each of the provinces to deal with the unique challenges they face.

[*English*]

We are working with the provinces and with individuals to make this country better.

I will begin with an issue that is important to Canadians, which is the issue of child care. In the last little while child care has become an important issue to many Canadians. This government responded immediately upon coming to power to address this issue. We argued for choice in child care. We were elected on that platform. Upon coming to government, we brought in the universal child care benefit that now goes to 1.4 million families on behalf of 1.9 million children.

We also said that we had to do something more to create spaces. In the budget, we immediately brought in a new \$250 million transfer to the provinces for the purpose of creating child care spaces, along with the new investment tax credit that will urge businesses to create spaces for child care. No sooner had we brought those measures in, than budgets came down in Saskatchewan, Nova Scotia and Ontario. What did they announce in those budgets? The provinces announced that they would take that money and create 17,000 new child care spaces across the country. That was tremendous news. We are providing choice in child care for Canadians today.

The Budget

I remind my friends across the way that when they were in power they promised a national child care plan going back to 1988 actually. John Turner promised a national child care plan if he was elected then. The truth is that a lot of the people who were children when the Liberals were making those promises now have children of their own. The Liberals never came through on their promises. They promised child care in 1993, 1997, 2000 and 2004. By the time they put some money into the program, the former deputy prime minister, the deputy leader of the Liberal Party, Sheila Copps, pointed out in an article in the *Calgary Sun* that the money did not create a single child care space.

The Liberals threw a tonne of money at it but it did not create a single child care space. No sooner have we put a very modest amount of money in, a targeted amount of money, we are able to lever that working with the provinces to create 17,000 child care spaces.

We have been busy on other fronts as well. We moved very aggressively on post-secondary education. We have done this with the provinces and we have done it in a way that ensures that this is not just another direct transfer to them to do with it what they will.

In fact, we received affirmation from people like Claire Morris of the Association of Universities and Colleges of Canada and with the Canadian Alliance of Students Associations. Both of them have lauded the government for putting \$800 million in the budget toward post-secondary education, a 40% increase every year for students for post-secondary education. They lauded us because they noted that it was a step toward a dedicated transfer, which means that the provinces will be more accountable for how they spend that money. That should give everyone some comfort.

The money will provide the provinces with more latitude to ensure they can fund universities and also more latitude to ensure that tuition stays down, something that is in their purview, of course, but now they have the resources to react to the public which is asking for tuition to be kept down so young people can go to university.

We have acted aggressively and we are being lauded for it by the people who are the real experts in this, not the Liberals and not the NDP, but students and universities, who know better than most people and, of course, parents themselves who know better than most people the costs associated with a university education.

We have moved in other areas as well. Something that has not been remarked upon but which is very important, and I think some members in this place will appreciate this more than others, is our announcement in the budget of a new plan to ensure that we work with the provinces on labour market agreements.

In the past, the federal government has devolved some responsibility to the provinces for what is called employment insurance, part II money, which means money that was used for training through the employment insurance program for people who had been in the workforce and would have qualified for employment insurance.

● (1340)

The program has been successful and agreements have been in place with the provinces in different ways over different periods of

time, depending on the provinces, but it has been successful and those people are getting training they need.

However, we want it to go the rest of the way. Today we have the hottest labour markets in a generation, thanks to the leadership of our finance minister and the Prime Minister, but we wanted to ensure that people who have not been in the labour market for a long time also get training. We announced in the budget new bilateral arrangements with the provinces that will provide \$500 million on a per capita basis to help people who have been out of the workforce for a long time. Sometimes it is older workers and sometimes it is off reserve aboriginals who have struggled to get the training they need.

We are getting the job done where the previous government failed and failed for 13 years in a row. It was not just one year. The Liberals failed over many years. We are getting the job done and, because of that, we really are building a stronger, safer and better Canada. I am thrilled to be part of the new government that is doing exactly that.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, it is interesting to hear the hon. minister criticize the previous government, and I share that criticism, but it is sad that with the huge surpluses the government enjoys it has adopted a policy of ABC, and that is anything but child care.

First, it gives a taxable baby bonus to Canadians and it creates anything but child care. Then it had this scheme for giving tax credits to corporations on the belief that it would create child care spaces, but of course no child care spaces were created.

In my riding of Parkdale—High Park, the waiting list for child care centres is in the hundreds and parents are paying up to \$1,480 a month for child care. Parents are desperate. They need to work. Housing prices are sky high. The government has brought in nothing for a national housing strategy.

How does the minister expect parents and kids to cope? Study after study shows that child care is the most important early intervention in a child's life for them to succeed. What is the government going to do to help kids across the country?

● (1345)

Hon. Monte Solberg: Mr. Speaker, the member says that there are hundreds of people in her riding waiting for child care. Because of this budget and the new child care spaces initiative, 17,000 spaces will be created across the country. We are dealing with this issue.

The Budget

The member asks what kind of support is there. In the budget we announced \$250 million over the next five years, which will escalate at 3% a year, for the provinces to provide that support. That is on top of \$850 million a year that we already provide for early learning and child care and child development in the provinces. So that is \$1.1 billion a year. We announced \$2.4 billion a year through the universal child care benefit, plus the new child tax credit that we announced in the budget which will provide \$1.4 billion a year. There is almost \$700 million a year that we provide through a day care tax credit or a child care tax credit, and it goes on and on. In fact, the total now is \$5.6 billion every year, which is the most amount any federal government has ever spent in Canadian history on child care.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the government talked a lot about bringing down wait times and wait times guarantees but there is absolutely nothing in this budget to deal with one of the most important components of wait times, and that is health human resources. In other words, we need to have the people to deliver the care, whether they are doctors, nurses or technicians, but the budget does not say a word about health human resources.

There were \$630 million added to the amount of money that the last Liberal government had put in for guaranteed wait times but, as we hear from the Canadian Medical Association, that is not enough. We also know that thousands of people in this country who are doctors, nurses and technicians but who were trained somewhere else cannot use their skills to work in the health care sector.

Why did the government not see fit to deal with one of the most important reasons that our wait times are so long? What did it do with the internationally trained worker initiative that our government had set in place, an initiative for which I was personally responsible?

Hon. Monte Solberg: Mr. Speaker, while the member was on her feet, I was hoping she would explain to Canadians why her government in 13 years did nothing on those issues. However, she did not see fit to address that so I will try to answer that for her.

In 13 months in government, we are moving forward with a foreign credential referral office so that those people who are foreign trained, whether they are in the medical profession or any of the other profession, have a pathway to having their credentials recognized through the professional bodies that are responsible for that or a pathway toward getting the upgrading they need so they can practise in their field in Canada. We are moving forward on that.

We are also moving forward on other initiatives that provide training so people can work across Canada in their appropriate field. In the budget we talked about the importance of knocking down interprovincial barriers so people can move across the country.

We also announced in the budget that we are working toward providing a pathway to permanent residence for temporary workers who come to Canada temporarily to fill the skills shortages that we have here because we see that as an important way to ensure we attract the best and brightest to this country, something the Liberals never saw fit to do in 13 years.

• (1350)

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, I am pleased to rise today on behalf of the constituents of Fleetwood—Port Kells to participate in the debate on budget 2007. The

document we have before us is further evidence that Canada's new government is listening and responding to the real concerns of British Columbians.

For more than a decade my constituents have had to endure the empty rhetoric and broken promises of Liberal prime ministers. Those days are now behind us.

Budget 2007 is a budget for all Canadians regardless of where they come from. Budget 2007 is a balanced budget that cuts taxes for working families, invests in important priorities like health care, the environment, infrastructure, and moves to restore the fiscal balance. In short, this is a great budget for B.C. and a great budget for Canada.

This year's federal budget is good news for people concerned about infrastructure in B.C. For years Lower Mainland residents have sought federal aid for their transportation problems. Liberal neglect has exacted a heavy toll on commuters. Travel times in the Lower Mainland have increased by 30% in the last decade. Traffic delays are costing the trucking industry over \$500 million a year.

With the region's population expected to grow by another one million by 2021, severe traffic congestion will only get worse.

Last fall, at my invitation, the transport minister visited Surrey and met with people in my riding to listen to their concerns. Those concerns are now being addressed.

Budget 2007 makes the largest investment in infrastructure in Canadian history, with more than \$16 billion over seven years to fix our roads, highways, bridges and ports. This brings total federal support under a new long term plan for infrastructure to \$33 billion.

British Columbia is the single biggest winner on the infrastructure front. There is an additional \$400 million for the Pacific Gateway initiative, bringing total federal funding to \$1 billion; over \$275 million for other Gateway and border crossing projects; more than \$2 billion for B.C. municipalities in the form of gas tax funding and GST rebates; and an additional \$25 million per year for the province to support investments in national priorities. As told, budget 2007 will invest nearly \$5 billion in B.C. infrastructure over the next seven years.

The Budget

Previous Liberal governments knew of our glaring needs, but did nothing. It has taken a Conservative government to produce results.

In Fleetwood—Port Kells parents struggle daily with the challenge of raising a family. While the economy is booming and unemployment is at a 30 year low, the cost of living is dramatically higher than in other regions.

As a government we need to make it more affordable for people to have children and to raise them. That is why in budget 2007 we are creating a working families tax plan. This plan has three components.

First, for families with children it includes a brand new \$2,000 per child tax credit for children under 18 that will help families to get ahead.

Second, we are ending the marriage penalty through an increase of the spousal and dependent amounts to the same level as the basic personal amount.

Third, we are helping parents save for their children's education by strengthening the RESP program. For B.C. families this plan will result in significant tax savings totalling more than \$300 million annually.

We are also taking action to ensure that our seniors can live in dignity. In budget 2007 we are helping seniors by raising the age limit for RRSPs to 71 from 69 years, increasing the age credit by \$1,000 and permitting pension income splitting. These measures are great news for hard-working families and seniors in Fleetwood—Port Kells.

Budget 2007 helps to ensure that we continue to live in a country where hard work and sacrifice lead to economic success and security.

Our government has provided British Columbians with a budget that recognizes their struggles and delivers fairness.

• (1355)

British Columbia is blessed with one of the most remarkable natural environments found anywhere in Canada. It should therefore come as no surprise to members that people in my province consider preserving the environment to be a top government priority. That is one reason why Canada's new government is moving forward with a positive environment agenda that will curb our production of greenhouse gases and reduce water, land and air pollutants.

We are replacing empty Liberal talk with an approach that is responsible and realistic. Budget 2007 invests \$4.5 billion in measures to protect our natural environment. This includes, among other things, \$1.5 billion for cleaner energy and energy efficiency. Through the Canada ecotrust for clean air and climate change, B.C.'s share of this funding is almost \$200 million.

There is also \$2.2 billion for measures to support cleaner transportation, including a new rebate for fuel efficient vehicles, a new green levy to discourage fuel inefficient vehicles, and programs to get older, high pollution vehicles off our roads.

We are introducing a \$93 million national water strategy and there is \$30 million to protect B.C.'s Great Bear Rainforest.

Combined with a \$4.6 billion investment in 2006, Canada's new government has invested more than \$9 billion in preserving and protecting the environment with programs that deliver results.

British Columbians are fed up with the empty rhetoric and broken promises of previous Liberal governments. That is why we are delivering real action to protect our natural environment for all Canadians.

In conclusion, with this budget, we are restoring fiscal balance by bringing federal support for B.C. to \$4.7 billion this fiscal year, making \$76.4 million available to the B.C. government through the patient wait times guarantee trust, and making another \$39.9 million available to B.C. to implement an HPV immunization program to combat cervical cancer.

There is \$9 million in corporate income tax relief for changes in capital cost allowances for buildings; \$57 million in additional corporate income tax relief for the temporary two-year write-off for manufacturing equipment over the next two years; approximately \$10.2 million in tax savings for farmers, fishers and small business owners through an increased lifetime capital gains tax exemption to \$750,000; approximately \$60 million in other assistance for B.C. farmers; and \$15 million for the Brain Research Centre at the University of British Columbia. All of this funding is specifically for British Columbia.

Managing Canada's \$1.5 trillion economy means making choices and striking the right balance. In budget 2007 we have achieved this by balancing the budget, cutting taxes for working families, investing in priorities, and giving provinces the resources they need to deliver the front line services that matter to all Canadians.

Our actions today will create a Canada that we will be proud to pass on to our children and grandchildren, a Canada with a standard of living and quality of life that is second to none. Canada's new government is working for all Canadians, building a stronger, safer and better Canada.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I note on page 98 of the budget document there is a page entitled—

The Acting Speaker (Mr. Andrew Scheer): Order, please. I apologize to the hon. member for Parkdale—High Park. I notice that it is two o'clock, so we will have to move on to statements by members. She can ask her question or make her comment immediately after question period.

*Statements by Members***STATEMENTS BY MEMBERS**

•(1400)

*[English]***NATIONAL RESEARCH COUNCIL**

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, the National Research Council of Canada has had a tremendous impact not only on the lives of Canadians but on people around the world since 1916.

Radar, electric wheelchair, heart pacemaker, canola, the Canadarm, and a vaccine for infant meningitis are only a fraction of the made in Canada life changing technologies that the NRC has developed with its partners in its labs over the last 90 years.

Today, work is underway with industry and other partners developing low emission jet engines, on hydrogen energy and biofuels, and on advance treatment technologies for chronic disease, to name but a few.

In addition NRC's IRAP program this year alone has worked with close to 10,000 Canadian small businesses helping them gain a competitive edge through new technology. The National Research Council is Canada's flag ship R and D agency and is making a difference for Canada and for Canadians.

I encourage the members of the House to visit NRC's display today in the Commonwealth Room to see firsthand how it is putting science to work in Canada.

* * *

MEL SWART

Mr. John Maloney (Welland, Lib.): Mr. Speaker, on February 27 Niagara lost a long time political icon. Since 1947 Mel Swart served on Thorold City Council as Reeve, as Warden of Welland County Council, as a Niagara Regional Councillor, and finally as the Member of the Provincial Parliament from 1975 to 1988.

It was when his doctor told him that he must cut back on his 16 hour days that he retired from politics believing that he could no longer serve his constituency if he could not give the 110% that he always gave.

Originally a member of the Co-operative Commonwealth Federation and later with the New Democratic Party, Mel was a fine gentleman, respected by all and who worked tirelessly for his fellow man. He was a champion for social justice, the environment and consumer rights.

In recent years Mel was always still active on the campaign trail for his favoured candidate. In between campaigns Mel was often at community events in Thorold always advocating for his preferred projects.

Predeceased by his wife Thelma in 2001, Mel died at the age of 87. I extend my condolences to the children, Melva and Orlen and their families. Mel was a political legend and will be very much missed in Niagara.

*[Translation]***QUEBEC BRIDGE**

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, residents in the Quebec City and Lévis area have been waiting several years for Canadian National to repaint the Quebec Bridge.

In a question to his colleague, the Minister of Transport, the member for Lévis—Bellechasse brought up the former Liberal government's failure to act on this issue.

Now, just like the Liberals before them, the Conservatives are powerless in this situation, and are showing their inability to negotiate. This is why they are giving up and calling on the courts to force CN to fulfill its obligations and responsibilities. The more things change, the more they stay the same.

* * *

*[English]***SENIORS**

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the recent Conservative budget disappointed seniors once again.

In my riding of Nanaimo—Cowichan, 16% of our neighbours are seniors and that number is rising. They depend on the OAS and GIS for part of their income, but there was no increase for them in the budget.

They had hoped to see a reduction in the tax rate for the lowest income bracket. More importantly, seniors had hoped to be reimbursed for the full amount the government had short changed them as a result of a Statistics Canada mistake in calculating the consumer price index, but the Conservatives ignored this clear opportunity to be accountable to older Canadians.

Instead of supporting their retirement with dignity, the Conservatives are asking seniors to work longer. This is at a time of record surpluses which could have improved the life of seniors. Seniors cannot wait forever.

Although the government supported the NDP seniors charter in June of last year, it has failed to deliver real change for older Canadians.

* * *

DEMOCRATIC REPUBLIC OF CONGO

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, on October 29, 2006, the Democratic Republic of Congo went through its first democratic election in more than 40 years with President Kabila winning this milestone event.

The presence of UN forces, MUNOC, in the DRC was instrumental in ensuring that the election was peaceful.

Canada played an important role in this election. Therefore, the Government of Canada was alarmed to learn of the violent confrontations that started in Kinshasa on March 22 between the forces loyal to Senator Jean-Pierre Bemba, the loser in the 2006 presidential election, and the national army and the police in the capital city. Congolese authorities have issued an arrest warrant for Bemba.

Statements by Members

During the Great Lakes Conference in Nairobi this past December, all countries pledged to uphold the transition to democracy in Congo. I also met with President Kabila.

Canada condemns this violence and calls on all responsible Congolese leaders to respect and advance the peaceful democratic processes.

* * *

• (1405)

LOUIS-RENÉ BEAUDOIN

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, 2007 marks 50 years since the culmination of the historic and raucous pipeline debate in this very House, a debate that was presided over by Speaker Louis-René Beaudoin. The House was so moved by debate that it witnessed members pouring into the aisle and saw one hon. member climb the Speaker's dais while shaking his fist at Speaker Beaudoin.

As Speaker Beaudoin carried out his difficult duties with grace and aplomb, he was assailed by all sides of the House. When he made an unpopular ruling, the harassment from all sides was so great that he tabled his resignation. Prime Minister Louis St. Laurent, respecting him so, refused to accept it.

Even though his reputation was seriously affected, he won re-election. After his political career ended, he was unable to find fulfilling work. He drifted from job to job and eventually died unheralded at the age of 57.

On reflection of Louis-René Beaudoin's distinguished career, we should all strive for more civility in our debates and a higher degree of respect for each other. We should always remember those like Louis-René Beaudoin who have stood before us in the House and have so ably served Canada.

* * *

[*Translation*]

ORDER OF THE KNIGHTS OF COLUMBUS

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, this year, on March 29, the Knights of Columbus will be celebrating their 125th anniversary. The Order of the Knights of Columbus was founded by Father Michael J. McGivney with a group of parishioners in the basement of St. Mary's Church in New Haven, Connecticut in 1882.

The Knights of Columbus is still true to its founding principles of charity, unity, and fraternity 125 years later. It renders financial aid to members and their families. In addition, mutual aid and assistance are offered to the sick, the disabled and the needy.

The small founding group has grown to become the world's largest lay Catholic organization, with more than 1.7 million members around the world.

I wish a happy anniversary and long life to the Order of the Knights of Columbus, so that it can continue the good work.

GERMAINE MORIN-PROULX

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, on January 29, a great cultural figure was inducted into the Temple de la renommée des affaires in Drummondville. Germaine Morin-Proulx is the 18th person to be honoured by the Chambre de commerce et d'industrie de Drummond for her important contribution to building the economic life of the community.

She founded a ballet school in Drummondville in 1946, seven years before the creation of the Grands Ballets canadiens, as well as a folk troupe in 1947, and the Boutique du danseur in 1976.

Her contribution to the economic, cultural and artistic life of her community, for all the arts, has been considerable. In addition, she has always fought to have the role of women in society recognized.

I am pleased to honour her today and to join the thousands of residents of Drummondville who thank her for her extraordinary contribution to our community.

Congratulations, Mrs. Morin-Proulx.

* * *

[*English*]

THE BUDGET

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, our Conservative budget is getting things done, so much help for so many Canadians, yet the Liberals and NDP oppose our tax relief for hard-working families.

In fact, last week, the Liberal leader was asked on TV whether there was anything in our budget that he could support. He refused to answer the question. What is his secret agenda? Why will he not tell Canadians what he is really thinking? Is it because he does not support a \$2,000 tax credit for families with children? Is it because he is against poor families getting over the welfare wall? Or is it because he opposes support for university students?

What does the NDP have against families who want financial security for their disabled children?

By voting against our budget, the Liberals and NDP are voting against helping our seniors. They are voting against tax relief for truck drivers. Above all, they are voting against improved financial support for the brave men and women of our armed forces.

Shame on the Liberals, shame on the NDP.

* * *

PUBLIC SAFETY

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I rise in the House today to express my disappointment, disappointment because the government forgot Canada's most vulnerable communities in its budget.

Some Canadian communities face a disproportionate risk of being attacked by terrorist organizations or racist groups. For example, every synagogue, community centre, Jewish school and community festival requires continual security presence. Mosques and gurdwaras have been targeted.

The financial implications of this unprecedented level of security are great and the federal government's first priority is to protect Canadians. Members on our side have called on the government to establish a fund to help these communities pay for security costs when Canadian law enforcement agrees that a disproportionate risk exists.

This party's leader endorsed this idea. That government did not. We have a crime prevention action fund. Why do we not have a security fund for at risk communities?

* * *

●(1410)

THE BUDGET

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, by refusing to support the budget, the Liberals and the NDP have once again put their partisan games ahead of hard-working Canadian families.

I will outline just some of the things the Liberals and the NDP seem to be opposed to: the new working income tax benefit that will benefit families up to \$1,000; a \$2,000 tax credit for children under the age of 18; improvements to the flexibility of the RESP program that will ensure parents can raise money for their children's education; an end to the marriage penalty to help single income families; and a new long term savings plan for parents of children with severe disabilities.

Unlike the elite groups for which the opposition likes to speak, this government is getting real results for real Canadians. The Liberals and the NDP should put aside their partisan politics and do what is right for Canadian families.

* * *

LUMBER INDUSTRY

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, the practice of exporting raw logs from my riding of Vancouver Island North and beyond is costing jobs for our forest dependent communities. The practice is completely unsustainable and is causing deep concern for loggers, mill workers, environmentalists, first nations and local businesses.

The future of our economy is on the line. That is why I introduced Motion No. 301, calling upon the government to drastically curtail the export of raw logs and to promote domestic processing and value added manufacturing of forest products.

The Minister of Natural Resources says that I have his commitment, that he is aggressively pursuing this to keep jobs here. However, his government signed away our capacity to process lumber and sold out forestry workers when it signed the softwood lumber agreement. There is nothing in the 2007 budget to help affected communities. Over 60% of raw logs exported from B.C. come from federally regulated lands.

The bleeding of jobs can and must be stopped. The government must promote value added manufacturing in B.C. Save our logs, save our jobs and save our communities.

Statements by Members

CANADIAN FORCES

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I am pleased to rise in the House today to pay tribute to one of my constituents, Mr. Ed Forsyth, a Canadian veteran who served in the 4th Armoured Division during World War II.

Mr. Forsyth is proposing that Canada honour its 116,000 fallen soldiers with the creation of the memorial wall of names that would list all those who served in Canada's armed forces and paid the ultimate price for their country. Although Canadian memorials are scattered across 75 countries around the globe, there is not a single location where Canadians can go to view the names of our fallen soldiers all at once.

I therefore ask all members of the House to provide their support toward the construction of the memorial wall of names to honour Canada's fallen soldiers.

* * *

[Translation]

JEAN-PAUL AUCLAIR

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, 60 years ago, Jean-Paul Auclair, a well-known public figure on the south shore of Montreal, published the first issue of the *Courrier du Sud*.

Today, the *Courrier du Sud* is the largest free weekly publication printed in Quebec. In fact, every week, more than 300,000 people on the south shore read the *Courrier du Sud* for news regarding the municipal, cultural, institutional and economic affairs that directly concern them.

Year after year, this weekly paper has made its mark and has remained indispensable to all major players in the region.

I would like to take this opportunity to commend its founder, Jean-Paul Auclair, who has successfully adapted to his readers over the years. It is often said that the hardest thing in life is to have staying power. Mr. Auclair is an excellent example of perseverance and tenacity.

On behalf of my Bloc Québécois colleagues from the south shore, I would like to thank Mr. Auclair and his entire team for their commitment to serving and keeping our community informed for the past 60 years.

I wish the *Courrier du Sud* continued success.

* * *

DIABETES

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I would like to point out the importance of volunteers in the Canadian Diabetes Association, who help improve living conditions for more than two million Canadians affected by diabetes.

It is believed that, by the end of the decade, this number will be over three million. We should also remember that quality of life may deteriorate for these individuals and that they are susceptible to complications, mainly heart disease, stroke, kidney disease, blindness and limb amputation.

Oral Questions

[English]

It is important to listen to the core messages of the Canadian Diabetes Association activists. People with diabetes should have timely access to medication, supplies and medical devices that can improve their immediate quality of life and that may decrease the likelihood of future interventions, which are often more costly and less effective.

People with diabetes have a right to timely, affordable and ongoing diabetes education and comprehensive treatment services provided by qualified professionals wherever they live in Canada.

All Canadians can learn from the dedicated volunteers of the Canadian Diabetes Association.

* * *

• (1415)

IMMIGRATION AND REFUGEE PROTECTION ACT

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, today in committee I presented a motion to invite three former Liberal ministers of immigration to come to explain why they agreed with our government and could not support Bill C-280. Unfortunately, the opposition voted it down.

It is shameful that the Liberal leader is not only refusing to consult with his party's foremost experts on immigration, but worse yet, he is attempting to silence the members for Eglinton—Lawrence, Bourassa and York West, who have every right to be heard.

To quote from the Liberals former immigration minister and member for York West, bringing the Refugee Appeal Division at this time would:

—simply add more roadblocks and more time to the system, which... would prevent us from helping the very same people we want to help, people who come here genuinely seeking a safe place.

The Liberal leader and caucus should do the right thing. They should listen to their own experts on immigration, reverse their position and vote against Bill C-280.

ORAL QUESTIONS

[Translation]

QUEBEC ELECTION

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the people of Quebec have spoken and we are all pleased to accept their choice. We are pleased with the election of a party, the Liberal Party, that believes in the development of Quebec within Canada.

Nonetheless, we would have preferred a Liberal majority government. We would have preferred the separatist party, the Parti Québécois, not to have benefited at the end of the election campaign from the Prime Minister's interference, which was described as blackmail by all the parties in Quebec.

I am asking the Prime Minister whether he understands the nature of the mistake he made.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Quebecers have made their choice and we respect it. Nonetheless, I must note that we now have in Quebec a government that is against holding another referendum. In Quebec, we have an official opposition that is against holding another referendum. This is the first time we have seen this in almost four decades. I think this is a great result for the government, a great result for Quebecers and a great result for Canada.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the result was very close and the Prime Minister is the only one who does not understand that the result would not have been as close without his interference, without his attempt at blackmail.

Since he does not seem to understand, I would like to explain to him the nature of his mistake. The Prime Minister has to stop being manipulative. The Prime Minister has to tell all Canadians the nature of the additional limitations on federal spending power he has in mind. Let him explain himself rather than make this federal spending power—these additional limitations—conditional on how Quebecers vote. Let him explain today to all Canadians—

The Speaker: The right hon. Prime Minister.

[English]

Right Hon. Stephen Harper (Prime Minister, CPC): Talk about missing the big picture, Mr. Speaker. I will just repeat my previous answer, which is simply to say that Quebecers have made their decision. We respect that decision. I have phoned both Premier Charest and Mr. Dumont to congratulate them on their campaigns.

I see that for the first time in over three decades we have a government opposed to a referendum and an official opposition opposed to a referendum. In my judgment, this is a great result for the government, a great result for Quebecers and a great result for Canada.

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, I am asking the Prime Minister to answer. He is hiding a reform. He made this reform conditional on a vote and has been accused of blackmail, and rightfully so. He has to stop being manipulative and ambiguous and he has to tell Canadians what reform he has in mind. How does he want to further limit the role of the federal government?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I think that Quebecers, like other Canadians, are fed up with this bickering between centralists and separatists. They want the things that we have done in the framework of open federalism: recognition of Quebec as a nation, correcting the fiscal imbalance and the agreement on UNESCO. These things are positive for Canada. They are far better than the sponsorship program.

Oral Questions

[English]

THE BUDGET

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, last week, after promises of a budget that would forever end tensions between the provinces and the federal government, we all woke up to discover that Newfoundland and Labrador, New Brunswick, Nova Scotia, Saskatchewan and British Columbia all raised substantial objections to the budget. Allegations of betrayal abound.

On top of that, the Prime Minister tried to manipulate the result of the Quebec election.

This is no way to hold our country together. A Prime Minister should unite and not divide. When will the Prime Minister put the national unity of his country ahead of his own blind ambition?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, that is a good question from an official opposition that has stated as a matter of policy that there is no fiscal imbalance in Canada that needs to be remedied. I do not understand why on earth the deputy leader of that party is asking a question about a fiscal imbalance that, according to his leader, does not exist.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the Prime Minister of the party opposite thinks that Canada is his to manipulate and that our unity is his to gamble with. He is wrong.

When it comes to national unity, we do not play games. We do not roll the dice. We do not try to manipulate provincial elections. Quebec is not a pawn on the Prime Minister's chessboard. Canada is not a game to be played with and possibly lost.

Why does the Prime Minister risk the national unity of our country for no other reason than trying to win the next election?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, that is from a deputy leader of the opposition who has not been in Canada in 35 years. It is no wonder he does not understand that there is a fiscal imbalance in Canada that needs to be remedied.

There is no excuse for the Leader of the Opposition, who actually has been in the country the last 35 years, not to realize that there is a fiscal imbalance that had to be remedied, and it has been, on a principled, predictable, long term basis that will stand the test of time in Canada.

* * *

[Translation]

TAXATION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in spite of the fact that votes were split among the three parties represented in the National Assembly, Quebecers still agree on some things. One of those things is the fiscal imbalance, which still has not been resolved. As recommended in the Séguin report, which everyone in Quebec supports, the permanent transfer of tax fields is the only thing that will really resolve the fiscal imbalance.

Now that the outcome of the election is known, will the Prime Minister resolve the fiscal imbalance permanently by transferring tax fields to Quebec?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government put forward a solution to the fiscal imbalance in the Minister of Finance's latest budget. This solution will transfer nearly \$40 billion to the provinces over the next seven years. I think that is a good solution and I hope that Parliament will pass the budget this afternoon.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the budget puts forward a temporary financial solution, not a permanent fiscal solution.

The three parties in Quebec's National Assembly also agree that the federal government's spending power has to be limited. The Séguin report recommended limiting it.

Will the Prime Minister heed this consensus and introduce a bill to limit his spending power to his own areas of jurisdiction?

• (1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government has already committed to limiting federal spending power. We have no intention of spending money in exclusively provincial areas of jurisdiction. That has been our policy since the beginning. We have a good solution to the fiscal imbalance. For example, the Government of Quebec got so much money that it can reduce taxes and income taxes for its citizens. I think this is a good budget and I hope that the Bloc will help us pass it this afternoon.

* * *

SECURITIES

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, there is another point on which everyone agrees and that is the securities file. The Minister of Finance is determined to change a mechanism that is working just fine and that nobody is criticizing, apart from a few Bay Street stockbrokers who would like to see a possible future pan-Canadian securities commission located in Toronto.

Can the Minister of Finance explain to us how he squares his plan with his government's promises to respect the jurisdictions of the provinces and Quebec? I would like an explanation.

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we have had quite constructive discussions with the finance ministers from various governments in Canada on this subject, and in those provinces where different ministers handle this subject, we have also been involved in that discussion.

We have 13 securities regulators in a country of 31.5 million people. It creates a remarkable paper burden and a delay in terms of investment in our country. I am glad to say that there has been some expression of positive interest from a number of other governments in Canada. I look forward to continuing these discussions in Quebec when we meet again in June as finance ministers.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the minister is playing with words when he says that he wants to create a pan-Canadian regulatory agency, but that the agency would not be federal.

Oral Questions

How does the minister expect anyone to believe him, when the budget states: “A common securities regulator will create the opportunity to deliver this new approach”? If it is not a pan-Canadian commission that the minister wants to create, well, what is it?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, in a time of open federalism when we work well with the other governments in Canada we can certainly share our efforts with respect to securities regulation. The proposal that is being discussed is indeed that. It is for a common securities regulator, not a provincial securities regulator and not a federal securities regulator, around which all governments would be represented.

The whole purpose is to serve the people of Canada, including seniors in Canada with respect to their retirement investments, to make sure we have good capital markets in this country that are fluid and that work well for all people in the country.

* * *

[Translation]

NATIONAL REVENUE

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, for the past 10 years, the federal government has been able to accept tax returns electronically.

However, although the government provides paper forms free of charge, this is not the case for electronic forms. And why not?

Ordinary working people must spend tens of dollars when they choose to do what is right for the environment while paying their taxes, and this also saves the government some money.

Does the Prime Minister agree with the NDP that electronic tax forms should be available free of charge?

[English]

Hon. Carol Skelton (Minister of National Revenue, CPC): Mr. Speaker, I appreciate the member's suggestion. It would seem to me that he should have brought it forward before the budget was tabled if he takes it so seriously.

I would like to point out that there are already significant advantages in the speed with which taxpayers receive their returns. That is why we expect nearly 14 million individuals to file electronically this year. It is estimated that there will be a reduction of 15 million pieces of paper this filing season.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, here is our question. Why not provide these forms for free to Canadians? After all, the government is charging them for doing the right thing. It is as if years ago the government would have sent out the envelopes for filing taxes but would have made people go down to Eaton's to buy the forms. It does not make any sense.

People are trying to do the right thing here. The fact is that only 16% of Canadians are filing electronically. A lot more would like to, but they are forced to pay a penalty by having to go out and buy these programs on the market.

Why will the federal government not simply get it right and make the electronic forms available to Canadians so they can get on board, do the right thing for the environment and save more money?

• (1430)

Hon. Carol Skelton (Minister of National Revenue, CPC): Mr. Speaker, I am really not sure why the hon. member believes that low income Canadians do not have the option of filing their taxes for free. CRA has made arrangements with software developers to ensure that free software is available to 60% of Canadian taxpayers. In addition, CRA does provide many other options for those individuals who wish to file their returns for free.

* * *

THE BUDGET

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, on budget day we see what is and every day after what is not. The \$2,000 child tax credit does not mean \$2,000 but \$310 maximum. The poorest get nothing.

The working income tax benefit does not even apply to single workers in Ontario working full time for minimum wage because they make too much.

For aboriginals, the environment and our competitive economic future, the closer we look the less there is, with all the opportunity but no ambition for Canada.

Political parties need tacticians, but countries need leaders. When will the Prime Minister start acting like a prime minister?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I do not know why the member opposite is so grumpy.

This is good news. This is wonderful news for Canadian families with children under the age of 18 who have trouble paying their bills from time to time. It helps them with their children.

It is a tax credit that works out, and the member is right, to about \$310 per child. That is enough to clothe a child for school in the fall. That is enough for a pair of skates—some skates, some not—and it is helpful to families all across this country.

So really, the member opposite should cheer up.

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, Fraser Mustard told us yesterday where we stand on child care. The Prime Minister is a hockey historian. We are not the Chicago Blackhawks or the Phoenix Coyotes in this. We are the Philadelphia Flyers, dead last, 30th out of 30.

In any area of the budget, five years or 10 years from now, what will be the impact on Canada? Next to nothing.

Oral Questions

Where in this budget are the worthy things we need to take on together, such as the environment, learning, child poverty? Political parties need tacticians, but countries need leaders. When will the Prime Minister start acting like a prime minister?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I see that the member opposite is still quite unhappy. I need to remind him about the working income tax benefit, WITB, that will benefit so many people in this country who want to move from welfare, from social assistance, to work.

What on earth does the member opposite have against that? What does he have against the plan for the severely disabled children in this country that they will have a savings plan?

He says he cares about people, but he is going to vote against those two measures and he is grumpy doing it.

* * *

FEDERAL-PROVINCIAL RELATIONS

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, the Conservative government of Nova Scotia has announced that it is prepared to sue the federal government over the broken promise regarding the Atlantic accord signed with the previous Liberal government. Premier MacDonald has said that he will fight the Prime Minister with every means to get back what the government has taken from Nova Scotia.

Will the province really be forced to take the government to court, or will the Conservatives come to their senses and honour their commitment to Nova Scotians?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: Order. We will have a little order. The Minister of Foreign Affairs has risen to answer the question and he has the floor. We will have some order so we can hear the answer.

Hon. Peter MacKay: Mr. Speaker, I thank the hon. member for his question and his commitment to the province of Nova Scotia, which of course I share.

We have exhibited in this government the type of flexible federalism that has allowed us to work with the provinces to finally deal with the fiscal imbalance in this country, something the Leader of the Opposition and the previous government refused to even acknowledge.

Yes, we will continue to work with the province of Nova Scotia. We hope that it will not have to go to court, but if it does, we will see it there.

• (1435)

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, the government is a poison pill. If we opt in to the new formula, we lose the accord and jeopardize the future prosperity of Nova Scotia. If we maintain the status quo, we are shut out of new money for the people of Nova Scotia.

The member should know that the Atlantic accord meant that Nova Scotians would benefit from the accord above and beyond any

other program, above and beyond any change in opposition. When will he support the people of Nova Scotia?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, I do support the people of Nova Scotia. I stand up for them each and every day, as I have since I was elected.

There must be an epidemic of grumpiness breaking out across the way. The hon. member should know as well that the province of Nova Scotia does have options. It can take a very good deal for Nova Scotia, the Atlantic accord, or it can take an even better deal which is offered to the province in this budget. Plus it has the option of going back to the accord after a period of time.

It is good news and more good news for the people of Nova Scotia and there will be more coming.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Minister of the Environment has promised to announce, before the end of the month, greenhouse gas reduction targets. The end of the month is approaching and we are still waiting.

Three days before the deadline he himself set, will the minister promise to reveal clear, precise and absolute greenhouse gas reduction targets?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, we very clearly stated that we are working very hard on developing a strategy to regulate the industry. Not only will this reduce greenhouse gases but it will also improve the air quality in Canada. We are working hard on it. When we have set a date, I will personally invite the member opposite for a briefing.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, setting absolute reduction targets is vital in order to establish a carbon exchange. The issue is straightforward: no absolute targets, no exchange.

Could the minister not follow Europe's example where trading emission credits has led to a significant reduction in greenhouse gases with a negligible impact on the European GDP, a reduction of just 0.1%?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, I agree with the Bloc MP. It is very important for us to have a good plan for the industry, to have proper regulations. We are working very hard on these regulations. I must say that, for 13 long years, the Liberal Party and the Bloc Québécois did absolutely nothing. This government will take action.

*Oral Questions***SAINT-HUBERT AIRPORT**

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, although the Minister of Transport, Infrastructure and Communities and the Minister of the Economic Development Agency of Canada for the Regions of Quebec say that the partnership plans between Pratt & Whitney and the Saint-Hubert airport are very interesting, they also say that there is not much money available. A delay in acting may cause us to lose a lot of quality jobs.

Do these two ministers realize that this is not a matter of competition between two of our cities, but rather a competition between Quebec and abroad, and that any delay in reaching a decision will result in losses, not only of money but also of jobs?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, I wish to recall that rebuilding this airport runway represents a cost of \$70 million. We have a resource envelope at the Economic Development Agency of Canada of about \$200 million. When the file is submitted to us, we will take a serious look at the whole thing and we will see what we can do to support the company.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, while the ministers are seeking solutions, decisions have to be made. Pratt & Whitney has to make its decision known by the end of May.

Are the ministers aware that, if they continue their research beyond the month of May, the sole outcome will be the loss of many jobs for the South Shore and Quebec?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, I would remind the hon. member that this government's wish is to contribute to regional economic development. Insofar as this file remains accessible and the funds are available, we are going to do all we can to try and support the project in question, but we must of course also take budget considerations into account.

* * *

[English]

GOVERNMENT APPOINTMENTS

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the Conservative government is a government mired in illicit practices.

First it seems the public safety minister paid an MP to step aside. Now it seems the Conservatives are using government appointments to entice municipal candidates to step down.

The Conservatives' campaign chair, John Reynolds, boasted he would never lobby the Prime Minister's Office. Now he is under investigation for allegedly offering inducements in a municipal election.

Will the Prime Minister end all contact with Mr. Reynolds until the police investigation is concluded?

• (1440)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr.

Speaker, I think we have been pretty clear about this particular case. No such position was offered by the government. No such appointment was given by the government. No such appointment will be given by the government.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, clearly, the Conservative government does not walk the talk when it comes to accountability.

The public safety minister does not have the courage to stand in this House and answer questions about how he got his own seat, but maybe he will answer this.

As the minister responsible for the parole board, did he or his office have any contact with John Reynolds, or the Minister of the Environment, or their staff, concerning a possible parole board appointment for Mr. Terry Kilrea?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, that would be an absolute no, as is the response to her absolutely not factual and, I would say, untruthful and absolutely false allegation that I, or my office, or any officials at the time offered any inducement to anybody to step aside. That is absolutely false. It is not true. She should join the member for Ajax—Pickering in a full apology, especially for Mr. Hart.

* * *

GOVERNMENT ACCOUNTABILITY

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, a constituent of mine says that when he attempted to raise serious issues on mental health services in northern Ontario with the health minister, he was told he needed to have a lobbyist registration number. When I approached the minister, I was told the same thing.

Could the minister explain this new policy? Why should MPs or their constituents have to become or hire a Conservative lobbyist to get the ear of any minister in this government?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, that is absolute nonsense. As I explained to the hon. member yesterday, we have something new in Canada. It is called the Federal Accountability Act.

Just because the guys on the other side of the chamber do not know what it means to be accountable and do not know what it means to be accountable in terms of the taxpayers, we know what it means and we will follow the rules, even if they are not.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, they made the rules. They just cannot explain them to us.

The Prime Minister's friends, his lawyers, his strategists and all those close Conservative ties are lining up to sell access to the government, and now the health minister is getting on the bandwagon.

Oral Questions

In 2005 the Prime Minister said, "I told my own MPs and parliamentary staff, if any of them harboured any illusion about lobbying a future Conservative government, they had better leave or make other plans".

Why did the Prime Minister so blatantly break his own accountability pledge?

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, this government is very proud of the Federal Accountability Act. We brought in the most sweeping laws in respect of accountability, in respect of lobbying. In fact, it is the opposite side that simply tried to block those rules.

This government is committed to getting the job done. The Liberals could not get the job done.

* * *

HEALTH

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, I just want to let you know that no one is grumpy on this side of the House.

The people of St. Catharines and Canadians agree with this government's initiatives in establishing wait time guarantees.

Yesterday and again today the Minister of Health announced that our government is making significant progress on fulfilling its commitment to establish patient wait time guarantees.

Could the Minister of Health provide us with another update today on the success he has had?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): I would be happy to, Mr. Speaker. Of course, 85% of Canadians support wait time guarantees and this government is delivering.

Yesterday I announced \$48 million for the province of Nova Scotia for a radiation oncology wait time guarantee. Today I was in Toronto announcing up to \$400 million for the province of Ontario for its cataract wait time guarantee and for electronic health records.

By contrast, on the opposite side of the chamber, what did the Liberals do when wait times doubled in 13 years? Nothing, zilch, nada. We are getting the job done.

* * *

● (1445)

GOVERNMENT APPOINTMENTS

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, we read in the paper today of a high-ranking Conservative allegedly offering patronage pork for political payback. Canadians have a right to know the details of the murky relationship between Mr. Reynolds and the government.

Will the Prime Minister take serious action to restore Canadians' faith in government and federal institutions? Has the Prime Minister urged Mr. Reynolds and members of his party and caucus to come forward and share what they know about this issue?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I think we have been quite clear about what happened.

The Minister of the Environment, who was identified in this matter, his response when he was approached by the individual seeking appointment was that he did not know what he was talking about it. I think that applies to some others who are asking questions here.

The fact is no such position was offered by the government. No such appointment was given by the government and no such appointment will be given by the government.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, we need more. This really is a sad day for ethics in government.

When the Conservatives borrowed Ed Broadbent's ethics package, they told Canadians that they too were concerned about accountability and scandal.

We phoned Mr. Broadbent yesterday and I want to share with the House that this is not what he had in mind when he was talking about ethics and accountability in government.

We want to know, is the government going to do politics as usual? Why will the Conservatives not live by the same rules that they want everyone else to live by? Why not?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am puzzled by the member's question. We made it quite clear that no appointment was offered by this government and no appointment was given by this government. Perhaps he would like there to have been an appointment offered.

I think usually a scandal results from an appointment, not from the failure to offer an appointment.

* * *

ABORIGINAL AFFAIRS

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, yesterday, ever so casually the Indian affairs minister insulted all aboriginal people by asserting that the fundamental goal of residential schools was education. In saying this he denies that the primary goal actually was to destroy aboriginal people, languages and culture.

The children confined to these schools, and we call them survivors today, but make no mistake that they were children, were taken from their families, taken from their communities and unspeakable acts were committed upon them.

Why does the Prime Minister refuse to apologize for the atrocities suffered by these children?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, this is the government that executed the agreement resolving the residential schools legacy.

Oral Questions

My friend refers to the 13 year Liberal legacy of not getting the job done. The Liberals talked about an agreement but they did not get it done. They talked about early payments to the elderly but they did not get that done. They talked about a truth and reconciliation commission but they did not get that done either.

All the Liberals did was spend 80% of the money of the ADR process on bureaucrats and lawyers. They accomplished nothing. This government will proceed and get the agreement implemented.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, it is amazing the magnitude of the gap between compassion and doing the right thing that the government has.

The minister knows that an apology was to follow the completion of the residential schools agreement. The failure of the government to apologize for these wrongdoings committed against innocent aboriginal children is a betrayal, an insult to the people and an insult that is manifesting itself in a tragic legacy today.

Last November, I asked the Prime Minister to apologize. I would ask him again, on behalf of my family, to apologize.

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, if we are going to speak of a gap, I think it only fair that Canadians know that the gap that exists is the devastating record, as others have referred to it, of the former Liberal government in dealing with aboriginal issues, a legacy of 13 years of broken promises and inaction.

I need to point out to my friend that it is this government that has signed an agreement. The agreement did not call for an apology. We are fully implementing the terms of the agreement that were executed to put this sad chapter of Canadian history behind us.

* * *

SMALL CRAFT HARBOURS

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, on June 6, 2006, the Prime Minister, the Minister of Fisheries and Oceans and all other members of this House stood in support of a motion to reinstate \$20 million, plus an additional \$15 million, for a total of \$35 million to the small craft harbours budget.

This is not just a matter of respecting the will of the House, it is a matter of trust. The money is not in the budget and it is not in the estimates.

I ask the Prime Minister, where is the money?

• (1450)

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, I will tell the hon. member where the money was not. It certainly was not in the budget when he was in power as a minister of the former government. It was not in any budgets when we, in opposition, through the standing committee, had to force the Liberals to top up the budget.

The first thing we did when we came into government was to top up the money for infrastructure, and again this year we have topped up that budget even further.

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, the government did not top up the budget. The minister should know that this is a serious issue. We do not want the wharves to fall down.

I asked the Prime Minister not to gut the small craft harbours program. We need to be able to believe the Prime Minister and trust the Prime Minister. It is time for the Prime Minister to stand in the House and commit to the \$35 million immediately. The Prime Minister needs to make this commitment so we can keep the wharves and harbours in shape for the fishermen across the country.

Will the Prime Minister make this commitment to the fishers today?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, because of the vastness of the country, the maintenance of any infrastructure is a challenge. However, it was an extremely heavy challenge for us when we took over the Department of Fisheries and Oceans to find out that fishing infrastructure was behind by \$400 million. It would take \$400 million just to bring it up to par.

We will do our part in ensuring the wharves are ready for our fishermen to fish.

* * *

[Translation]

FOREIGN AFFAIRS

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, the humanitarian impact of cluster bombs is devastating. Some 30 years after being dropped, they can still injure and destroy. On February 23, some 46 countries signed a declaration in favour of a treaty to ban the use of these bombs by 2008. Canada came around at the last minute.

Can the Minister of Foreign Affairs tell us whether this time Canada intends to play a leadership role at the next Lima Conference and join the groups working on developing a new treaty on cluster bombs?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, the hon. member of the opposition knows full well that we took part in that conference. Canada played a crucial role in the final resolution. We will continue to be interested in this important issue and to become involved, as always, when it comes to issues that affect many people, humanitarian issues and the protection of human rights.

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): While we await the treaty, will Canada declare a moratorium on the use, production, trade, transfer or acquisition of cluster bombs, as Norway and Austria have done?

Oral Questions

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, I repeat, Canada took part just as the other countries did. It is not necessary to take a definitive decision now on all the issues—particularly weapons related issues—and establish which weapons fall under this definition. Canada played an important role at this conference. We are planning to do the same thing in the future. I also hope that this hon. member will play an important role.

[English]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, last fall, the minority Conservative government cut the funding to the Public Diplomacy Branch of the Department of Foreign Affairs, the branch responsible for the international promotion of Canadian art and culture.

The \$11.6 million cut will almost certainly mean the end of a variety of important promotional tools, including the exhibition of Canadian art in our embassies around the world.

Was Margaret Atwood right when she said, “there’s more culture in a cup of yoghurt than in the Conservative government?”

• (1455)

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, I prefer milk, myself. The reality is that Canada continues to look for ways in which we can promote Canadian artists abroad, which we do. We have very active people in our missions who travel and work with Canadian artists. We are continually looking for ways in which we can enhance and support artists and artisans who are working, living and exhibiting abroad.

I speak regularly to my colleague, the Minister of Canadian Heritage, about ways in which to do this. We will continue to work with the arts community on this important file.

* * *

THE ENVIRONMENT

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, Canada has the third largest supply of freshwater in the world. In my home province of Manitoba, we have Lake Winnipeg, the 10th largest lake in the world.

Lake Winnipeg is important to thousands of cottagers, hundreds of commercial fishers, attracts thousands of tourists and is the main source of water for many of my constituents.

Budget 2007 announced the establishment of the national water strategy and allocates money to protect our lakes and to improve water and waste water infrastructure.

Could the Minister of Environment tell the House how this will help the province of Manitoba and my constituents in Selkirk—Interlake?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, at the outset I want to congratulate the member for Selkirk—Interlake. I know this is an issue that he has fought long and hard for.

Thanks to the actions of a strong Conservative government caucus from Manitoba, we are pleased to announce that as part of the

national water strategy, budget 2007 has allocated \$7 million to help clean up the Lake Winnipeg basin.

This really is a remarkable team. Last year this team cleaned up government and cleaned up Liberal corruption. This year we are cleaning up Lake Winnipeg.

* * *

ABORIGINAL AFFAIRS

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, first nations are being left behind by the government: no action to close the poverty gap for first nations, the clawback of money to promote and protect indigenous languages and no movement on self-government negotiations. Now the Conservatives are refusing to recognize the wrong-headed damaging policies of past governments.

Why does the minister and the government refuse to apologize to first nations for the cultural destruction brought about by residential schools?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, as I indicated previously, a very comprehensive agreement was arrived at between the Government of Canada and the Assembly of First Nations. It is several hundred pages in length. It deals with the truth and reconciliation commission, with advance payments and with all the matters that have been negotiated. An apology did not form part of the contractual provisions at that time.

We will carry on and we will implement the agreement as it has been negotiated.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, even the Conservatives’ independent blue ribbon panel disputes the \$10 billion figure the minister likes to toss out. Enough is enough. The truth must be told. The \$10 billion includes millions in lawyers’ fees to fight legitimate land claims and every dollar that it takes to run the minister’s department.

When will the minister stop misleading Canadians on how much money will actually end up in the hands of first nations people? Why does the Conservative government continue the pattern of discrimination against first nations?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, as I indicated in the House previously, the \$10.2 billion represents all the expenditures within the Government of Canada, across departments, on aboriginal programs, services, negotiations and the like.

Oral Questions

My friend should be fair in pointing out that a fairly modest amount of that money is spent on the government itself, on bureaucracy and on the civil service. The lion's share of the money makes its way through to aboriginal people. The vast lion's share of it makes its way through to on reserve people.

There are \$10.2 billion. This is \$1 billion more than any previous budget of any previous Government of Canada.

* * *

FOREIGN AFFAIRS

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, in January, a Canadian citizen, while in Kenyan custody, was abruptly removed to Somalia and then, as many had feared here, was sent to Ethiopia where he has since disappeared without a trace.

Has the Minister of Foreign Affairs asked the Kenyan government why Mr. Bashir Makhtal was rendered to another country without consultation with Canada? Could he further explain to the House whether he has taken actions that will determine the fate of Mr. Makhtal with that government?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Yes, Mr. Speaker, we have made inquiries about the fate of that individual. We continue to work with consular officials to try to locate him and to render assistance if possible.

I appreciate the hon. member bringing the matter to the House of Commons. I will continue to work with him and others to do as we always do in cases where Canadians find themselves in jeopardy abroad, and that is to assist them in every way possible.

* * *

• (1500)

INFRASTRUCTURE

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, budget 2007 invests billions in critical infrastructure: roads, highways, public transit and green energy. It also renews this government's commitment to a new Windsor-Detroit border crossing, with a detailed plan and a big down payment.

Sadly, local NDP MPs, their party and the Liberals oppose this project going forward and are voting against this budget, preferring instead higher unemployment and missed investment.

Would the Minister of Transport, Infrastructure and Communities tell us how this government and its budget are committed to supporting our cities, our communities and our economy?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, this budget commits an unprecedented \$33 billion to helping our cities and our communities across the country. Indeed, we are putting a lot of importance on our gateway projects, whether they be out in B.C., in the prairie provinces or in central Canada.

We are helping the Windsor-Detroit crossing to ensure that our goods and services flow so we can keep the economy flowing, and that is doing the job.

CANADIAN FORCES

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, the reason the NDP will not support the government is because the government will not support injured soldiers.

Two DND ombudsmen asked that the SISIP for injured soldiers be fixed. The House passed a motion recommending that the SISIP for injured soldiers be fixed. For less than 2% of the federal surplus, this problem could have been fixed and these soldiers would not need to go to court to get the money they are rightfully owed.

Why did the government so carelessly and callously ignore the needs of these injured soldiers?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, this issue has been in existence since 2003. The previous government did not resolve the issue. We now have the recommendations and we will resolve the issue.

* * *

FOREIGN AFFAIRS

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, the Mexican authorities and the media continue to identify Cheryl Everall and Kimberley Kim as suspects in the murder of two Canadian citizens in Mexico.

In a letter to me, the Minister of Public Safety stated, "Foreign Affairs Canada is responsible for representing Canadian interests abroad".

Why has the Minister of Foreign Affairs failed to request information from Mexican authorities regarding the status of this investigation and to find out if these women have been added to any watch lists? Why will he not help clear the names of these innocent women?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, nothing could be further from the truth. As usual, he has his facts completely wrong on a consular case.

As he knows, I met with the individuals, to whom he is referring, in my office. I raised this issue when the minister of foreign affairs, Patricia Espinosa, was here in Canada just a few weeks ago. This has gone to the highest levels of the Mexican government.

As for allegations that appear in the press and reports that somehow there is a connection to these individuals, I do not know if the hon. member realizes it but it is a little difficult in this country sometimes to control what the press might write.

*Points of Order***PRESENCE IN GALLERY**

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of Her Excellency Ellen Johnson Sirleaf, President of the Republic of Liberia.

Some hon. members: Hear, hear!

The Speaker: I would also like to draw to the attention of hon. members the presence in the gallery of His Excellency Eduardo Frei Ruiz-Tagle, President of the Senate of the Republic of Chile and His Excellency Patricio Walker Prieto, President of the Chamber of Deputies of the Republic of Chile.

Some hon. members: Hear, hear!

* * *

POINTS OF ORDER

COMMENTS BY MEMBER FOR TIMMINS—JAMES BAY

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the other day I had an exchange with the Indian affairs minister on whether the dike in Kashechewan was in danger of collapse and whether life was at risk. I was referring to a capital budget report, and I would like to quote from it to set the context, in which it referred to:

—a possibility of loss of life and decrease the potential for extensive property damages of the dike failure during a flood. There is a probability that the dike will collapse during a major flood...

I had asked the minister about this. He said that the community was satisfied with steps taken on the dike. I do not believe that is the case. However, I did use an intemperate, off-the-cuff remark. I used it three times. I fully admit it. I am very passionate about these issues. However, I do have immense respect for the House and the importance of discourse in the House.

Therefore, I wish to apologize to the House for my intemperate use of the street vernacular. I am sorry, Mr. Speaker.

• (1505)

The Speaker: I believe this concludes that matter.

COMMENTS BY MEMBER FOR WINNIPEG CENTRE

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I would like to take this opportunity to address a point of order that was raised on March 21 by the Parliamentary Secretary to the Leader of the Government in the House of Commons in regard to remarks made by me during debate on a concurrence motion on Friday, March 2, 19 days earlier.

I do not agree that anything in my speech on March 2 should be considered out of order or unparliamentary for the following three reasons, and I will be brief.

It is true that, on March 2, I said that some of us in western Canada were calling the Minister of Agriculture *Il Duce*, which is a nickname given to the Italian fascist leader Mussolini. We do call him *Il Duce*, but it is important to note that I did not call the minister a fascist. I implied he was acting like a fascist when he denied farmers the right to vote on marketing wheat through the Canadian Wheat Board, even though that right is guaranteed by statute.

Fascism is defined by the Oxford Dictionary as a right-wing authoritarian form of government. Even though it is a form of government that modern Democrats do not endorse or support, it is not in and of itself an insult.

My implying the minister was acting like a fascist is no different than his fellow Conservative colleagues saying that I often act and speak like a socialist, which is an accusation that they make freely and often and one that I do not necessarily object to or deny.

I do not contest that the word “fascist” is listed in *Beauchesne's* as having been found to be unparliamentary in past rulings by the Speaker, but I ask you to consider that *Beauchesne's* concedes it is impossible to lay down, in any specific rules, in regard to what specific words or expressions are or are not contrary to order. Much depends on the context, including the historical context of certain emotionally charged words.

I ask you, Mr. Speaker, to consider section 486, on page 143, of *Beauchesne's* sixth, edition which says:

An expression which is deemed to be unparliamentary today does not necessarily have to be deemed unparliamentary next week.

In other words, what is considered acceptable language may change over time.

For instance, accusing a fellow MP of acting like a right-wing authoritarian may have been a lot more offensive when Canada was at war with fascist governments. At that time, it would have been like accusing an MP of being like the enemy, perhaps questioning their patriotism. I meant no such thing about the Minister of Agriculture.

Conversely, it would have been less offensive in the early 1930s before World War II when there were legitimate, although we would argue misguided, fascist parties in Great Britain, Canada and the United States. My point is that some words that were volatile and emotionally charged in a certain historical context are less so today and should no longer be considered unparliamentary.

In another example, calling a fellow MP a separatist was ruled out of order as being unparliamentary in 1964. In those days, calling a fellow MP a separatist would have been comparable to accusing him of treason. Now, for better or for worse, we have separatists all over the place in the Canadian Parliament and calling a member of the Bloc Québécois a separatist is only stating a fact.

Many other terms and expressions probably should be struck from the list of what is considered unparliamentary. In 1875 it was ruled unparliamentary to call someone a political bully. I have heard the Leader of the Opposition call the current Prime Minister a bully frequently.

In 1886 it was ruled out of order to suggest that an hon. member had come into this world by accident. In 1919 we were prohibited from suggesting a fellow member was seeking cheap notoriety. I myself have been accused of that many times. In 1881 a member was asked to withdraw his remarks when he suggested that a colleague was “inspired by forty-rod whisky”.

Points of Order

The list of what is acceptable should clearly be updated. I hope, Mr. Speaker, that your ruling will not be guided by the fact that the words “fascist” and “Mussolini” have at one time been found to be unparliamentary in the past.

In fact, Marleau and Montpetit seem to agree that precedents should not be the only consideration when the book states that:

The codification of unparliamentary language has proven impractical as it is the context in which words or phrases are used that the Chair must consider when deciding whether or not they should be withdrawn.

● (1510)

The second point I would make, Mr. Speaker, is that in determining whether my remarks made on March 2 should be withdrawn, I ask you to consider the matter of timeliness, as found in section 485 of Beauchesne's on pages 142 and 143.

Section 485 states, “Unparliamentary words may be brought to the attention of the House...by any Member”, but it goes on to say that “the proper time to raise such a point of order is when the words are used and not afterwards”.

Marleau and Montpetit speaks to the same matter on page 526, where it states:

Since the Speaker must rule on the basis of the context in which the language was used, points of order raised in regard to questionable language must be raised as soon as possible after the irregularity has occurred.

No one objected to my remarks at the time I made them or later on the day that I made them. The complaint was made 19 days later, on March 21, and I believe the matter should be dismissed on the basis of timeliness, if nothing else, or the Speaker may be buried in a landslide of historic grievances.

The third point I would make is that in the same section of Marleau and Montpetit it states:

In dealing with unparliamentary language, the Speaker takes into account...most importantly, whether or not the remarks created disorder in the Chamber.

I think all who were present in the House on March 2 would agree that my remarks did not create disorder in the House that day. They did not cause any disruption in the House. There was no interruption of debate or interference or delay caused to the orders of the day. In fact, at the time, my remarks did not even trigger heckling or groans.

In summary, Mr. Speaker, I ask you to rule that the comments I made on March 2 were not out of order because: (a) the Parliamentary Secretary to the Leader of the Government in the House of Commons should have raised any objections he may have had to my comments on March 2 at that time and not at this late date; (b) my comments of March 2 do not constitute unparliamentary language in that they did not cause disorder in the House; and (c) saying that a minister or the government is acting in a way that is typical of or consistent with the actions of a right-wing authoritarian regime should not in and of itself be considered unparliamentary.

In closing, I draw the Chair's attention to the fact that in the context of objecting to my remarks, the Parliamentary Secretary to the Leader of the Government in the House of Commons accused me of being hypocritical.

Mr. Speaker, I point out that accusing another member of hypocrisy is itself unparliamentary. I refer you to pages 363 and 364

of Bourinot's fourth edition, where it states, “It is out of order to...accuse [an hon. member] of being 'hypocritical'”. That reference is from 1872. A similar reference to a ruling on March 22, 1927, in Beauchesne's second edition, also cites using the word “hypocrites” as being out of order.

The words “hypocrite”, “hypocrites” and “hypocritical” were consistently found to be out of order in rulings from the Chair in February, June, on July 5 and on July 8 of 1961, in a particularly bad rash of using the word “hypocritical”.

Because I am not hypocritical, Mr. Speaker, I am not formally asking you to order the parliamentary secretary to withdraw or to apologize for this hurtful insult. Instead, I maintain, as I have consistently, that such an objection should have been raised on March 21 at the time the parliamentary secretary's insulting remarks were made.

In closing, may I simply reiterate that I do not accept that anything I said on March 2 warrants withdrawal, nor should you, I would hope, deem it to be unparliamentary.

● (1515)

Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC): Mr. Speaker, I do not take any solace in stating that I think today we have hit a new low in this place when an hon. member would stand in his place and try to defend the indefensible, try to excuse the inexcusable, which is when he called another member in the House Il Duce, comparing that individual to Mussolini.

Let us just imagine if this is allowed to stand. What will be next? There will be people in this place compared to Adolf Hitler. That is where this is headed. The hon. member knows that.

He has to know that, yet he stands in his place and tries to defend that use of language, saying that to be called a fascist in Parliament is not such a bad thing, that it is okay for this to go on.

He brings in the whole issue of timeliness. I think you are well aware, Mr. Speaker, of the fact that my colleague did not rise on a point of order earlier because he was waiting for the member to return to the chamber.

We are not allowed, of course, to say when a member is or is not in the chamber, but there is such a thing as common courtesy, something that the hon. member would be wise to remember.

Common courtesy dictates that when one is going to challenge an individual about something he or she has said in this place, it is common courtesy to wait until that member returns to the House before one stands and accuses them of something. I think that is only proper. My colleague did that.

As for the whole specious argument about the fact that there was an issue of timeliness here, I do not think that is at all relevant. I think the remarks stand for themselves.

I think, Mr. Speaker, that when you look at the nature of these remarks as directed to the hon. Minister of Agriculture and Agri-Food, you will have to rule that the member withdraw those remarks forthwith and offer an unqualified apology for this use of language.

Points of Order

The Speaker: Is the hon. parliamentary secretary to the government House leader rising on the same point of order?

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Yes, Mr. Speaker. I thank you for recognizing me since I was the one who raised this point of order originally. I want to underscore some of the remarks made by my colleague, the hon. government whip.

I was frankly amazed, because I have great respect for the member for Winnipeg Centre except when he tries to defend the use of the word “fascist” in a manner that he says is appropriate. I do not believe that at any point during any debate a comparison of any member in this place to a fascist dictator can, by anyone's definition, be considered acceptable or appropriate.

What I find even more distressing, as he was making his defence of the terms fascist, Il Duce and Mussolini, is that members of his own party, who have stood in this place on countless occasions and asked for civility and decorum, were laughing. They thought this was a joke. They thought he was making a statement that was considered, by their standards at least, humorous.

When is it ever humorous to refer to any member in this place as a fascist dictator? I find this reprehensible and unconscionable. And as for him standing and acting as the victim in this, saying that I said the attitude of the NDP, which had asked for decorum and civility, is both sanctimonious and hypocritical, he now is acting like he is the injured puppy, like he is the victim in this.

I know he is trying to deflect criticism, but the fact of the matter is that he stood in this place, and he has admitted it today, and referred to another member, the Minister of Agriculture and Agri-Food, as Il Duce, Mussolini, a fascist dictator, and that is absolutely unacceptable, by anyone's standards.

My last point is again to underscore what my hon. colleague, the chief government whip, said about the timeliness of my intervention. You will recall, Mr. Speaker, that there was a two week break. After that break, I came back and you and I had discussions, Mr. Speaker. You knew I was going to be raising this point of order, and I, as my hon. colleague has suggested, waited until the member was in the House. I wanted to give him the courtesy of listening to my intervention and allowing him the opportunity to respond.

But unfortunately, now that he has heard my intervention, he has taken several days to craft a response to defend the term “fascist” in comparison to a member of the House. As I said in my original intervention, that is a slur on the character of not only the Minister of Agriculture and Agri-Food but of every member of the House. I ask, Mr. Speaker, that your ruling be that he withdraw those remarks immediately and unreservedly.

• (1520)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am very proud that I presented the minority report in the House of Commons asking for a code of conduct, which the Conservative Party refused, to give more power to the Speaker of the House. Now the Conservatives are crying and screaming that they are not treated fairly, but we wanted to change the parliamentary code of the House of Commons.

But making an argument and calling the member an “injured puppy”, is that parliamentary? Not too long ago in the House of Commons on that side of the House members from the Conservative Party were screaming, “Taliban Jack, Taliban Jack”. Was that parliamentary? I did not see them stand up in the House of Commons and ask for an apology from their own party.

Mr. Speaker, what I want to refer you to is page 124 of Marleau and Montpetit.

[*Translation*]

On page 124 of *House of Commons Procedure and Practice*, under the heading *Raising at the First Opportunity*, it says:

The matter of privilege to be raised in the House must have recently arisen and must call for the immediate action of the House. Therefore, Members must satisfy the Speaker that the matter has been raised at the earliest opportunity.

Even after the two-week break, he waited three days after we came back to the House of Commons.

The book is very clear on this subject:

—must have recently arisen and must call for the immediate action of the House. Therefore, Members must satisfy the Speaker that the matter has been raised at the earliest opportunity.

He did not raise it at the earliest opportunity.

When a Member does not fulfil this important requirement, the Speaker has ruled that the matter is not a prima facie question of privilege.

I therefore base my argument on the fact that, in this case, he had the opportunity to do it on Monday when the House of Commons resumed sitting. He waited until Wednesday.

Why did he wait two weeks and three days to bring this matter to your attention, Mr. Speaker? This is why I would urge you to decide that this is unacceptable.

[*English*]

The Speaker: I think I have heard enough on this matter to proceed. With all respect to the hon. member for Mississauga South, I think I will proceed now.

First, with respect to the element of time in this matter, I will tell you right now that in my view this was raised at the earliest reasonable opportunity. The remarks were made on Friday afternoon, March 2. The House did not sit again until Monday, March 19.

The parliamentary secretary to the government House leader indicated to me that he wished to raise the matter, but because the member for Winnipeg Centre was not here that day he declined to do so and waited until, as he has stated, he was here.

Therefore, on the first occasion that the member was here following a question period when there could have been a presentation made, the parliamentary secretary did raise the matter. I am satisfied this was raised at the earliest reasonable opportunity in the circumstances and any argument on that point is dismissed out of hand.

The Budget

The question of the use of language of course is an interesting one. We have had, as the hon. member for Winnipeg Centre has pointed out, rulings in the past that have made certain words unparliamentary. I recall one time when I made an argument and had the Speaker rule the word “windbag” as unparliamentary when applied to hon. members. As far as I know, that ruling still stands.

There are rulings of other words that have been made in the past where clearly a word has become more politically acceptable and has been used in the House and is used in the House. That is true, I am sure, over the long period that this House has had this kind of a decision made by the Speaker.

I am going to take the matter under advisement. I have heard the parliamentary secretary to the government House leader and his initial remarks on this matter, and the hon. Chief Government Whip.

• (1525)

[*Translation*]

The hon. member for Acadie—Bathurst also contributed to the discussion and the hon. member for Winnipeg Centre has now made his opinions known to the Chair.

[*English*]

I will take these matters under advisement and come back to the House with a ruling on whether the terms used by the hon. member for Winnipeg Centre were in fact unparliamentary. If so, there will be a withdrawal required, and if not, we will leave the matter, but I will come back to the House in due course. Since hon. members have had time to consider this matter, I think it is only fair that the Chair have time to consider the matter too and come back with a ruling on this, and I will do so.

[*Translation*]

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approve in general the budgetary policy of the government.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, I will be splitting my time with the member for Pierrefonds—Dollard.

It has been just over a week since the Conservative government delivered its second budget in 14 months, and unfortunately, but not surprisingly, it fails on the test of foreign policy. In addressing foreign policy needs, the government is basically silent.

Although the government claims that it has delivered something for everyone, it really has not dealt with the area of foreign policy. It should not be a surprise, because foreign policy is amateur hour when it comes to the Conservatives. They do not really have a focus on foreign policy. Other than the United States and Afghanistan, they think they can do without the rest of the world. Unfortunately this is very true when it comes to the budget.

I would point out that Nancy Hughes Anthony, the president of the Canadian Chamber of Commerce made the comment:

The government promised in November that they were going to make Canada more competitive and control spending and I think they broke that promise today.

It certainly did on being more competitive. I will get into that when it comes to a number of issues around the world where the government has failed.

The present government likes to talk about the previous Liberal government, so let us talk about the previous Liberal government. In 2005 we put forth the CANtrade strategy which provided \$485 million over five years to help Canadian business succeed in emerging markets. The Conservatives scrapped this initiative and have now replaced it with \$60 million over the next two years.

The Conservatives also cut \$970 million from indirect costs of research programs which cuts assistance to Canadian universities. How are we going to be competitive abroad when this kind of narrow action is taken?

The budget says that the government is going to double international assistance by 2010-11. The Conservatives talk about their commitment of an additional \$200 million for reconstruction in Afghanistan, \$115 million initially, and \$230 million to the issues of advanced markets, but the Liberal government in 2005 provided an increase of \$3.4 billion over five years for international assistance, and committed to double official development assistance to over \$5 billion by 2010.

The previous Liberal government understood the international community. It was out there. It was clear that it worked hand in glove with the international community and certainly with Canadian business and Canadian universities. Unfortunately, the Conservative government's view of the world is very different.

The government has changed the whole approach and structure on Afghanistan, and its mission is exclusively, it seems, military. We do not see the accountability factors when it comes to development assistance. We are providing more financial dollars to Afghanistan, yet it is not in the top 25 of CIDA recipients. We see that it is spending 10 times more money on the military than on humanitarian assistance in the Afghan theatre, and \$200 million for Afghanistan in this budget is not new money. The Conservatives are very good at recycling money, but again it is the same money that the Prime Minister announced in the previous month.

In 2004 the Liberal government passed Bill C-9, the Jean Chrétien pledge to Africa which improved access to expensive drugs for the world's least developed countries in the fight against HIV-AIDS, malaria and other epidemics.

The Budget

This budget talks about \$175 million to accelerate implementation of a Canada first defence plan and \$10 million to establish new operational stress injury clinics. The reality is that the government's Canada first defence plan is at odds with the priorities of the armed forces. Much of the equipment will not even be located or maintained in Canada, effectively selling out Canadian sovereignty, of course, and more important, depriving our aerospace industry of significant economic benefits.

In 2005 the Liberal government created a new veterans charter that provided for the most sweeping changes to veterans services and benefits since the end of the second world war. During the 2005 federal election, the Conservatives promised to veterans that they would immediately extend the veterans independence program and services to all second world war and Korean veterans, and of course resolve the agent orange issue.

• (1530)

The government made a promise of \$80 million to make CSIS operations more effective. What does this really mean? On a review of the budget, the reality is there is not a real commitment as to how the money will be spent.

There has been no commitment in the budget to hire, for example, more police officers. The government talks about law and order, but it does not walk the talk. It is this party that talked about hiring and will hire 2,500 new officers across the country and provide that assistance. In budget 2007 the government commits no new money for additional police officers. Again, the Conservatives like to talk about crime, but they do not walk the talk.

The Conservatives talk about the previous Liberal government, that the Liberal government did this and that. The reality is the facts certainly show something different. On foreign policy it seems that anything we did they think is bad. They come in and change direction, but they have no substantive policy to assist in innovation, in dealing with international trade, et cetera.

There are two examples on China which are unbelievable. At the beginning of the mandate of the Conservative government, in February when the Conservatives announced the new cabinet, they said there were a thousand Chinese spies in Canada. They could not back that one up. Then the Prime Minister said he was going to talk tough on human rights. He had a 15 minute bathroom break with Hu Jintao, the Chinese president, in Hanoi in November last year. Assuming that eight minutes were used for translation, he had seven minutes in which he could talk about human rights, trade issues and a whole list of things which he is so proud of. Again the Chinese were not impressed.

Clearly this party when in government had a consistent policy of engagement with China. This party has been working, not only on the trade issue, but on tough talk, working with the Chinese and improving the judiciary, improving human rights in the area. One of the most galling things has got to be the short-sightedness of the government in closing four consulates: in Milan, in St. Petersburg, in Fukuoka, and Osaka. Let us take a look at that.

When we look at the Kansai region of Osaka, it has 25 million people, a GDP greater than all of Canada, and the government says, "No, no, it is okay to business. You can do business in the Kansai

region. We are going to hand out"—and this is from the minister—"handbooks". Handbooks do not cut it.

The second largest economy in the world is Japan. It has an economy greater than all of Asia combined, including China, and the Conservatives' answer to Canadian business, Canadian investors, in one of the most important markets outside of the United States is to say "We will close down the consulate and we will hand out handbooks". This really is not too impressive. Who is not impressed by this? Let us take a look.

The Canadian Chamber of Commerce said that the consulates also serve as a focal point for the collection and dissemination of information for Japanese and Canadian companies, organizations and individuals. Anyone who knows Asia knows that the issue is friendship first, business second. We have to be on the ground. We have to have those contacts. They do not have those contacts because now they will be giving out handbooks.

The Conservative government is swimming in money, thanks to the good economic management of previous Liberal governments which eliminated the deficit. Remember that when we came to power in 1993, that side of the House had left us a \$42.5 billion deficit. The Conservatives seem to forget that. Unfortunately, or fortunately for them, we left them with more money than they know what to do with. Of course now they are spending it here, there and everywhere, but there is no focus. They have all this money, but they have to close four consulates. That seems to me to be just unbelievable.

The comment of the Canada-Japan Society is that even prior to the announced closing of the consulates in Osaka and Fukuoka, Canadian interests were underrepresented in Japan relative to Japan's importance to Canada as a market for our goods, a source of tourists and students and a major source of investment in the Canadian resource and automotive sectors. They are people who know the Japanese market. They wrote the Prime Minister at the end of January and there was silence from that side of the House.

There is no question that when it comes to the area of foreign affairs, when it comes to the kinds of investments for Canadian business to be competitive, to be a player, the Conservatives have been silent and they have cut back.

• (1535)

There is no question that the former Japanese ambassador was very concerned about this approach. Japanese colleagues in Tokyo were absolutely astounded that we would take such an approach in terms of dealing with this. The government thinks it can deal with it out of Tokyo. It thinks it can deal with it out of Rome.

The government does not understand foreign policy. It is demonstrated in the budget the government presented last week.

The Budget

[*Translation*]

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, like many citizens across the country, I was extremely disappointed when I saw the details of this budget, which does very little, far too little, for the millions of Canadians who have a very hard time making ends meet.

This budget demonstrates once again the Conservative government's blatant lack of sensitivity towards ordinary Canadians, the very people who are working hard to provide for their families and for whom the tax burden is much too heavy. In fact, this budget contains no relief for such people, and that is the sad truth.

Instead, the Conservative government chose to favour those in the wealthier social classes. This should hardly come as a surprise, especially considering the Conservative government's ideological bias in favour of those at the top of the social ladder. Many Canadians were therefore baffled while taking a closer look at what is in the budget. Some of them had believed the Conservative Party promise, when, during the last election campaign, it said it wanted to introduce so-called "real changes" that were supposed to help them in their daily lives. These individuals' bafflement quickly turned to disappointment, because they felt, and rightly so, that they were entitled to receive much more than this budget delivers. The budget does nothing to improve their financial situation, which is already very difficult and tight.

For example, how can this government justify its budget when it allows individuals whose annual revenue is over \$300,000 to pocket an additional \$930, while there is absolutely nothing in the budget to improve the financial situation of most middle-class Canadians?

How can this government pretend that its budget is in the interests of average Canadians when people living on barely \$40,000 for themselves and their families can find nothing in it to help them meet their material needs?

How can this government claim to have considered families at the bottom of the socio-economic ladder when mothers in single-parent families who work long hours for little more than \$20,000 a year are not entitled to receive all the tax credits on the fallacious pretext that their incomes are too high? What is the Conservative government doing for mothers in this situation? Absolutely nothing.

How can this government pretend to be helping young couples with unstable jobs who are unable to find permanent employment or working conditions worthy of the name and who, with annual household incomes of barely \$25,000 a year, were simply ignored in the Conservative budget, which failed to provide anything at all to help them help themselves and finally look forward to a more stable future?

The so-called universal child care benefit, which is neither universal nor for child care services, is fully taxable. The government will therefore recover an average of \$400 per family. The 2006 child care plan was therefore a complete illusion.

These examples of hard-working Canadians who got absolutely nothing in the Conservative government's budget are far from the only ones. There is a whole array of people who make our society productive and prosperous but were abandoned in this budget. It is

clear to everyone that people like them cannot count on this government, which has absolutely no concern for them.

The Conservatives are implementing tax measures that seem helpful at first sight but the advantages they bestow are negated by the tax increases on low- and moderate-income Canadians that were hidden away in last year's budget and still have not been rescinded. Instead of really dealing with the challenges facing Canadians, the Conservatives stuffed their budget with short-sighted measures aimed at helping them win a quick election that Canadians neither want nor need.

The very purpose of political commitment and, by extension, that of any responsible government, should always be to improve the living conditions of the greatest possible number of people and to use available resources whenever possible. This budget clearly demonstrates that the Conservative government does not share this view of public service and that it is acting only on behalf of one part of the population, and certainly not for the betterment of those experiencing the greatest difficulties or of the middle class which faces the highest tax burden.

Yet, Canadians know very well that the Conservative government inherited some of the healthiest public finances and very significant surpluses—as a result of the rigorous and prudent management of the Liberal governments between 1993 and 2006—that could enable it to do much better and do a great deal more for ordinary people.

• (1540)

Unfortunately, we are faced with a government that is squandering this potentially enormous resource by primarily favouring the wealthiest social classes.

We, the Liberals, have a better understanding of justice and social equity. Canadians will acknowledge this at the next election, when the Conservative government will be accountable to the voters.

As the member for Pierrefonds—Dollard, I am honoured to represent a very large number of immigrants who have become Canadian citizens. Like them, I am very shocked that the Conservative government has not kept its promise by refusing to establish a Canadian agency to evaluate and recognize credentials.

Every week I meet with these people who see their chances for social and economic integration in our country severely curtailed because their qualifications, although real, are not recognized. Many of them belong to professions in high demand in this country. That is an unfair waste of skilled labour. Many lives are ruined in this way.

Why did the Conservative government go back on a solemn promise made in the last election? How can the government renege on such a pressing commitment? Can these people trust the Conservatives another time? Above all, how can these individuals hope to take their rightful place in this country, especially since we need their talents and their skills?

The Budget

This is tangible proof that the government has little interest in keeping a promise or in building a country that will be genuinely inclusive for those who choose to live here. In addition, this budget offers nothing to rectify the unacceptable delays that are building up for immigration applications.

In terms of family reunification cases, which drag on, naturalization proceedings, which take much too long, or the never-ending wait for asylum seekers, no concrete measures were taken in this budget to make life easier or to alleviate the legitimate concerns of thousands of people whose lives have been put in danger by the mismanagement this government's inaction encourages.

I have only mentioned a few from a very long list of examples which, in this budget, show how little this government cares about the real concerns of a very large category of our population.

I think the Government of Canada has a duty to serve the best interests of all Canadians. It is clear from the budget that the Conservative government holds quite a different view.

Canadians deserve much better from a government that has the resources to take action. For these reasons, I will vote against the budget.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I agree with the hon. member concerning the fact that this budget does nothing to help ordinary working Canadians. However, the many years of empty Liberal promises were much the same, there is no doubt.

My question for the hon. member is this. When the Liberal Party had the opportunity to show its support for workers by supporting Bill C-257, an anti-scab bill, the Liberals voted against it, for the most part. Can the hon. member explain to the House the reasons behind this, if—as he says—the Liberals really want to support Canadian workers?

• (1545)

Mr. Bernard Patry: Mr. Speaker, I want to thank the hon. member for Victoria for her question.

She said that the previous Liberal government did nothing for the least fortunate in society. I simply want to say to her that after curbing the deficit, which had reached \$43 billion in 1993, we made the most significant income tax cuts this country has ever seen; \$100 billion over five years.

In this budget, there are no tax cuts; there are tax hikes. When the Conservative government was elected in 2005, the tax rate for the first bracket was 15%. It was then increased to 15.25%. This year this figure is 15.5% on the first \$35,000 of income. The non-taxable portion for individuals has increased as well. Taxes have therefore increased, which is the complete opposite of what we, the Liberals, did.

As far as the hon. member's question on Bill C-257 is concerned, I would like to tell her that I personally voted against it, but I that I did vote in favour of the bill in principle. I voted against the bill because it was incomplete and the essential services were not clearly defined. If we get a bill with the essential services and it is a complete bill, I will very likely change my vote. In my opinion, it is important for bills to be complete when they are passed in this House.

[English]

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, this budget is interesting. Some have actually claimed that it is a bit like previous budgets in terms of being a little of this, a little of that, and add up to nothing in the end. One just has to look at some of the Gainsburgers that are out there. I am not sure if it is going to turn us into a nation of coupon clippers, but I have some concerns about that because the Conservatives seem to be thinking they should look at the demographics, give a coupon for something and hand it out.

My question is about new Canadians that the member talked about. We in the NDP have fought, and many other Canadians have joined us, for how to unravel the incredible bureaucracy for new Canadians and their foreign credentials.

In the election last year the government made a grand announcement about how it has it all figured out and unravelled. Now there is a referral desk. It has not really dealt with the fact that when individuals are asked to come to this country, they bring their credentials, they are looking for opportunity, and end up having to put the opportunity aside.

I would like the member to comment on what he sees in this budget for new Canadians. There is money there, but there seems to be no one at the desk and, as a result, no opportunities for new Canadians.

Mr. Bernard Patry: Mr. Speaker, as for credentials, if he is talking about professionals such as engineers and doctors, as a doctor myself I agree with him in the sense that we do not do enough. The Liberal government started to do something about it, but in the current budget there is nothing at all about this.

There is a problem concerning this. In my own province of Quebec this is a provincial jurisdiction and it is quite difficult, but if we do not tackle the problem, we are never going to succeed and the government has failed in this budget.

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, I will be sharing my time with the member for Beauport—Limoilou.

I am pleased today to speak about “Aspire”, budget 2007. It delivers in every region of the country reflecting the increasing dynamics and breadth of Canada's economic growth and continuing prosperity.

The budget is about making our strong economy even stronger and providing the necessary tools, so Canadians from all walks of life can reach their full potential. It represents the future opportunities of our young people, the future care of our seniors, the future health care services that our citizens will need and demand, the security of the nation, and the future growth of the Canadian economy which is necessary if we are going to realize these and other goals.

The budget delivers for all Canadians and it delivers for the people in my constituency of Oxford in Ontario.

The Budget

I would like to give some of the numbers that are included in the budget. There is \$39 billion dedicated over seven years to restore fiscal balance, 90% of Canadian families will benefit from the new \$2,000 child tax credit and 180,000 taxpayers are removed from the tax rolls as a result of a new \$2,000 child tax credit.

There is a 40% increase in annual post-secondary funding for the provinces and territories by 2008-09, 1.2 million is the number of low income Canadians who will benefit from the working income tax benefit, \$6 million in additional funds for the RCMP to protect children from sexual exploitation and trafficking, \$64 million in new funds to implement a national anti-drug strategy, a 50% increase in the number of environmental officers being hired, \$16 billion in new federal funding for infrastructure, and \$300 million for an immunization program to protect women and girls against cervical cancer.

Managing Canada's \$1.5 trillion economy means making choices and striking the right balance. In budget 2007 we have achieved this by balancing the budget, cutting taxes for working families, investing in priorities like health care, the environment, infrastructure, and restoring fiscal balance by giving provinces the resources they need to deliver their front line services that matter to Canadians.

For the province of Ontario, a \$2,000 child tax credit will save Ontario parents \$597.5 million. An increase in basic spousal amount will provide an estimated \$109.6 million in tax relief to a supporting spouse or single taxpayer supporting a child or relative. The working income tax benefit will benefit workers of Ontario with \$221 million in tax relief, and Ontario farmers will receive approximately \$240 million under new initiatives in budget 2007. Increasing the RRSP and registered pension plan maturation age will save Ontario taxpayers \$56 million.

Municipalities in budget 2007 will have an additional investment of more than \$16 billion for infrastructure. Together with budget 2006 this provides \$33 billion to provinces, territories and municipalities for infrastructure over the next seven years. This also includes \$8 billion to extend the gas tax fund at \$2 billion per year for another four years directly benefiting municipalities.

I would also like to point out that the budget will also increase to 100% the return of GST funds back to municipalities. That may not seem like a lot of money on small purchases, but on a piece of fire apparatus or a large piece of road building equipment it is a considerable amount of money.

Truckers in budget 2007 have their share of meal expenses raised from 50% to 80% for tax deduction. A very important aspect of budget 2007 is the delivery on issues for seniors. For example, a single senior earning \$20,000 will see a 62% reduction in federal taxes. Furthermore, a two earner senior couple earning \$40,000 will see a 40% reduction in federal taxes.

Our government is also enacting the tax fairness plan which delivers over \$1 billion in additional tax savings for Canadians, including increasing the age credit amount by \$1,000 to \$5,066 and pension income splitting for seniors. This allows older workers to stay in the labour market by allowing phased retirement.

• (1550)

More specific, budget 2007 increases the age limit from 69 to 71 for converting a registered retirement savings plan to strengthen initiatives for older Canadians to work and save.

The agriculture sector is vital to my riding of Oxford. Budget 2007 provides \$1 billion in commitments to farmers for improvements to national farm income programs, including \$600 million to kick-start contributory style producer savings accounts and a direct payment of \$400 million to producers to help address high production costs. Farmers in Ontario will receive approximately \$240 million under these initiatives due to budget 2007.

We are also increasing the lifetime capital gains exemption for farmers and owners of small business from \$500,000 to \$750,000. I know this affects a great number of people in my riding.

This government supports farmers and this is evident with the budget. We are helping farmers grow and prosper.

Canada's strong economic performance is not an accident. It requires sound economic management and a commitment to ongoing reform. It requires businesses and consumers who are confident about Canada's future. It requires prudent policies that lock in our achievements for future generations. This is what budget 2007 does. The budget is about sharing strong economic management not just with more Canadians, but for all Canadians.

• (1555)

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, the hon. member who has been a member of Parliament since 2004 and represents his constituency very well.

As members of Parliament, we often wait for the next day. The Minister of Finance comes to this place and delivers a budget and we wonder what our constituents will say the next day. Being on the government side, we wonder if they will accept it, or question it or have certain concerns about it.

Calls into my constituency office have been very positive. Constituents recognize the fact that the budget delivers for farmers. The budget delivers for agriculture with the biofuels initiative, the capital gains increase from \$500,000 to \$750,000, the changing of the CAIS program and much more.

Most people who have called into my constituency office in Camrose have said that this government gets it. The government understands that Canadians are paying too much tax, and we have taken a major step in providing Canadians with a family-friendly budget.

The Budget

The member talked a bit about what the budget did for families. It provides a new \$2,000 child tax credit, providing up to \$310 per child of tax relief to over three million Canadian families with young children.

On Saturdays, I have the opportunity to go to rinks or gymnasiums to watch my son or daughter in different sports. I have had the opportunity to speak with many young families who have told me that this type of initiative is something for which they have asked for a long time.

Could the member comment a bit on how this will help constituents in his riding and how it will help young families?

Mr. Dave MacKenzie: Mr. Speaker, I also attend arenas with some grandchildren and I go to a number of coffee shops across my riding and other places where people congregate. The budget has received unanimous support from everyone with whom I have spoken, particularly from young families who have young children.

One young couple that I spoke with have three young children. Both the husband and wife work. The husband mentioned that this was one of the first times a budget meant anything meaningful to them at the end of the day. As a result of the initiatives taken in budget 2006 and budget 2007, they anticipate somewhere between \$3,000 and \$4,000 will go into their pockets to allow them to purchase things they need.

Another young couple I met with on Saturday has one child. They were very thankful for what they saw as an opportunity to assist them with their young child. The wife is currently not employed so the \$100 a month child care money is meaningful to them. They are very pleased with it as they are with all the other initiatives in budget 2007.

Seniors are also very thankful for the budget.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I listened with interest to the speech by the member opposite, a member for whom I have high regard.

However, it is passing strange, with the surplus in excess of \$13 billion, that there were any groups left out of the minister's budget. The harsh reality is certain sectors have been left out of the budget. I am referring specifically to aboriginals about whom nary a word is mentioned in the budget. Could the member comment about the 1.2 million aboriginals in Canada and why they were essentially excluded from the budget?

Second are the students. I am referring specifically to post-secondary education students, not those in graduate schools. What will the budget do for the typical university student in year one, year two or year three? My reading of the budget is there is nothing whatsoever for those students.

• (1600)

Mr. Dave MacKenzie: Mr. Speaker, earlier today we heard the minister responsible for aboriginal affairs indicate that \$10.2 billion was in the budget for aboriginal programs. I do not think that is any small number. I think the member himself would agree that it is not a small number at all, and it is \$1 billion more than has ever been provided in any previous budget in the House to the aboriginal

community. I dare say that we have provided a fairly significant amount of money.

I think he would also recognize that post-secondary education is a function of the provinces. I am sure he will appreciate the fact that the government is going to transfer a 40% increase in annual post-secondary funding to the provinces and territories by 2008-09. I suggest that is not a small sum neither.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, I draw the member's attention to page 354 of the budget. In it is a graph from the Department of Finance. It shows what we used to have in the country, the CAP, the Canada Assistance Program. We know what happened with that. If we look at that graph, it is very interesting. We know it was eviscerated by the previous government.

In that chart it also is important to know what the CAP meant. It meant we had a program that dealt with things like post-secondary education and health care. The previous government redesigned it, gave it a new envelope, a new name with less money it and said "Do whatever you want with it and we'll call it the social transfer". What has happened is, we are in this game, this gambit, of handing over money without strings attached and saying we have solved the problem.

We had the disaster with the budget vis-à-vis Mr. Charest in Quebec. He talked about needing to rebuild the services in Quebec. He whined for a very long time about the need for money so he could reinvest in Quebec. Then he threw the money out in terms of a tax cut.

What does the member think about the opportunity the government is giving to rebuild social services in our country?

Mr. Dave MacKenzie: Mr. Speaker, I do not know why the member would want to get involved in provincial affairs, directing where the provinces will spend the money they get from the federal government. The members opposite were here when their government obviously directed that change. We have looked at the provinces and feel they are mature and independent bodies.

However, I do not know why the member is going to vote against the budget. I do not know why the NDP would vote against \$300 million for an immunization program to protect women and girls against cancer of the cervix.

There are so many good things in the budget and it should receive unanimous support. It is perhaps the best budget we have ever seen in the House.

Mr. Kevin Sorenson: Mr. Speaker, the member is the Parliamentary Secretary to the Minister of Public Safety. My question deals with much of what his portfolio would include.

I chair the foreign affairs committee and I have had opportunity to travel to different parts of the world. In some places in the world the rule of law is prevalent and in other places it is not so prevalent. When tourists and visitors come to this country, one of the things they appreciate is that Canada is a country that is firm and strong in its values, but it is also a country where the rule of law applies. Canada is respected around the world as being a safe, law-abiding type of society.

The Budget

The government has a very strong commitment to defence, to the military, but also to policing. As an ex-police chief, could the hon. member tell us a bit more of what this budget does? I know dollars have been allocated for a national drug strategy. We are not only talking about cracking down on crime, on gangs, on drugs. The government is making the dollars available. We have seen a diminishing in numbers of police officers. Could the member tell us what this budget does on home security?

• (1605)

Mr. Dave MacKenzie: Mr. Speaker, the budget addresses a number of items and the member has already illustrated one of them, the national drug strategy. There is also money for protecting children from sexual exploitation. That is no small feat. If we can accomplish that, the budget in itself is probably worthwhile, but there are many other good things in there.

We will be putting together another team to fight white collar crime and this is something that costs all Canadians a good deal of money and resources. There is money to fight illicit drug use. There will be additional moneys in there for the RCMP. Last year's budget also provided additional money for increased policing.

This budget is a good budget, as was last year's. I am rather surprised they will not all support it.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I will be sharing my time with the member for Hamilton East—Stoney Creek.

In this budget, the government appropriated all the right catchwords about working people but did very little to address the prosperity gap that even it does not deny exists. This budget, in fact, tries to buy Canadian votes with little handouts but it does nothing to make life more fair for middle class or working people.

Under the pretext of delineating roles and responsibilities and focusing on core federal responsibilities, the federal government abdicates its responsibility to build social equity and social cohesion in Canada. It is a vision for Canada that sees Canadians as taxpayers only instead of as citizens. It encourages us to care not about our neighbours but only about our tax bill. Social equity is not even a footnote.

The Conservatives say that this is our Canada. Well, it is not my Canada. It is not the vision of Canada held by the majority of my constituents in Victoria, Oak Bay and Saanich.

In Victoria, people look for decisions that are based on a triple bottom line, where environmental, social and economic factors are equally considered. They look for government to be a responsible steward of the economy, for sure, but they know that the economy is not an end in itself, that the GDP is not the key statistic that reflects quality of life as this budget suggests. GDP factors in how much money was made from car accidents or oil spills but not the human toll, the waste or the pollution.

Our health, literacy rates, air and water quality, affordable housing, civic involvement and the value of unpaid work are the factors that reflect quality of life and that quality of life is compromised by the prosperity gap. Even the Conservatives have not denied that this exists.

However, the prosperity gap is not reduced with a couple hundred dollars off our taxes and that is why I oppose this budget.

It was summed up well by my hometown newspaper, whose editorial concluded:

There's a striking disconnect between this week's budget and the issues seen as critical in the capital region.

They are issues that the almighty market has not, and will not, fix on its own.

I would like to speak to the issue of homelessness.

Recently, the Victoria branch of the Urban Development Institute gathered 15 representatives from the community who decided, among other things, to call the homeless "our homeless" and to acknowledge their membership in our society and our collective responsibility to them. The sentiment that is entirely lacking in this budget and in the Conservatives' vision for Canada is that we are in this together. Homelessness has been called an epidemic in Victoria.

I could hardly believe it but I searched the 2007 budget plan and the word "homeless" does not appear.

The natural resources minister is from the riding next door. On a talk show last week, he was asked why there was no funding for housing and he responded that it was a question of priorities.

In B.C.'s capital region, we have made homelessness a priority. Regional and municipal governments, community groups and agencies are working together to tackle the problem of homelessness but the federal government remains absent from the table. Meanwhile, almost 1.5 million Canadian households are in desperate need of decent, affordable housing, even though Canada has one of the most vibrant economies in the world. This is inexcusable and reason enough to oppose the Conservative budget.

Another reason is this budget's inadequate anti-drug strategy. At best, there is \$300,000 in new resources for the whole capital region, which is nowhere near enough to make a dent in this problem. It is reflective of the Conservatives' tough on crime package that has been thick with punitive legislation and thin on any preventative measures.

Child care is yet another reason to oppose the 2007 budget. It continues the Conservatives' narrow ideological intransigence on child care.

• (1610)

A study released a couple of days ago estimates that the cost of behavioural and mental health problems triggered by problems in early childhood was at least \$30 billion. According to the researchers, this could be cut in half with a more comprehensive early child care education system.

Currently, we are dead last among developed nations in spending for early childhood education, giving us "a chaotic mess" of programs. That is what we have in Canada, a chaotic mess of programs. We spend 0.25% of our GDP on early childhood education, less than the U.S. and a fraction of other developed nations.

The Budget

I also want to speak to post-secondary education. This budget's shortcomings are especially clear in its half-hearted approach to the accessibility to public post-secondary education in Canada.

[*Translation*]

Obviously, we are pleased with the long-overdue funding increase for basic transportation, but if the government thinks that is enough and that the matter is now closed, then it is irresponsible and short-sighted.

Students in Canada are not asking to be spoiled. They are asking for affordable tuition and modern resources and equipment. They are asking the government to help lighten their debt burden. Their stories are heartbreaking. After five years of studies, they are \$52,000 in debt, they have a job or two, they go without food and sometimes even heat, and they cannot even begin to think of starting a family. That is no way to manage a dynamic economy with a strong and flexible workforce. It is completely unfair.

The Canadian Council on Learning stated very clearly that we need a national post-secondary education strategy, a strategy that includes shared standards and goals. The federal government is not providing the leadership we need to ensure that students in all provinces and all communities have fair access to similar quality education. This goal was dropped even though there is a \$9 billion surplus, the tenth enormous surplus in a row. Nevertheless, the government is refusing to invest in young people.

Moreover, the climate is changing. Conservatives have heard what Canadians have to say, but they have not listened. The environmental sector agrees that subsidies have to be directed to clean energy rather than dirty energy. They are making plans for seven years from now, but the time to act is right now. For example, we should develop a clean auto industry in Canada instead of giving \$2,000 to foreign automobile manufacturers.

[*English*]

The point is best expressed by Genevieve, a 10-year-old citizen from Victoria. She wants the Prime Minister to take climate change seriously, not just to talk about it. In her letter to the Prime Minister, which she copied me on, she says, "Please don't send me another picture of yourself. I'd rather you put my words into action".

I have to say that this budget has completely ruined the word "aspire" for me. To aspire is precisely the opposite of what this budget does. It does not aim high. It aims decidedly low. It could have aspired to so much: to end homelessness and child poverty in Canada; to ensure equitable access to post-secondary education, training and other learning opportunities, like a solid literacy program; to ensure full participation in a workforce full of quality jobs; and to confront climate change by putting into place extensive programs to reduce greenhouse gas emissions.

The government may use the words "caring society" but in practice it appears that it believes the only thing Canadians care about are tax cuts.

I oppose this budget because, as my local paper said, the Conservatives' choices are badly out of step with the needs of Victoria.

• (1615)

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I congratulate my colleague from Victoria on her excellent presentation on the budget. It was a pleasure to listen to her talk about the issues that are important in Victoria and many of those issues are the same ones that are incredibly important in my riding of New Westminster—Coquitlam.

For instance, we now have homeless people living on the banks of the Fraser River. It is incredible. People are now living underneath the SkyTrain stations. I never thought I would see times like these in British Columbia.

The issue of child care is also an important issue in our community where parents have actually been getting together and having regional meetings to demand action by the government.

My question has to do with flood control. Numerous reports have been done, going back a number of years, on the potential of big floods along the Fraser River. In fact, when the Fraser River flooded in 1948 it devastated all the communities along its banks. Since that time there has been an incredible build up of communities and homes and people are living and working along the banks of the Fraser who were never there. In those days it was mostly agricultural land.

If we were to have a flood today on the Fraser River anywhere near what happened in 1948, the conservative estimates are \$6 billion in flood damage. The previous Liberal government pulled out of any support for debris control along the Fraser River and we have seen no action by the present Conservative government, although it has put money into other regions of the country for waterworks, to do anything for British Columbia and the Fraser River. I would ask my friend for her opinion on that.

Ms. Denise Savoie: Mr. Speaker, the federal government's contribution to major infrastructure is clearly lacking. The Federation of Canadian Municipalities has soundly criticized this budget for its lack of support to build strong communities and to offer them the types of sustainable and long term plans to address these serious infrastructure issues to which my colleague refers.

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, although I could lean over and ask my colleague the question, it is important that I ask it for the record.

It is interesting that NDP members talk about infrastructure. The fact is that the topping up this year with \$17 billion, to a record of \$33 billion in infrastructure for Canada, truly addresses the needs of Canadians. The response of the municipalities, which know best where the needs are, has been maybe not as severe as the member might imply.

The NDP premier of the province of Manitoba has come out very strongly in support of this budget. In fact, he has encouraged the NDP MPs from the province of Manitoba to support it.

The Budget

I am wondering if the member could tell us, if the premier of Manitoba supports this wholeheartedly and has gone out basically on the campaign trail to support what a great job our finance minister has done, why the federal NDP members cannot find it in their hearts to support a budget that actually helps Canadians.

• (1620)

Ms. Denise Savoie: Mr. Speaker, the role of the federal NDP is to look after the interests of all Canadians. It seems that the Minister of Finance, in addressing this House, forgot that there was a province beyond the Rockies. In fact, my riding happens to be on the other side of the Rockies and many provinces did not receive a thing and were absolutely excluded—

Hon. Jim Flaherty: You're pretty selective when you read the budget aren't you? Maybe you don't even know about it.

Ms. Denise Savoie: I do not know if I still have the floor, Mr. Speaker, but I have obviously touched a nerve with the Minister of Finance.

However, many provinces like my own were not only absolutely excluded from being considered in the budget speech, but were absolutely ignored in this budget, which is one of the many reasons that we are opposing this budget.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I rise today to speak on budget 2007, a weighty document I have with me. But before I do that, when I was running for this office, I promised the constituents of my riding that I would bring their message here instead of the government's message to them.

One of the messages I have been getting loud and clear in the last few days is that they want me to address a disconcerting situation occurring in the House. As parliamentarians we try to put the sense of entitlement and arrogance of the limousine Liberals from the past government behind us, but during this debate it was brought to my attention, and of course being in the House I saw it firsthand, that we are now suddenly smacked with a new smugness from the Conservatives.

They resort to quips instead of substance. It is particularly insulting to the members of the House to hear a response to a serious question followed by another question asking if we had read the book or the budget. All hon. members present will know that all parties rely on the critics for their major evaluations needed to properly assess this particular 477 page document. Of course, as well, we rely very heavily as members on our research staff along with the resource facilities from organizations like perhaps the Canadian Labour Congress, the Canadian Centre for Policy Alternatives, along with NGOs that are impacted by the federal budget.

As I am speaking, we can hear members of the Conservative Party laughing and chuckling. It is because their mikes are not turned on. They constantly berate or aggravate members in the House who are trying to do the business of the House.

I want to assure that the members of the House do do their due diligence necessary to properly represent their constituents' interests in this particular budget and all matters before the House. As I was rereading parts of the budget during question period, I found myself

barely unable to hear because of the catcalls which prompted me to raise this today. There is ridicule heaped upon one another by the Conservative government and the Liberal opposition.

Canadians want respectful debate in this place, to be able to respect all members in the House. It is time for all parliamentarians to rise above the crass political gamesmanship and take our discourse to a level in Parliament that Canadians deserve.

The budget does nothing to close the every widening prosperity gap. My constituents tell me they believe the budget paid more attention to the boardroom table. They had hoped that they would be listened to, the ideas in conversations such as they have around their kitchen tables. I sent mailings out to my constituents prior to the budget during the so-called consultation phase that the government was going through.

Here are some of the responses that I received: "Jobs that are not through a temporary company", "Without good jobs you can't pay the rent", "Disallow corporations access to employees' pension and retirement funds", "A starting entry liveable wage of a minimum of \$9.50 an hour".

The proposition in this House is of course for \$10.

Another response said: "Tax cuts, not what Mr. Harper has done in his first budget but real tax cuts for low income worker—

• (1625)

The Acting Speaker (Mr. Andrew Scheer): Order. I need to remind my hon. friend that we do not refer to other members by their proper name but by their riding or title.

Mr. Wayne Marston: I apologize, Mr. Speaker.

They asked for more government help with tuition for students, so rich or poor have a chance to go. There are seniors rights and I could go on.

Specifically on this budget, for children and child care, over one million Canadian children continue to live in poverty and go to bed hungry at night. This budget will not help them. The \$250 million for child care spaces actually represents a cut of \$1 billion. In our estimation it is an admission of the failed 2006 budget in what was supposed to come out of that in child care spaces.

The transfer will not help to build a national child care plan, something the government apparently does not believe in, but in two-thirds of two parent families both parents have to work.

There is some modest support for cultural and recreational facilities which seems to rely heavily on the P3 approach but is unlikely to make a significant dent in the \$15 billion deficit in amateur sport facilities.

In terms citizenship and immigration, there is \$51 million over two years in the temporary foreign workers program. Temporary foreign workers are often the most exploited in Canadian society. There is nothing to indicate that any of this budgetary commitment will ensure conditions and wages for temporary foreign workers will be equal to Canadians. There is nothing to ensure Canadians who are available and trained to work have the first opportunity for jobs. There is nothing to address the existing huge backlog of the 800,000 people in queue trying to immigrate to Canada.

The Budget

There is a foreign credential referral office which will be created with a \$13 million investment over two years, but in 2006 the Conservatives announced \$18 million over two years for the establishment of a foreign credentials agency. This year they are announcing \$13 million in operating money, yet there is still no agency and no program.

Hard-working immigrants will continue to face chronic low income and struggle to have their skills recognized. There is no new money for the adaptation programs or language training. New immigrants will continue to struggle as they try to adapt to Canadian society. There is no support to deal with the flaws in the immigration act and no refugee appeal process. Landing immigrant fees have not been removed.

The budget continues to carry forward the \$9 billion in corporate tax cuts contained in the first budget and it runs on to 2011. Though manufacturers will get a 50% capital cost allowance for 2007-08, the oil sands will keep its 100% capital cost allowance until the year 2010.

The budget fails to use tax incentives strategically for capital investments that are directly tied to upgrade the capacity, job creation, the implementation of environmental technology or skills training. Each dollar of corporate tax cuts adds about 25¢ to bank and insurance company profits.

In the area of culture, specifically the arts are basically ignored in this budget. There is no specific money for the Canada Council or promoting artists. Heritage is not on the agenda of the government and the minister has been extremely ineffectual up to this point in her tenure.

There are no tax measures for artists, ACTRA called for tax averaging, or support for arts programs for kids. The Canadian Television Fund remains without additional stable funding and museums have no support.

Under foreign aid, this budget actually decreases the percentage of foreign aid as opposed to gross national income from .34% to .31%, less than half the .7% that we internationally agreed to many years ago. The government says that it will increase foreign aid to \$900 million but the only money it has actually allotted in this budget is the \$200 million already announced for Afghanistan and the \$115 million already announced along with the Gates Foundation.

Tax incentives to pharmaceutical companies are not the way to effectively meet the needs of people living with HIV-AIDS and other diseases in the developing world.

Further on health, there is a total of \$2.6 billion in new health care investments, but there is no assurance that the principles of the Canada Health Act will be respected and that all Canadians will have equal access to quality care.

• (1630)

The government will establish a Canadian mental health commission to lead the development of a national mental health strategy. The problem here is that many people with mental health problems are ending up on our streets and there is no support for homeless people within housing.

Previous speakers have spoken to the fact that there are more and more homeless people on our streets. There are no new monetary commitments made to CMHC, low income housing, retrofitting or social housing programs. I have page after page of research that our staffs have put together, along with our own research that I could comment on, but I look forward to questions.

The Acting Speaker (Mr. Royal Galipeau): The hon. Minister of Finance is rising on a point of order.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion respecting an act to implement certain provisions of the budget tabled in Parliament on March 19.

I ask that an order of the day be designated for consideration of the motion.

The Acting Speaker (Mr. Royal Galipeau): Order. It is my duty, pursuant to Standing Order 38, to inform the House that the two questions to be raised tonight at the time of adjournment are as follows: the hon. member for Windsor West, Automobile Industry; the hon. member for Madawaska—Restigouche, Child Care.

* * *

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank my colleague from Hamilton for his thoughtful remarks. Both the tone and the content of his speech I found very useful, in fact heartening in a way.

In his criticism of the budget though, we should acknowledge one thing that we have been asking for, for a long time. I was very pleased to see that we are finally doing away with this idea of tax motivated expatriation. That is the technical term for it. We call it sleazy, tax cheating loopholes of tax havens.

Finally, I believe this budget has eliminated this idea of tax fugitives hiding their profits in tax havens so they can avoid paying their fair share of taxes in this country. That I am willing to recognize as a very positive step and something the NDP has been calling for, for many years.

The Budget

In the same vein, I would like my colleague's views on this. Many of us who have been watching corporate Canada and corporate America are of the view that white collar crime has become a blue collar issue. At least white collar corporate governance has become a blue collar issue, in that if we cannot trust the financial statements of the companies where our pension plans are invested, we all have something very serious to worry about.

Therefore, my question to my colleague is this. In the context of this year's budget, would it not have been worthwhile to revisit some of the practices regarding corporate governance, such as what led to Enron, which was tax auditors and tax consultants being one and the same person? In other words, there should be a wall between the people who audit the books and the people who are giving advice on the books.

Would he agree that this issue of corporate governance perhaps should be the next place we should be going in terms of reining in corporate Canada?

Mr. Wayne Marston: Mr. Speaker, this is what I would call a very easy question in the sense that yes, I would agree with the statement.

Further to that, I just read recently in the paper where there was a company that was supposed to audit the books of a company. It misstated its profits which affected the price on the stock exchange and it paid tens of millions of dollars in penalties for that act. There is the example of Enron and the loss to the people who invested in Enron. We have in this country, from time to time, as the member has indicated, called into question how the pension funds of the workers of Canada are invested. Who is accounting to whom and who has ownership has always been a significant issue.

This is deferred income for people for their retirement years and there should always be workers from those areas on the boards of these institutions. There is a court case in New York, I believe, that is taking place right now, where an individual went after the pensions of the Dominion store employees many years ago. Different people in different organizations have done very questionable things.

In light of the circumstances of Enron, where people are looking to the justice system for justice, it would have been a most appropriate time for the government to evaluate these processes.

• (1635)

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, I thank my colleague for his intervention and analysis and the solutions he put forward.

I will talk about one of the things that troubled me about this budget. As my colleague said, it was fairly voluminous, but in the end it did not add up to much for many Canadians, particularly seniors. I was going door to door talking to seniors in the time we had off from this place. Sadly, I know the government is very vocal about what it has done for seniors, but it forgets to mention those who have lower incomes.

I would like the member's thoughts about what could have been done for seniors, because the government obviously missed the boat on that.

Mr. Wayne Marston: Mr. Speaker, the response is very simple and straightforward. We passed the seniors charter in the House. There was a clear direction from the House to the government as to what we wanted done for seniors and, to be very frank, the government did not get the job done.

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, I first would like to know if the member has any evidence on the accusations he made about foreign workers and their problems, because in committee right now we are studying employability, and just the other day one of his colleagues in the NDP actually asked witnesses who were present about that particular circumstance. Perhaps his colleague could inform the member that professional engineers quite like our foreign credential recognition referral agency.

Now that we know he reads the budget page by page, maybe he could confer with his colleague on some of the issues that she has seen unfolding at our committee meetings.

Mr. Wayne Marston: Mr. Speaker, I want to be very clear and honest, as I have been. I do read some of the budget book, but I did not read it page by page. I rely on the critics' assessments. I rely on those other resources. In terms of management style, that is what one does. One uses the tools at hand to help one make decisions.

I would suggest that if the government is looking at foreign workers it should be talking to people in the construction trades and the Canadian Labour Congress and getting some advice.

Mr. Don Bell (North Vancouver, Lib.): Mr. Speaker, I will be splitting my time with the member for Scarborough—Guildwood.

It is my pleasure to rise in the House today to participate in the debate on the government's budget. I will focus my remarks on how this budget affects my home province of British Columbia and specifically my riding of North Vancouver.

In short, this budget fails British Columbians and constituents in my riding in numerous areas, namely: its new equalization formula; its failure to create any new child care spaces in B.C. or across Canada; insufficient assistance for students; watered-down funding for the Asia Pacific gateway initiative; its failure to provide promised assistance to provinces and municipalities to hire more police officers; and inadequate action on health care.

As we sat in the House a week ago yesterday to listen to the finance minister deliver his budget speech, my parliamentary colleagues from B.C. and I could only shake our heads in disbelief as the finance minister described Canada. I will quote from his speech. He stated:

From the majestic peaks of the Rocky Mountains to the rugged shores of Newfoundland and Labrador, many of the most beautiful places on earth are in Canada.

The Budget

The problem with the finance minister's statement is not in his characterization of Canada's stunning natural beauty but in his geography. Most of B.C.'s land mass is in fact west of the peaks of the Rocky Mountains.

On the campaign trail, the Conservatives promised to "stand up for B.C.". It appears there was not even anyone in the finance minister's office who could properly locate B.C. on a map, let alone stand up for our province's interests.

In regard to the government's new equalization formula, the finance minister had barely uttered the naive assertion that "the long, tiring, unproductive area of bickering between the provincial and federal governments is over"—

• (1640)

The Acting Speaker (Mr. Royal Galipeau): I regret to interrupt the hon. member.

The hon. member for Cariboo—Prince George is rising on a point of order.

Mr. Richard Harris: Mr. Speaker, I would like to point out an error made by the member for North Vancouver. In British Columbia we are very proud of the fact that the entire western side of the majestic Rocky Mountains lies firmly in the province of B.C. We are proud of that.

The Acting Speaker (Mr. Royal Galipeau): I thank the hon. member for Cariboo—Prince George for the point, but it is not a point of order. It is a point of debate. I would be happy to recognize him during questions and comments after the hon. member for North Vancouver has finished his speech.

Mr. Don Bell: Mr. Speaker, in regard to the government's new equalization formula, the finance minister had barely uttered the naive assertion that "the long, tiring, unproductive era of bickering between the provincial and the federal government is over" before several provincial governments began to criticize the budget, including B.C.'s provincial government.

By including property value in its new equalization formula, the government is equating property value with wealth, but if one looks more closely in my riding of North Vancouver and in many areas of B.C., where there has been a massive increase in house prices in the last few years, this is simply false.

In the week before the budget, the premier of British Columbia, Gordon Campbell, warned, "Anyone that says that your property values are in direct relation of your ability to pay doesn't frankly know a lot about what they're talking about".

What did the Conservative trade minister, the member for Vancouver Kingsway, have to say? He said:

Everybody in the world knows that high real estate prices translate into de facto wealth, which is taxed by local governments amongst others. So I don't know why that wouldn't be part of the calculation.

The comments of the trade minister in attempting to defend this action confirm that even Conservative members from B.C. are out of touch with British Columbians and have little influence in the government's top-down decision making process.

In my riding of North Vancouver there is a serious housing crisis due to the booming real estate market. A couple who bought a home

in North Vancouver 20 or 30 years ago for a fraction of what it is worth today have not seen a similar percentage increase in their personal income. Many are now seniors living on pensions who simply wish to stay in the house and the neighbourhood they have called home for decades.

It is estimated that property values in B.C. rose by 24% last year. Homeowner income did not rise by anywhere close to that amount and municipal property taxes are tied to property value, thereby creating further financial hardship for homeowners. If they sold their home to move elsewhere on the North Shore, or even to most other areas in Greater Vancouver, they would have to pay the same price for a similar house and therefore would find themselves in the same financial position.

To benefit from the increased value of their home, as is reflected in the government's equalization formula philosophy, they would need to buy a substantially less expensive home, which is difficult to find in North Vancouver and, for that matter, in most of the lower mainland of B.C. To see that wealth, they would have to move far away from their families and friends in their current communities.

It is clear that the government's new formula is out of touch with the reality on the ground in B.C. as evidenced by the provincial government's reaction to the budget, which echoed the official opposition's harsh criticism.

On child care, the government promised Canadians choice in child care in the last election and offered Canadians a taxable \$100 for each child under six years of age, coupled with a plan to supposedly create child care spaces by offering businesses incentives to create them.

Fourteen months later, what has happened? After tearing up the child care deal signed with the provinces by the former Liberal government, specifically through the efforts of the hon. member for York Centre, the government has replaced them with nothing. Not one new child care space has been created in North Vancouver or Canada.

Because the funding is no longer flowing through those previous federal-provincial child care agreements, local child care facilities in my riding have been forced to cancel capital improvements and in many cases raise fees, sometimes by \$100 per month. Thus, there is really no choice offered by the Conservative government. There is just one choice: take the \$100 per month. This will not provide new spaces, nor will it make them more affordable or universal.

In this budget, the government has quietly abandoned its election proposal to have businesses create the promised 125,000 new spaces and will instead transfer a lesser amount to the provinces than our previous Liberal government had agreed to, but for children and parents it has been 14 lost months.

The Budget

In a report released just yesterday by Dr. Fraser Mustard, a Companion of the Order of Canada and an internationally recognized expert in the field of early childhood development, he stated that Canada is ranked dead last among the 20 countries in the Organization for Economic Co-operation and Development. According to the report, Canada spends just .25% of its GDP on early childhood programs, whereas other developed countries spend up to 2%. Dr. Mustard described the programs and child care assistance that exist in Canada as a “chaotic mess”.

With such a massive budget surplus, the government could have done so much more. Instead, Canada is an international embarrassment and the government responds by reducing child care funding.

Adding insult to injury is the tax bill that parents are now receiving, which requires them to pay tax on the child care rebates already received. Revenue Canada's RC62 forms started arriving at homes several months ago. Judging by the reaction of parents in my riding to this Conservative child care tax bill, it is clear that the government has failed families on child care.

•(1645)

The budget also failed undergraduates in North Vancouver. While the budget did increase the number of students who will be eligible for Canada graduate scholarships, that represents assistance for only Canada's top 4,000 graduate students. While no one would argue that this is not an appropriate investment, the vast majority of students in Canada who are undergraduates will not receive a cent of assistance in this budget.

This means there is nothing for students at Capilano College in my riding, many of whom are enrolled in the successful Capilano College film program. The film centre offers programs that prepare students for a variety of career paths in the film production industry, and these are not necessarily students who will graduate and then leave our community. Many of these graduates will find local jobs in North Vancouver's film industry. North Shore Studios, located in my riding, is the major film producer in Canada and around the world.

There are over 6,000 persons in my riding who work in the film industry. Film and television production add \$100 million per year to the North Vancouver economy and an estimated \$1.3 billion per year, every year, to the economy of B.C. There is no innovative thinking in this budget that would help foster growth in this local industry by helping students in my riding.

As the official opposition critic for the Asia-Pacific gateway, I was extremely disappointed by the budget's lack of action on gateway projects, as I have been repeatedly in regard to action on gateway projects since the government took office. Unfortunately, the Conservative government has made my job as critic far easier than I wish it were. Whether it be the bungled relations with our trading partners in the Asia-Pacific, specifically with China, which are well documented, or the watered-down commitment to gateway funding and the lack of a cohesive legislative gateway plan, the government has dropped the ball.

In this budget, the government has employed smoke and mirrors on gateway funding to make it appear that it has increased funding when in fact it has yet to honour its election promise to at least match the funding that was attached to the previous Liberal government's

Pacific gateway strategy, which included \$591 million over five years. Within that five year period, the Conservative government is still \$44 million short of what was promised by the previous Liberal government.

In addition, the Liberal gateway investment was always considered a down payment. Unlike the Conservative government, our competitors to the south in U.S. and Mexico are not waiting until 2014 to ramp up port capacity and make critical investments in transportation infrastructure.

By breaking its gateway funding promises, the government is failing B.C. on the gateway at home and abroad through its amateurish approach to relations with our Asia-Pacific trading partners abroad.

For example, it was nine months before the minister visited China. It was 13 months before even a parliamentary secretary visited India. The government closed two consulate offices in Japan. This is not exactly the opportunity based approach we had in mind.

In the last election the Conservatives promised to add 2,500 municipal police officers to Canadian cities. Where was that promise in the budget? Nowhere. Municipalities in B.C., which had hoped the government would walk the walk, are now back on their knees begging for funds to add police officers.

Constituents in my riding want the government to be bold with health policy. I believe it is time for a national catastrophic drug plan to ensure that every Canadian is able to afford prescription drugs recommended by their family physician. It has been estimated that the cost of ensuring that no Canadian spends more than 3% of their annual family income on medication, devices and supplies is \$500 million per year.

This government inherited a \$13 billion surplus and it has not even honoured its election promises on health care, let alone adopt new strategies such as the catastrophic drug plan, which would help millions of Canadians. One example would be the two million Canadians with type 1 or type 2 diabetes who in many cases have to spend a disproportionately high percentage of their income on health care costs.

The Budget

For a member of Parliament from B.C., this budget is as much about what is not in it as what is. Whether it is broken election promises or failing to provide anything new for our province, this budget proves that the Conservative campaign slogan to “stand up for B.C.” is as ridiculous as the finance minister’s grasp of simple Canadian geography.

•(1650)

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, throughout this debate I have heard members on the opposite side frequently talk about their fantasy day care program that never seemed to happen. I guess it just did not get done.

What I have always wondered about that day care program was how it would really operate. I am wondering if the member could explain it. Would it be an eight to five, Monday through Friday program? If that is what it was, I wonder, then, what about people in the policing community and the fire community and those people who work in factories around the clock? Would they have been able to take advantage of that fantasy if it ever came true or were they only expected to pay for it?

Mr. Don Bell: No, Mr. Speaker. First of all, our child care program was a real program. It was negotiated with the provinces and—

Mr. Gord Brown: You don’t believe that.

Hon. John McKay: The money was booked. You guys didn’t see it.

Mr. Don Bell: The money was booked, Mr. Speaker, and in fact what has happened is that the choice the Conservative government has said it offers, as I mentioned, is really no choice.

In respect to the member’s question about the hours of day care, day care operations in British Columbia operate for more than just eight to five hours. In fact, because workers start their day early many day care operations start their child care services very early in the morning, and those children can stay later, so there is flexibility. It is flexible when we have professionals who are able to provide that service.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, one of the concerns in this budget was the way in which resources were distributed. I think of the analysis that was provided by a politician not that long ago when we were talking about the fiscal imbalance. It was said that the services are delivered by the provinces and that Ottawa has the money.

That seems to be the way the government has looked at it. That kind of framework means that the cash is handed over and we just walk away. This is really what has happened. We saw that recently in Quebec.

In fact, Canadians do not get the service guarantee. The so-called health care guarantee that the government talked about is not being delivered. I do not see nurses being hired. The nurses are going south. We do not see the infrastructure being put in place.

By the way, it was Bernard Landry who gave us that overview which the government seems to have embraced. That is an

abandonment of what we hold dear as a country, which is to have some sort of national standards across the country.

I would like the member’s take on this idea that the federal government is only an ATM machine for the provinces. Should we not have some national standards for the country?

Mr. Don Bell: Mr. Speaker, the whole concept of our child care program was early childhood development, not babysitting, not simply paying someone to look after our children but to help them develop.

The quad principle, which was part of the root of our program, was quality, universality, affordability and developmental. It is the developmental part that gets lost, as I see it, in terms of the government’s approach to child care.

Certainly national standards make sense. Canadians should be able to move from province to province without feeling that there is a substantial difference in the kinds of basic services that are provided, such as health care and child care.

In the case of health care, for example, we put strings on the money we provided to the provinces, stating that we wanted to focus on reducing wait times.

There are times when the money from the federal government can be given totally to the provinces to decide their priorities. There are other times when, because the federal money is supplementing provincial programs, there should be direction and guidelines provided. We have done that in the past.

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, the member for North Vancouver spent his entire speech on what is not in the budget and what he thinks should be in the budget.

I wonder if the member would tell Canada all the good things he thinks are in the budget?

•(1655)

Mr. Don Bell: Mr. Speaker, that is basically the problem. I would be happy to comment on the things I like in the budget but I am only given a certain amount of time.

My role as an opposition critic is to point out the shortcomings of this budget and point out areas where the government, hopefully, will listen and make improvements.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I am pleased to have the opportunity to participate in this budget debate.

I thought the opposition leader nailed it when he said “never has so little been done with so much”. I think he is exactly right.

After years of fiscal prudence by the previous Liberal government, we end up with a so-called new Conservative government that is sitting on tons of cash. However, instead of allocating the money intelligently between debt relief, income tax relief and program spending, we get a huge spending spree with Canadians’ hard-earned income tax money.

I thought I would start by quoting Andrew Coyne, hardly a friend of the Liberal Party of Canada:

The Budget

With this budget, [the Minister of Finance] officially becomes the biggest spending finance minister in the history of Canada.

And that is after inflation and population growth is taken into account. Under this Conservative government, they have now raised spending by \$25 billion in two years.

Does that not remind members of another Conservative government?

Is this what the Conservative voters wanted: no sense of priorities and not a nickel in real honest to God tax cuts of any kind? There is a lot of spending programs disguised as tax credits for children, et cetera, which may be fine programs but they are programs, not tax cuts.

John Williamson, again no friend of the Liberal Party, a past president of the Canadian Taxpayers Federation and of course employed by the Prime Minister when he was between jobs, said:

The fellow working the line or anyone with a salary income and no children will receive no tax relief. That's disappointing. Ottawa is running huge surpluses. This is a good time to cut the rates for all taxpayers up and down the economic ladder. Government decided to broadly target, for example, seniors, not tax relief in this document for all taxpayers.

Those are the Conservative Party's best friends.

It was not supposed to be this way. The so-called new government stood for accountability, honesty, openness and transparency. Instead, what do Canadians get? Spending increases—\$25 billion in two years is a pretty serious increase—broken promises, innuendo and drive-by smears.

This is a budget that exemplifies unfairness, divisiveness and incompetence.

A lot has been said about this spending spree and the “peace in our times” speech by the finance minister. Some peace. Six out of the 10 premiers slammed the budget as fundamentally unfair to their province. One premier, however, had a very Cheshire cat like smile as he received a 29% increase in his transfer payments and then passed on a \$750 million tax cut to the residents of his province.

The folks in New Brunswick, on the other hand, got a 1.8% increase. The folks in New Brunswick must be wondering why it is that the Prime Minister so dislikes them.

The premier neglected to mention that \$750 million would be put into a tax cut when he was arguing that Quebec did not have sufficient revenue to discharge its constitutional responsibilities. The voters were not impressed last night. The voters in all the other provinces were even less impressed. However, this exemplifies the politics of division by the Prime Minister.

I do not know what members think about last night's election, but \$2 billion does not seem to get one very far these days. The Prime Minister did pretty well everything he could to intervene in a provincial election to ensure the re-election of the premier of Quebec except possibly knocking in a few lawn signs.

Here is what happens when people get friendly with the Prime Minister.

First, they come within a hair of losing their seat. At one point, the premier had actually lost his seat during the election last night but

apparently a recount actually secured it. They also come within a hair of losing their government. The province now has the first minority government in 129 years with a majority of opposition members made up of either separatists or quasi-separatists who believe in some oxymoronic policy called autonomy within Canada.

● (1700)

Mr. Charest must be wondering whether his good friendship with the Prime Minister was such a brilliant idea. With friends like that he does not need too many enemies.

The only question the government had when making up the budget was: What would it take to bribe a sufficient number of voters to get them to vote Conservative? The only question the government ever asked was what is the bribe, to whom and good public policy be hanged, which is why we do not see broad based tax relief.

Instead of taking the base threshold rate down to 15%, which is where it was when the Liberal government left office, the Conservatives actually raised it up to 15.5% in order to pay for this potpourri of incoherent initiatives.

Did Canadians notice the abandonment of the second cut in the GST? It is pushed so far off into the future that we will need field glasses to see it from here to there. The dopey campaign promise about deferring capital gains was abandoned as unworkable, as it should have been, and replaced by a general rise in the capital gains threshold, a good idea and part of the Liberal commitments.

The government chose the budget to remind folks of its broken campaign promise not to tax trusts. Instead of taking up the much more sensible Liberal approach, the Conservatives continue to charge around like bulls in a china shop, ensuring and consolidating the \$25 billion destruction of hard-working Canadians' pensions and savings.

Speaking of pensions, did anyone notice the cute little diversionary tactic of offering pension splits to those pensioners who just had their life savings destroyed? If my e-mails are anything to go by, the seniors do not seem to be terribly impressed by this smoke and mirrors budget of “Here is your pension split, sorry about your savings”. The government seems to take people for fools.

Another story that is yet to play out is the fundamental unfairness among various categories of seniors. Single seniors get absolutely nothing out of this budget. I hope for their sake they did not have any money invested in income trusts.

A senior couple gets the split as long as they remain together. However, if death or divorce ends their relationship, the surviving senior is in for a bit of a rude awakening. Now the surviving senior will get a sympathy card from the tax man saying, “We are deeply sorry about your loss. P.S. We have enclosed your adjusted tax bill. Please pay up within 30 days”. This is the new government's idea of grief counselling.

The Budget

Does the Prime Minister and the Minister of Finance have anything against all taxpayers? What about the ordinary Joe who goes to work every day and has no kids or the kids are all grown up and he would like to sock a little money away for retirement? He is not old enough to retire so the pension split is useless. Since the kids have moved on the RESP changes are useless and the tax credit is even more useless. However, if his health holds up and he works long enough, he will not need to retire now at 65. He can retire later and with whatever few leftover pennies he has he can put them into his RRSP until he is 71.

If Joe or Josephine were to say, “Thanks for nothing, Prime Minister”, they would be right because nothing is exactly what they got out of this budget.

I am sure someone will get a memo from the Prime Minister saying, “I know you're a little past prime but you could actually start a family over again but if that's not realistic take your meagre savings and get into a pension split early”. If we handle it right we could be broke for a long time.

This budget fails on all kinds of levels. It pits province against province and taxpayer against taxpayer. It is a bad budget for Canada and I will not be supporting it.

• (1705)

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I listened with interest to my colleague's very thoughtful dissertation of the budget of the Minister of Finance. Like him, and I am sure all members of this chamber, I have received a number of emails from constituents, one of which I received on March 20, the day after the budget was tabled.

A single senior wrote to me expressing her profound disappointment with the budget. She said, “there's something in the budget for married seniors, but not for single seniors”. This lady was widowed some years ago. She has raised five children on her own and has never asked the government for help.

With a surplus of some \$13 billion, is there any rationale whatsoever that my hon. colleague can think of why there was not some token or modest provision in the budget for a senior who is single, who has never asked the government for a penny and who needs some money now in the twilight of her life to help her eke out an existence?

Hon. John McKay: Mr. Speaker, that is what is perverse about this budget. It pits groups of seniors against each other. The hon. member rightly identifies that single seniors are up the creek on this budget. Worse still, when seniors are married, get the split for a year and then their spouses die, its bingo time for them. Not only do they have to deal with the grief of losing their partners, but they now have to pay an additional amount of tax. As I said in my speech, this is a perverse way of grief counselling.

What is frustrating is that this could have been done in so many other ways. If we want to deal with the income tax disadvantages of seniors, then we could have created a split system which would start at a certain threshold and end at a certain threshold. That way we would not be pitting one set of seniors against another set of seniors. However, no, the government threw out the pension splitting idea because it had completely balled up on the income trust. The

Conservatives lied to the Canadian people repeatedly on the income trust. In order to create a diversionary tactic, they gave seniors income splitting. This is total incompetence and dishonesty to the Canadian people.

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I am listening to the member and wondering where was his party when it was the government. For 13 years, the Liberals neglected to pass any type of legislation. They governed in such a way that was discriminatory to seniors.

Seniors were penalized for making sacrifices in their early working years and going into retirement with additional pensions other than CPP only to have this onerous tax burden of the Liberal government placed upon them. They found out that by making sacrifice to provide a little extra for themselves, they faced the wrath of the tax department. The Liberals did nothing to help seniors for 13 long years.

We acted to help seniors. We increased the age tax credit. We allowed for the splitting of incomes for seniors. We brought in a GST cut for seniors. We brought in a lower tax rate for seniors. This government is doing things that the Liberals never did when they were the government and when they had the chance. They are seeing all the great things that our Minister of Finance has done in the budget. The Liberals are displaying budget envy. That is why they are over there now. They never did anything in 13 long years when they had a chance to and this is just budget envy that is going on here.

• (1710)

Hon. John McKay: Mr. Speaker, we had 13 years in government and we spent the first 5 years cleaning up messes left behind by the previous government.

What the hon. member does not seem to understand is that everyone is a taxpayer. That means people with families are taxpayers, singles are taxpayers and seniors are taxpayers. The only fair way of doing it is raising thresholds. That is how we do public policy. That is what we did when we were in government. We gave \$100 billion in tax relief between 2000 and 2005 and \$30 billion in further tax relief in 2005.

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Speaker, I am pleased to participate on behalf of the people of Pitt Meadows—Maple Ridge—Mission in this debate and I will have the last word on it. When my constituents ask me if this is a good budget for B.C., I say, no, this is a very good budget for B.C.

It is a balanced budget that restores fiscal balances and cuts taxes for working families. It invests in important priorities like health care and the environment and it reduces our national debt. The budget cracks down on corporate tax avoiders and makes our country safer with the introduction of a national drug strategy.

The Budget

To sum it up, budget 2007 builds a stronger, safer and better Canada, and that is what my constituents want.

We have restored fiscal balance in the budget. One of the ways we have done that is by addressing equalization.

Equalization is not an easy issue and many people do not understand it. If it were easy, the provinces would have reached a consensus on how to develop a program that satisfied them all. They could not and we have had to do that. Now we have a principled formula based program in which every province will be better off.

Equalization is not the biggest part of the transfers from the federal government to the provinces and territories. In fact, it is only about a quarter of the money that flows in that direction. The biggest part of it is the Canada health and social transfer. These transfers touch every Canadian. They produce better roads, renewed public transit, cleaner oceans, rivers and lakes, air and better education and training.

We also see fairer taxes in the budget. The numbers are big, but for the individual constituents in my riding it comes down to the \$2,000 per child tax credit. That will flow about \$180 million to B.C. alone.

In the budget we have ended the marriage penalty and made the spousal amount that is available to one earner couples and single parents the same as the basic amount. That will be about \$35.2 million to B.C.

We have strengthened the registered education program. We have supported seniors by raising the age limit of RPPs and RRSPs to 71. We have allowed older workers to stay in the labour market by permitting phased retirement.

In fact, the *Vancouver Sun* said in an editorial that budget 2007:

—deals head on with one of the most critical issues facing the country—the aging population...

The budget...clearly has principles and a vision. The demographic challenge can't be denied. The Conservative government has taken significant steps towards coping with a potential crisis.

We are helping parents as well save toward the long term financial security of persons with severe disabilities with a new registered disability savings plan. That is a good idea and people recognize it as such.

There are many more things and I would love to share them with the House. However, on behalf of my constituents, I support the budget. I am disappointed that not every member in the House will. It makes a stronger, safer and better Canada.

• (1715)

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of ways and means Motion No. 14.

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): Call in the members.

• (1745)

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 139*)

YEAS

Members

Abbott
Albrecht
Allison
Anders
André
Bachand
Barbot
Bellavance
Bernier
Bigras
Blais
Bonsant
Boucher
Breitkreuz
Brown (Barrie)
Brunelle
Cannan (Kelowna—Lake Country)
Cardin
Carrier
Casson
Clement
Crête
Davidson
DeBellefeuille
Demers
Devolin
Duceppe
Emerson
Faille
Finley
Flaherty
Freeman
Galipeau
Gaudet
Goldring
Gourde
Grewal
Guergis
Hanger
Harris
Hawn
Hiebert
Hinton
Jean
Keddy (South Shore—St. Margaret's)
Khan
Kotto
Laforest
Lake
Lauson
Lemay

Ablonczy
Allen
Ambrose
Anderson
Asselin
Baird
Batters
Benoit
Bezan
Blackburn
Blaney
Bouchard
Bourgeois
Brown (Leeds—Grenville)
Bruinooge
Calkins
Cannon (Pontiac)
Carrie
Casey
Chong
Comuzzi
Cummins
Day
Del Mastro
Deschamps
Doyle
Dykstra
Epp
Fast
Fitzpatrick
Fletcher
Gagnon
Gallant
Gauthier
Goodyear
Gravel
Guay
Guimond
Harper
Harvey
Hearn
Hill
Jaffer
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)
Komarnicki
Kramp (Prince Edward—Hastings)
Laframboise
Lalonde
Lavallée
Lemieux

Government Orders

Lessard
Lukiwski
Lunney
MacKay (Central Nova)
Malo
Mark
Ménard (Hochelaga)
Menzies
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Mourani
Nicholson
O'Connor
Oda
Pallister
Paradis
Petit
Plamondon
Prentice
Rajotte
Richardson
Roy
Schellenberger
Skelton
Solberg
St-Cyr
Stanton
Strahl
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thompson (New Brunswick Southwest)
Thompson (Wild Rose)
Toews
Tweed
Van Loan
Verner
Wallace
Warkentin
Williams

Lévesque
Lunn
Lussier
MacKenzie
Manning
Mayes
Ménard (Marc-Aurèle-Fortin)
Merrifield
Mills
Nadeau
Norlock
Obhrai
Ouellet
Paquette
Perron
Picard
Poilievre
Preston
Reid
Ritz
Scheer
Shiple
Smith
Sorenson
St-Hilaire
Storseth
Sweet
Tilson
Trost
Van Kesteren
Vellacott
Vincent
Warawa
Watson
Yelich — 176

NAYS

Members

Alghabra
Atamanenko
Bains
Beaumier
Bell (Vancouver Island North)
Bennett
Bevington
Blaikie
Boshcoff
Byrne
Chamberlain
Charlton
Christopherson
Comartin
Crowder
Cullen (Etobicoke North)
D'Amours
Dhaliwal
Dion
Easter
Folco
Godfrey
Goodale
Holland
Ignatieff
Julian
Karygiannis
LeBlanc
MacAulay
Marleau
Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Énard)
Masse
Matthews
McDonough
McGuire
McTeague
Minna
Murphy (Charlottetown)
Neville

Angus
Bagnell
Barnes
Bélanger
Bell (North Vancouver)
Bevilacqua
Black
Bonin
Brown (Oakville)
Cannis
Chan
Chow
Coderre
Cotler
Cullen (Skeena—Bulkley Valley)
Cuzner
Dewar
Dhalla
Dryden
Eyking
Fry
Godin
Guarnieri
Hubbard
Jennings
Kadis
Layton
Lee
Maloney
Marston
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Mathysen
McCallum
McGuinty
McKay (Scarborough—Guildwood)
Merasty
Murphy (Moncton—Riverview—Dieppe)
Nash
Owen

Pacetti
Pearson
Priddy
Ratansi
Regan
Rodriguez
Russell
Savoie
Scott
Siksay
Simms
St. Denis
Stoffer
Szabo
Temelkovski
Tonks
Valley
Wappel
Wilfert
Wrzesnewskyj — 119

Patry
Peterson
Proulx
Redman
Robillard
Rota
Savage
Scarpaleggia
Sgro
Silva
St. Amand
Steckle
Stronach
Telegdi
Thibault (West Nova)
Turner
Volpe
Wasylcia-Leis
Wilson

PAIRED

Nil

The Speaker: I declare the motion carried.

* * *

[*English*]

CRIMINAL CODE

The House resumed from March 23 consideration of the motion that Bill C-35, An Act to amend the Criminal Code (reverse onus in bail hearings for firearm-related offences), be read the second time and referred to a committee.

The Speaker: Pursuant to order made on Friday, March 23, 2007, the House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-35.

Hon. Jay Hill: Mr. Speaker, I think if you were to seek it, you would find unanimous consent to apply the results of the vote just taken to the motion presently before the House, with Conservative members present this evening voting yes.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Hon. Karen Redman: Mr. Speaker, Liberals will be voting in favour of this bill.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, members of the Bloc Québécois will vote against this motion. I would ask that you to remove the name of the hon. member for Ahuntsic, who had to leave the precincts of Parliament.

Mr. Yvon Godin: Mr. Speaker, members of the NDP will vote in favour of this motion.

[*English*]

Hon. Joe Comuzzi: Mr. Speaker, I vote yes on the motion.

● (1750)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

*Government Orders**(Division No. 140)*

YEAS

Members

Abbott
 Albrecht
 Allen
 Ambrose
 Anderson
 Atamanenko
 Bains
 Barnes
 Beaumier
 Bell (Vancouver Island North)
 Bennett
 Bernier
 Bevington
 Black
 Blaikie
 Bonin
 Boucher
 Brown (Oakville)
 Brown (Barrie)
 Byrne
 Cannan (Kelowna—Lake Country)
 Cannon (Pontiac)
 Casey
 Chamberlain
 Charlton
 Chow
 Clement
 Comartin
 Cotler
 Cullen (Skeena—Bulkley Valley)
 Cummins
 D'Amours
 Day
 Devolin
 Dhaliwal
 Dion
 Dryden
 Easter
 Epp
 Fast
 Fitzpatrick
 Fletcher
 Fry
 Gallant
 Godin
 Goodale
 Gourde
 Guarnieri
 Hanger
 Harris
 Hawn
 Hiebert
 Hinton
 Hubbard
 Jaffer
 Jennings
 Kadis
 Karygiannis
 Kenney (Calgary Southeast)
 Komarnicki
 Lake
 Layton
 Lee
 Lukiwski
 Lunney
 MacKay (Central Nova)
 Maloney
 Mark
 Marston
 Martin (Winnipeg Centre)
 Martin (Sault Ste. Marie)
 Mathysen
 Mayes
 McDonough
 McGuire
 McTeague
 Merasty
 Miller

Ablonczy
 Alghabra
 Allison
 Anders
 Angus
 Bagnell
 Baird
 Batters
 Bélanger
 Bell (North Vancouver)
 Benoit
 Bevilacqua
 Bezan
 Blackburn
 Blaney
 Boshcoff
 Breitzkreuz
 Brown (Leeds—Grenville)
 Bruinoooge
 Calkins
 Cannis
 Carrie
 Casson
 Chan
 Chong
 Christopherson
 Coderre
 Comuzzi
 Crowder
 Cullen (Etobicoke North)
 Cuzner
 Davidson
 Del Mastro
 Dewar
 Dhalla
 Doyle
 Dykstra
 Emerson
 Eyking
 Finley
 Flaherty
 Folco
 Galipeau
 Godfrey
 Goldring
 Goodyear
 Grewal
 Guergis
 Harper
 Harvey
 Hearn
 Hill
 Holland
 Ignatieff
 Jean
 Julian
 Kamp (Pitt Meadows—Maple Ridge—Mission)
 Keddy (South Shore—St. Margaret's)
 Khan
 Kramp (Prince Edward—Hastings)
 Lauzon
 LeBlanc
 Lemieux
 Lunn
 MacAulay
 MacKenzie
 Manning
 Marleau
 Martin (Esquimalt—Juan de Fuca)
 Martin (LaSalle—Émard)
 Masse
 Matthews
 McCallum
 McGuinty
 McKay (Scarborough—Guildwood)
 Menzies
 Merrifield
 Mills

Minna
 Moore (Fundy Royal)
 Murphy (Charlottetown)
 Neville
 Norlock
 Obhrai
 Owen
 Pallister
 Patry
 Peterson
 Poilievre
 Preston
 Proulx
 Ratansi
 Regan
 Richardson
 Robillard
 Rota
 Savage
 Scarpaleggia
 Schellenberger
 Sgro
 Siksay
 Simms
 Smith
 Sorenson
 St. Denis
 Steckle
 Storseth
 Stronach
 Szabo
 Temelkovski
 Thompson (New Brunswick Southwest)
 Tilson
 Tonks
 Turner
 Valley
 Van Loan
 Verner
 Wallace
 Warawa
 Wasylcyia-Leis
 Wilfert
 Wilson
 Yelich— 245

Moore (Port Moody—Westwood—Port Coquitlam)
 Murphy (Moncton—Riverview—Dieppe)
 Nash
 Nicholson
 O'Connor
 Oda
 Pacetti
 Paradis
 Pearson
 Petit
 Prentice
 Priddy
 Rajotte
 Redman
 Reid
 Ritz
 Rodriguez
 Russell
 Savoie
 Scheer
 Scott
 Shipley
 Silva
 Skelton
 Solberg
 St. Amand
 Stanton
 Stoffer
 Strahl
 Sweet
 Telegdi
 Thibault (West Nova)
 Thompson (Wild Rose)
 Toews
 Trost
 Tweed
 Van Kesteren
 Vellacott
 Volpe
 Wappel
 Warkentin
 Watson
 Williams
 Wrzesnewskyj

NAYS

Members

André
 Bachand
 Bellavance
 Blais
 Bouchard
 Brunelle
 Carrier
 DeBellefeuille
 Deschamps
 Faïlle
 Gagnon
 Gauthier
 Guay
 Kotto
 Laframboise
 Lavallée
 Lessard
 Lussier
 Ménard (Hochelega)
 Nadeau
 Paquette
 Picard
 Roy
 St-Hilaire
 Basques)
 Vincent— 49

Asselin
 Barbot
 Bigras
 Bonsant
 Bourgeois
 Cardin
 Crête
 Demers
 Duceppe
 Freeman
 Gaudet
 Gravel
 Guimond
 Laforest
 Lalonde
 Lemay
 Lévesque
 Malo
 Ménard (Marc-Aurèle-Fortin)
 Ouellet
 Perron
 Plamondon
 St-Cyr
 Thibault (Rimouski-Neigette—Témiscouata—Les

PAIRED

Nil

The Speaker: I declare the motion carried. Consequently, this bill is referred to a legislative committee.

(Bill read the second time and referred to a legislative committee)
[English]

The Speaker: It being 5:50 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

HERITAGE LIGHTHOUSE PROTECTION ACT

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC) moved that Bill S-220, An Act to protect heritage lighthouses, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to rise today to speak to Bill S-220, seconded by the member for St. John's East.

I would be remiss in my introduction if I did not recognize the hard work done in the other place by Senator Carney to get the bill into the House of Commons. I certainly want to recognize her work.

I also recognize that the bill will occupy a fair amount of time not just from the government side, but from the opposition members, because there is a fair amount of work to do on Bill S-220 in its present form.

In any coastal community lighthouses are an integral part of the landscape. They are part of our culture, our history as a nation, our folklore, our songs and our stories.

The close association of our country to our oceans and our lighthouses is a fundamental part of our Canadian identity. Whether it is the east coast, the west coast, the Arctic, the Great Lakes, the inland waterways, Canadians from all parts of Canada understand the critical role that lighthouses have played in the very development of this nation. Without these majestic towers and the brave and selfless people who ensured that their lights kept burning, our status as a beacon of hope and safety would never have been possible.

In fact, our very role as a trading nation would not have come to be if lighthouses did not mark the way for safe passage for people, commerce and opportunity. Lighthouses have for centuries offered mariners from around the world safe passage and hope. They are part of the core technologies that supported expanded trade and commerce within and between nations.

Increasingly today they are playing a new and important role in the development of our coastal economies. The historic significance of these light towers to the communities of which they are so much a part is irreplaceable, and steps must be taken to preserve and protect Canadian heritage for present and future generations.

Lighthouses are monuments to the Canadian way of life and to the fact that as a country, we depend upon maritime transportation. It would be a great loss if heritage lighthouses were not saved. They are invaluable heritage resources and once gone, so too are the opportunities they represent.

I am truly honoured today to rise in support of this bill that was brought forward originally by my colleague, the late hon. Michael

Private Members' Business

Forrestall, a senator from my province of Nova Scotia who first championed this initiative back in April 2000 and tirelessly worked to ensure its passage. Senator Forrestall said it well several years ago when he stated:

I ask all honourable senators familiar with Nova Scotia and the beautiful tourist trails throughout my home province to imagine the Lighthouse Trail without one lighthouse or its outlying structures. Imagine no more Peggy's Cove; imagine no more Grand Manan Island; imagine no more Gannet Rock Lighthouse. Forget about West Point Lighthouse in P.E.I. or Cape Spear Lighthouse in Newfoundland; forget about Langara Point Lighthouse in British Columbia, probably one of the most beautiful, remote and historically important lighthouses in our structure.

Lighthouses have been sources of salvation to sailors in littoral waters for hundreds of years and have served as the centres of our coastal communities....They are symbols of man's conquests of the high seas and oceans, and in the past have captured the hearts and souls of people world round, as they were the first sight of land upon return to the homeland. No question exists of their place in the human heart or of their simplistic beauty set against the rugged, dark seas. One does not have to hail from the shores of the Atlantic or the Pacific to be attracted to lighthouses.

As sponsor of this bill to protect heritage lighthouses and also as a native of the Lighthouse Route, I am glad to have this opportunity to talk about a subject that is so dear to my heart.

The bill is aligned with the Fisheries and Oceans lighthouse divestiture program which strives to transfer surplus lighthouses to local communities for continued public purposes.

There is no denying that lighthouses have played a key role in the development of Canada as a nation. Indeed, the establishment of many coastal communities across the country was intrinsically linked to the building of their lighthouses and to the harbours to which they guided travellers.

• (1755)

Lighthouses are great symbols of Canadian heritage. There are more than 20 lighthouses along the Lighthouse Route in my riding of South Shore—St. Margaret's.

I am not alone in my love of this symbol of marine heritage. Canadians and people around the world are familiar with the beauty of one of our country's most famous lighthouses at Peggy's Cove, which again is situated in my own riding of South Shore—St. Margaret's, and whose pictures have graced calendars and tourism posters for many years. It is as Canadian as the sight of a grain elevator in a prairie field of golden wheat, or polar bears on a northern ice floe.

Such Canadian symbolism is enshrined in Bill S-220. It is based on the recognition of the cultural and historic significance of lighthouses as part of our maritime and national heritage. Because of their importance as community sentinels, the bill seeks to provide national protection and processes for disposal to communities for public purposes and alternate use.

Specifically, the bill would protect heritage lighthouses in three ways: by providing for their designation as a heritage lighthouse; by providing for public consultation in this designation process and before the removal, alteration, destruction, sale or other disposition of a designated lighthouse; and by providing that designated heritage lighthouses be reasonably maintained.

Private Members' Business

Such provisions, indeed the key objectives of Bill S-220, are definitely in keeping with the federal government's efforts to build a culture of heritage conservation in Canada. However, one also has to recognize that there are competing demands for resources from the Government of Canada. The objectives of this bill are not at issue. There are, however, challenges which relate to implementation and particularly in eventual funding requirements.

The bill as currently worded would see Parks Canada, under the direction of the Minister of the Environment, managing the heritage designation process. It would have to task or to establish a new organization to administer the provisions of the bill, including development of criteria for designating, maintaining or altering heritage lighthouses, or carry out research or consult with the public in response to petitions to designate, and applications to alter or demolish heritage lighthouses. Fisheries and Oceans Canada, as custodian for most of Canada's lighthouses, would then be tasked with ensuring compliance with these provisions and securing the funding to support these new obligations.

The reality is that new marine technologies, such as satellite based navigation, offer today's mariner modern efficiencies that lighthouses never could, and these new systems are steadily replacing the need for lights. It is true that many lighthouses are starting to deteriorate, and after allocating resources based on program priorities, DFO does not have the financial resources to invest in assets that are or will no longer be required for program purposes.

However, the bill would create statutory maintenance obligations that could not be met through current operational budgets. The bill raises difficult issues that require choices among competing public priorities. The safety and security of mariners remain primary requirements for DFO. The application of any heritage considerations must respect the department's financial reality and its ability to make operational decisions related to current and future uses of lighthouse properties and facilities.

We must ask ourselves if it is a higher priority for taxpayers to invest in replacing the Coast Guard's aging fleet, or carrying out ocean and aquatic research, or the impacts of climate change. These are difficult challenges and we need to make reasonable, responsible choices that balance the interests of all Canadians. The passage of this bill would leave both Parks Canada and DFO at a loss to carry out the new responsibilities under the new act without considerable investment.

At present, there are as many as 750 lighthouse light structures in Canada. Bill S-220 would provide statutory protection to many of them. This would in fact provide even greater protection than most of Canada's historic landmarks have, including the parliamentary precinct where we meet today.

• (1800)

About 95% of the cost to preserve these lighthouses would come under the responsibility of Fisheries and Oceans Canada. Without additional funding Fisheries and Oceans Canada would be forced to reallocate funds from existing programs and services. From search and rescue missions provided on a 24-7 basis, to development and investments in small craft harbours, to promoting the sustainable development of our oceans, to supporting a \$4 billion seafood export

industry, what gets cut when a country's security, environment and the economy are at stake?

Let us take a look at the scope of what Fisheries and Oceans Canada has to deal with on an ongoing basis by painting the big picture of Canada as a maritime nation.

Three of the world's oceans border on our coastline, the longest in the world at about 244,000 kilometres. Our oceans regions total almost six million square kilometres. Eight out of 10 provinces border oceans, as do the Northwest Territories, Nunavut and Yukon. The oceans provide recreational, environmental, employment, income and cultural staples to more than seven million Canadians who live in coastal communities.

Specifically, the Atlantic fishing industry employs more than 84,000 people and the Pacific fisheries provide jobs for some 14,000 people and plant workers. Canadian sport fishing injects about \$7 billion each year into local economies throughout the country.

In 2006 the export of fish and seafood products to 128 countries totalled \$4.1 billion as its contribution to the Canadian economy. British Columbia is our largest exporting province at \$987 million, with Nova Scotia coming in second at \$974 million, then Newfoundland with \$798 million, followed by New Brunswick at \$795 million, Quebec at \$203 million, and Prince Edward Island is sixth with \$194 million.

In addition, Canada boasts the largest freshwater system in the world with our two million lakes and rivers covering 7.6% of our land mass and the world's longest inland waterway at 3,700 kilometres from the Gulf of St. Lawrence to Lake Superior.

To support the many and varied users of our coasts and inland waterways, the department is also responsible for maintaining and operating a national network of small craft harbours. We have to take a long, hard, very serious and reasonable look at our ability to maintain the lights the way Bill S-220 would have us do it.

Unfortunately, I am running short of time. This is a bill that is important to Canadians. It is certainly important to Senator Carney. Again, I recognize her hard work in the other place.

I would like to again recognize my former colleague, the late Michael Forrestall, for his work in bringing this issue forward starting in 2000, and also the contributions made by many of the interested groups, including the Nova Scotia Lighthouse Preservation Society, that are eager to take over many of these lights.

Private Members' Business

I think that members get the picture. This is a challenge. In order to keep these magnificent heritage structures and be able to afford to do it and to be able to run daily operations at DFO, we are finding ourselves in a very unusual situation. We have to find a way to allow the public process to take place, to allow divestiture to take place, to give priority to communities, especially adjacent communities, to give priority to the lights that have a larger and greater heritage component versus ones that may be newer. We have to find a way to do this within the budget before us.

At the fisheries and oceans committee we have a good group. We are all very interested in trying to find a solution to this very difficult problem. I expect that when the bill gets to the committee, with some reasonable amendments we will be able to find that way to preserve these lights for Canadians for perpetuity.

• (1805)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I want to thank and commend my colleague, the chair of the Standing Committee on Fisheries and Oceans, for bringing this private member's bill forward. I guess the essence of it is that the overall nature of lighthouses will continue to change significantly as they are being perceived as obvious tourist attractions in coastal communities.

Obviously, if we are looking at divestiture and getting them into the hands of community groups, there are going to have to be some supports put in place because there are obvious costs, such as maintenance, operation and associated liability.

Does my colleague envision an opportunity to work through one of the federal departments whose mandate is to promote tourism and community based tourism initiatives, such as ACOA and western diversification? Does he see a pool of money there?

As well, through the divestiture program, does he also envision that there would be an opportunity for private investment in developing these lighthouses as tourism draws and tourism infrastructure in those rural communities if a community group is not prepared to do so?

• (1810)

Mr. Gerald Keddy: Mr. Speaker, the way the divestiture process works is it would first go to non-profit groups. They would be community groups. I would hope that we find a way in this bill to allow the adjacent community to have some priority access.

If the lighthouse happened to be on Lake Ontario, there is no reason why a group out of Atlantic Canada should have priority access to it. There is probably a community that is close to it that would want to have priority access and responsibility there. If there is not a community group willing to take the lighthouse over, then absolutely, there would be the option for a for profit private group to take it over.

I do not see any big pool of money out there, quite frankly. I think that is the reality. Fisheries and Oceans has some responsibility and it has some funds that can be used. Environment Canada has some responsibility and it has some funds. I do not really see this as a western diversification or an ACOA project unless there is a private business interest that can show a profit somehow through this.

So, we have a difficult job. I am not saying this is an easy job to take this bill as it exists and make it into a workable—

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Gaspésie—Îles-de-la-Madeleine has the floor for a short question.

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, I will make an analogy. The department's solution for small craft harbours is to install fences. In other words, it is avoiding the problem. Unfortunately, I have a feeling that we are headed down the same path with the bill presented.

During his speech, the hon. member said that there was not enough money to be able to properly maintain heritage lighthouses. Now he says that a bill is needed to protect these lighthouses because there is not enough money.

The department's responsibility for heritage lighthouses or small craft harbours simply involves having more money. I do not see how a bill can solve this problem.

[*English*]

Mr. Gerald Keddy: Mr. Speaker, that is a fair point, but the reality is that there are 750 lighthouses across Canada. There are probably 300 of them that have real heritage value. The government is not going to be responsible for 300 lighthouses from coast to coast to coast and all of the costs and all the maintenance on them.

We have to find a way to divest them to communities that want them, that have been asking for them, and put them in reasonable shape before they are divested. We are not talking about an ongoing cost accrued to the federal government that will go on for perpetuity. That is not in the offing.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, I would like to congratulate Senator Carney and my colleague from South Shore—St. Margaret's. I have eight lighthouses in my riding and another one just on the fringes. The member has talked about friends of lighthouses and groups that can take over, possibly the private sector. I would like him to talk a little bit more on whether local municipalities or first nations might have that opportunity in something like this.

• (1815)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for South Shore—St. Margaret's should know that the clock has run out, so he will not have a lot of time to answer. I am just about to interrupt him.

Mr. Gerald Keddy: Mr. Speaker, the divestiture program has a priority system and it goes federal to provincial to municipal and that, of course, could include first nations or local groups. Then it goes to not for profit groups and then it goes to for profit organizations. The availability is there for any interested group, whatever its designation, to access it.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Mr. Speaker, this is such a great issue not just for coastal Newfoundland and Labrador but for coastal Canada.

Private Members' Business

We have some of the greatest heritage celebrated in the world when it comes to certainly lighthouses and a perspective of history. I would also like to point out what a lot of people overlook. In tourism brochures and all over the place across western and eastern Canada, we have a tremendous heritage in central parts of Canada as well.

As my hon. colleague from Bruce—Grey—Owen Sound is certainly aware of, I think he has about eight lighthouses in his riding. Indeed, that tells us what kind of history we have with lighthouses, not only in east, west and north but also to the centre of this country.

At this point I would like to congratulate Senator Carney on her work on Bill S-220, an act to protect heritage lighthouses, introduced in December 2006. British Columbia Senator Pat Carney's bill will prevent heritage lighthouses that fall under federal jurisdiction from being altered, sold or destroyed without public consultation. Therein lies a fantastic idea, something that I do believe is long overdue.

I would like to point out and commend the work that has been done by the late Senator Forrestall who also did some tremendous work on this.

I would also like to take this time, since I am in a very complimentary mood, to share the compliments and share the hard work that has been done by all my colleagues, especially the ones from Nova Scotia. My colleague from Cape Breton—Canso has done a tremendous amount of work. My NDP colleague from Sackville—Eastern Shore has done quite a bit on this file. I would be remiss if I left out my friend and colleague from South Shore—St. Margaret's who has long been a champion for this. I commend him for it. Of course, my friend from Îles-de-la-Madeleine, how can I forget the east coast of Quebec where this is necessary.

In the spirit of all this congeniality, I would like to say that indeed we are supporting Bill S-220 for many reasons. I think some of it can be summarized in the hard work that people have done over the years to protect their heritage. Around Newfoundland and Labrador we have lighthouses dating back to being the focal point of coastal communities in the mid-1800s. Lighthouses go back to becoming the focal point of communities for sealers and fishermen all over the eastern parts of the country.

Of course, being from Newfoundland and Labrador, the oldest colony in North America, lighthouses have indeed been an intrinsic part of our past and will continue to be.

“Going Towards the Lights in Atlantic Canada” is a document by the Canadian Register of Historic Places written by Darin MacKinnon. He is the registrar of heritage places with Prince Edward Island and he makes some very good observations. First of all, he says, “Lighthouses stand out”. He says, “Those lonely sentinels are iconic”.

He goes on to say and this is my favourite quote from him and it is very true. He says, “They are beacons from our past”. Indeed they are beacons from our past and something that we should preserve for the future, not only for our children but also for generations to come, many years, 100, 200 years. We should take notice of this.

In 2004 Parks Canada with provincial and territorial partners launched the Canadian Register of Historic Places. It is a searchable

online source of information for anybody who is interested in finding out in their nearest vicinity if indeed they do have lighthouses and where they can go and see them.

For those who have an interest in lighthouses and the deep history associated with them, I do not suppose any of my Saskatchewan colleagues would find too much online, but nonetheless we get the idea, whether it be from the Great Lakes to the Arctic.

There are light stations to dwell on. Two recent examples from CRHP listings from Newfoundland and Labrador highlight other buildings associated with lighthouses. I would be remiss if I did not mention one in my own riding which is the Long Point Light Station at Crow Head. It was recently designated in December 2006.

I would also like to point out something that my colleague from Cape Breton—Canso mentioned when he talked about the available funds. I do think and I would compel the government and governments to come, no matter what stripe or colour, to look into a designated fund for our lighthouses as historical pieces.

● (1820)

I understand the limitations. I certainly understand the challenges in doing this for in excess of 500 lighthouses, but as my honourable colleague from the Conservatives pointed out, there has to be something done to preserve the lighthouses that serve to be our beacons from the past.

Also, I will talk about Cape Bonavista, another one that goes way back to the early 1800s and how it has evolved over the years. Through time, it has become a major beacon on the northeast coast. It is not of federal jurisdiction; it is provincial. However, when it comes to lighthouses and protecting our culture, when did jurisdiction ever matter? This is an important issue. It is one that is necessary for each and every colleague in the House.

In the process for Bill S-220, both the Department of Fisheries and Oceans and Environment Canada asserted that there were 750 lighthouses in Canada which would require funding pursuant to the provisions of the bill. The figure has presumably been applied to the cost analysis conducted by these departments. However, on December 7, 2006, during the hearing of Bill S-220 by the Senate Standing Committee on Fisheries and Oceans, they pointed out that only 3% of our lighthouses across the nation had genuine heritage protection and only 12% even had partial protection. That exists for 583 of these lighthouses. These are statistics that we should keep in mind as we vote on the bill. I hope we get the support of all our colleagues in the House.

Why is this needed to protect heritage lighthouses? It is for the Government of Canada to examine, recognize, protect and maintain a highly significant group of heritage structures, something with which I cannot see anybody in this legislature or other legislatures across the country disagreeing.

Today, for an example, we also have a great bit of money and attention given to railway stations across the country for their heritage impact. We actually have more lighthouses designated than we do railway stations. Decades ago, the government decided to have a policy where it would recognize and support railway stations for heritage purposes. Today 166 heritage railway stations have been designated by the federal government.

Private Members' Business

Let us contrast and compare. Lighthouses are beacons of the past and we could say the same for trains and railway stations. Something along that magnitude is indeed required in this situation.

Other examples that we could use are Cape Sable lighthouse, Nova Scotia, Sambro Island gas house in Nova Scotia and Estevan Point in British Columbia. It is a fantastic place for many people along the coastline to see, to get a glimpse of the history and culture of which they do celebrate. I congratulate each and every participant who is involved in that.

Bill S-220 is needed too. There are three major points I will bring out, which is the main reason why we are here today to support the bill. First is to give the public a voice in protecting heritage lighthouses. Second is to provide a systematic and legally binding mechanism for the recognition and protection of lighthouses that are presently owned and operated by the federal government. That is why we are here today. Third, we should provide an opportunity for public consultation before authorization is given for the removal, alteration, destruction, sale, transfer or other disposition of a heritage lighthouse. That is a very necessary component.

Bill S-220 is a very important first step for this incentive. The funding needs to be addressed. In fact, I suggest that maybe the Standing Committee on Fisheries and Oceans could probably look at something along this magnitude if it has not done it before. Perhaps my hon. colleague can point it out. He has more experience on the committee than I do.

I do appreciate the comments in here today. I appreciate Senator Carney and the work that she has done. Indeed, this is something that we can easily support, and we do it with a great amount of enthusiasm.

•(1825)

[*Translation*]

Mr. Reynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, after that fine speech I would not want to stop us all from getting along. I can see why in the Standing Committee on Fisheries and Oceans we work in a collegial manner for the betterment of those we defend. It is in that spirit that I will speak today on the matter of heritage lighthouses.

However, I will go against what I have heard so far because the Bloc does not intend to support Bill S-220, for various reasons I will explain in the next few minutes.

As I was saying when I asked the question earlier, it is hard to believe that the Department of Fisheries and Oceans, finally, in all its wisdom, has come up with an alternative to neglecting the lighthouses and the difficult situation in these areas.

The department thought that a bill like this would allow it to randomly, perhaps after some form of public consultation, determine that a lighthouse at a certain location would be protected. If this desire to cooperate on this does not manifest itself, the lighthouse in question might simply disappear and be dismantled, for lack of funding, as I heard the Conservative member say loud and clear.

I am well aware that we are currently in a situation where small craft harbours are not being maintained as they should be. You know as well as I do how much money is needed not to refurbish, but to

renew all the wharves that are deemed essential. If we properly assessed the situation, we would see that there are wharves deemed essential by the Department of Fisheries and Oceans and there are other general wharves. The number of general wharves largely outweighs the number of essential ones.

The latest figures show that \$470 million is needed to restore the wharves. I get the feeling that the real amount is much higher, since that figure dates back to 2005 or 2006, if I am not mistaken. We are now in 2007. You know as well as I do that with every storm, or every time there are a few more waves, the wharf deteriorates just a little more. As soon as a wharf starts deteriorating, it does not take long before it is run down. Accordingly, the amount of money that should be recommitted to this file increases exponentially.

The small craft harbours file is in a serious situation, and this is a federal responsibility.

The solution every time, for want of money, is to turn to volunteers who work under the harbour authorities. The other solution is to simply put up a fence around these wharves. It is completely irresponsible for any government to do so.

There is a risk associated with the bill tabled today. We are told right up front, and quite openly, that there will be no more money in the budget for heritage lighthouses. However, a committee will be set up to undertake public consultations, but with no guarantees as to the outcome. The minister will reserve the right to decide whether or not a certain lighthouse, considered significant and a heritage property by one community, will be designated, whereas another may not necessarily be given that status. We are promised that there will be money later, as if by magic, to maintain these heritage lighthouses.

I am prepared to have some faith, but not to that point. I do not wish to be blind.

•(1830)

I wish to be responsible and rigorous. Which means that a bill will not solve the problem of the responsibilities of the Department of Fisheries and Oceans with respect to heritage lighthouses. It is not that type of bill.

Private Members' Business

What is really needed is more money for facilities such as lighthouses, small craft harbours and wharves. I have the impression, given that the past can be an indication of what the future holds, that the purpose of the bill is to mask the sad reality and possibly provide a way out for the department. Furthermore, this is all being done under the pretext of designating cultural assets. In this regard, I would have liked to have seen this work carried out in cooperation with the Government of Quebec. The fact that the government is a majority or a minority is not at issue. The Government of Quebec should be consulted where properties—namely lighthouses—could become cultural assets. What will happen to these lighthouses after that?

As soon as a community develops an interest in a lighthouse, does that community have to make a huge financial effort to find the money to refurbish the lighthouse in question? In the end, even though there is a bill, there is no money behind it. As a result, volunteers who want to protect a cultural asset and who are interested in doing something with a heritage lighthouse will be asked to put in a superhuman effort.

In the end, it will turn out that for want of money and real political will, these people will be left to their own devices. This situation is a federal responsibility. This is not about lighthouses in other jurisdictions. These lighthouses belong to Fisheries and Oceans Canada. In terms of protecting jurisdiction, the responsibility falls entirely under Fisheries and Oceans Canada.

Also worth emphasizing is the fact that eventually, we may find ourselves with a lighthouse that has to be decontaminated. It might just be the lighthouse, but it could also be the buildings nearby.

We know that mercury was used a lot. Extensive use of mercury has led to the contamination of some lighthouse sites. What will be done about that? Does this mean that volunteers and the community will be asked to do even more to ensure that the so-called federal responsibility to maintain a so-called heritage site is honoured? The problem is being offloaded to volunteers and coastal communities. Because of their attachment to the heritage lighthouse, they will do anything to protect it. Site decontamination could cost \$600,000, \$1 million, \$1.5 million or even \$2 million. That is the kind of situation that could arise.

That is why I do not think that the bill before us today meets our expectations. It is not completely contrary to our expectations, but we have to be rigorous and responsible. I do not claim to have the solution, but I think that unfortunately, with respect to the heritage lighthouse issue, given how the department is managing the other file in its portfolio, small craft harbours, we can hardly trust it with respect to its responsibility to adequately maintain the facilities it owns. That is why we will vote against this bill.

● (1835)

[*English*]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I thank my hon. colleague from South Shore—St. Margaret's, as well as the hon. Senator Pat Carney and the late hon. Senator Forrestall for the tremendous work they did on this file for many years in trying to bring this issue to the forefront.

Bill S-220 is a compilation of some bills that have been introduced not only in the House but in the Senate. My colleague from South Shore—St. Margaret's has a private member's bill on this, as do I. Senator Carney did yeomen's work trying to get the bill through the Senate and then to the House for this discussion.

I can appreciate some of the concerns my colleague from the Bloc Québécois had but I can assure him that the bill would do quite a lot of good, not only for Quebec heritage but for the rest of the country as well.

Are there a couple of concerns? Every bill has some concerns. As the chair of our committee so rightly said, if we can get this bill to committee we can discuss those concerns in a rather pragmatic fashion and we can bring in people from around the country. We can bring in departmental officials, people from the provinces and, quite possibly, those heritage groups that have insisted on taking over responsibility of these lighthouses. We think that in many ways this is a win-win situation.

The federal government does what it wishes to do through automation now. However, with the technology we have these days many lighthouses have become redundant but their structures have historical significance, not just to us in Atlantic Canada but to people right across the country. Every time one of those lighthouses comes down, either through an act of God or through deliberate attempts by us to remove it, we lose a piece of our history.

I have had the benefit of living on both coasts of this great country and I have seen many lighthouses. It is an absolute joy to picnic near a lighthouse and imagine what it was like 100 or 200 years ago when seafarers plied their trade and used the beacon of hope to direct them into a safe harbour.

We have many folklores and stories about lighthouses. Although we may be romanticizing this particular debate, we believe this issue is of significant importance. Just like other historical aspects within Canada, like grain elevators on the prairies or train stations and other things, lighthouses played a significant role for our ancestors.

We are not asking that every lighthouse be protected. We are not asking that every one of them be designated under a heritage aspect. That would be fiscally unwise and fiscally irresponsible. We are asking that those lighthouses of significant historical importance to the country be protected. People in the Dominion Institute and many others can identify those particular lighthouses.

We know that people within the Department of Canadian Heritage, the Department of Fisheries and Oceans, Environment Canada, the Coast Guard, et cetera, have expertise on this subject. They could identify the lighthouses that deserve special protection of this nature. We believe that in the end it would actually be fiscally responsible. We also know that many of these lighthouses suffer from environmental contamination and they need to be cleaned up.

Private Members' Business

As my colleague, who has the honour of living in South Shore—St. Margaret's on the lighthouse route, it is incredible to see the number of tourists from around the world who go to areas like Peggy's Cove, Cape Forchu, Cape Spear in Newfoundland and Langara Island on the west coast and have their pictures taken near what we sometimes call the candy pole or the barbershop pole. Many of the them are in salt and pepper designs as well. These lighthouses are absolutely fantastic. It is absolutely fantastic to explore them, to witness them and to read about their history. When we speak to volunteer groups in the communities that are attached to those lighthouses, we hear their desire to keep those lighthouses.

The love for these lighthouses and their historical significance is something we as politicians should understand more fully. We should also try to assist the volunteer groups in trying to maintain these lighthouses in perpetuity.

• (1840)

The goal of the bill is to eventually get those lighthouses into a state where they can be transferred over to non-profit groups, hopefully within the communities of interest, so that the integrity and the history of these lighthouses can be preserved for many generations to come.

Every time we lose a particular piece of heritage, it is a loss for all of us. I know my hon. colleague from Halifax is very supportive of the bill. I would like to tell my colleague, who is also the chair of our committee, that we in the federal New Democratic Party, as well as the provincial parties across the country, support this initiative.

On some of the concerns that he has outlined that we need to discuss, I am sure we can discuss them in a very pragmatic fashion within our committee.

I would remind the House, as has been mentioned before, that although the members of the Standing Committee on Fisheries and Oceans do not necessarily agree on everything, the reality is that I have been on that committee since 1997 and we have done many reports on all aspects of the fishery, and I believe we can work in a collegial fashion to move this issue fairly quickly.

This would really honour a true friend of Nova Scotia and a long time member, not just of the service, but also of the Senate, of the House and of Canada, the late Senator Mike Forrestall. He was a very decent human being. He had a love for this particular issue. We believe that it would be very fitting, in his honour and in his memory, to move a particular issue of this nature forward.

We believe this would be fiscally responsible. We believe that eventually the finances will be in upcoming budgets for this particular initiative. We believe the House of Commons can, once and for all, actually put its stamp on a heritage lighthouse act so that groups, like the Dominion Institute and groups throughout the provinces, the territories and the country, will be able to honestly say that we worked in a manner befitting this Parliament to move this issue forward in, hopefully, a unanimous way one day.

I am sure the Bloc member's concerns can be addressed in our committee as well. I look forward to that day.

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the sense of wonder and

reverence we feel as we learn about the past human activities that laid the foundation of our country stimulate a profound desire to ensure the preservation of historic places, artifacts and structures. It encourages us to want to share these experiences with our families and ensure that future generations can also benefit from them. It motivates us to ensure the protection of natural areas and commemoration of historic places, which is a national priority.

These areas and sites symbolize our national identity. They characterize the way we see ourselves and how others see us as a nation. Through our efforts, we demonstrate to the world a thoughtful, caring attitude toward the national and international treasures of nature and culture so richly bestowed upon Canadians.

Such is the spirit of Bill C-220. It reflects what many Canadians feel when they walk toward a shore and look at a lighthouse. Lighthouses are part of Canada's history. They have ensured safe navigation and docking for tens of thousands of fishermen, ship crew members and passengers and immigrants. The inspiration and knowledge we derive from these special heritage places more than justify our efforts to protect and commemorate them.

Canada has a world-class system of heritage areas and programs designed for the preservation of the most outstanding of our country's treasures. This includes national historic sites, national parks, heritage rivers, historic canals, marine conservation areas, heritage railway stations and heritage buildings, including lighthouses. These special places provide Canadians with outstanding opportunities to learn about and personally experience their rich heritage. These sites are an integral part of what we are, not simply what we were.

The historic sites component of Parks Canada is responsible for Canada's program of historical commemoration which recognizes nationally significant places, persons and events.

The Minister of the Environment designates national historic sites on the advice of the Historic Sites and Monuments Board of Canada and federal heritage buildings evaluated by the Federal Heritage Buildings Review Office and an interdepartmental advisory committee.

More than 100 lighthouses have been designated as national historic sites or as classified or recognized federal heritage buildings. There are other types of heritage buildings, such as old post offices and armouries. I will give a few examples of these precious landmarks of Canadian history.

The first lighthouse on the St. Lawrence and the third oldest in Canada today was erected on Île Verte facing the Saguenay Fjord. The Île Verte light was first lit in 1809. It remained the sole light on the mighty St. Lawrence for the next 21 years.

Today, the private owner keeper's house has been transformed into a bed and breakfast. Every year thousands of visitors from across Canada, North America and Europe have the opportunity to spend some time at this legendary site and learn more about Canada's history.

Private Members' Business

Gibraltar Point erected in 1808 is the oldest existing lighthouse on the Canadian Great Lakes. The tower, built of limestone, originally stood some 67 feet in height. A 15 foot extension was added in 1832. The lighthouse is no longer in service but the city of Toronto has preserved it as a historic site.

Located on Lake Huron, Point Clark Lighthouse was built between 1855 and 1859. It commemorates the vital role of lighthouses in navigation on the Great Lakes. The 87 foot limestone tower, topped by a 12 sided lantern framed in cast iron, is typical of the six Imperial towers built in the region, a lighthouse style rarely seen elsewhere in Canada. Point Clark Lighthouse is one of Canada's national historic sites. The township of Huron has an agreement with Parks Canada to operate the light keeper's house as a local museum.

Fisgard Lighthouse is a circular brick tower, 56 feet high with an attached dwelling. It was built in 1860 at the entrance to Esquimaux Harbour. Along with Race Rock light, it inaugurated the fixed navigation aids on the Pacific coast of Canada. Even though the lighthouse is still in service, Parks Canada maintains it as a historic site. The former keeper's house now contains exhibits and a video station.

● (1845)

There is no doubt that lighthouses are important to Canadians. They stand against winds, tides and storms. They are a symbol of strength, resilience and Canadian courage and resourcefulness.

But they are not the only type of heritage buildings worth protecting. National historic sites represent thousands of years of human history and hundreds of years of nation building. They have been representative of the diversity of Canada's historic heritage.

National historic sites are located all across Canada. Each national historic site tells its own unique story, part of the greater story of Canada, contributing a sense of time, identity and place to our understanding of Canada as a whole. Each national historic site is part of a system that spans the country, telling the story of Canada's development as a nation.

In her November 2003 report, "Protection of Cultural Heritage in the Federal Government", the Auditor General questioned the protection of many examples of the same building type, citing lighthouses specifically. In a follow-up report released in February 2007, the Auditor General reiterated some important recommendations, including the need to strengthen the conservation regime for built heritage.

Under the Parks Canada Agency Act, Parks Canada has the responsibility for built heritage programs and historic places in Canada. The agency's objectives include ensuring the commemorative integrity of national historic sites and respect for and conservation of the heritage character of federal heritage buildings.

The processes adopted by the Historic Sites and Monuments Board for the selection of national historic sites and by the Federal Heritage Building Review Office for the evaluation of federal heritage sites are based on recognized selection criteria and in-depth research. They are intended to protect the most outstanding examples of Canadian cultural heritage in all categories of built heritage, not one single type.

In conclusion, protecting our built heritage is about making choices. Which historic places will we choose to protect? What means will we put into play? How will these activities be funded?

As we heard earlier today, not all old buildings can be preserved. The choices are never easy to make, but they have become critically important to the development of protection strategies. We need to make judicious choices in designating heritage buildings and to have appropriate means to ensure their conservation on behalf of all Canadians now and in the future.

We want to examine Bill S-220 carefully. I commend Senator Carney in the other place and the member for South Shore—St. Margaret's for bringing the matter forward in the House to stimulate this important debate. I encourage all members to engage in a fulsome debate on this issue.

● (1850)

The Acting Speaker (Mr. Royal Galipeau): The time provided for the consideration of private members' business has now expired and Bill S-220 is dropped to the bottom of the order of precedence. When it returns for debate in the House, there will be two minutes left for the hon. Parliamentary Secretary to the Minister of the Environment.

* * *

[Translation]

TRANSPORTATION BETWEEN THE ISLAND OF NEWFOUNDLAND AND MAINLAND CANADA

The House resumed from February 1 consideration of the motion.

The Acting Speaker (Mr. Royal Galipeau): The House will now proceed to consideration of Motion M-242, under private members' business.

[English]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to rise on behalf of my party to speak in favour of Motion No. 242:

That, in the opinion of the House, the government should, in cooperation with the government of Newfoundland and Labrador, examine all measures to improve transportation between the island of Newfoundland and mainland Canada, including a fixed link and renewal of the Marine Atlantic ferry service.

This is an important issue. It is an important issue for the people of Newfoundland and Labrador, but also for the Quebec coast. Coming from British Columbia as I do, I know the importance of having good, effective, safe and affordable marine transportation.

British Columbia, as members well know, has a variety of ferry links and a provincially-owned ferry service, and the men and women of the B.C. ferry service do an excellent job of keeping those links between communities right up the coast of British Columbia. Looking at the other coast now, the Atlantic coast, that is why it is important that we have the same type of infrastructure in place to ensure a reliable, safe and affordable ferry service.

Private Members' Business

The last few decades have been difficult in that sense. The NDP has been speaking constantly and regularly on this issue in the House. We have had a strong and growing infrastructure deficit. What we have seen over the preceding Liberal government, and certainly under the Conservative government as well, is that we have not seen the investments in transportation infrastructure that we need to see.

What this means is that for more remote parts of Canada many areas of Canada are falling further and further behind. What that means is less accessibility and less opportunity for those communities and those regions of Canada to be tied into the rest of the country.

When Newfoundland and Labrador joined Confederation, commitments were made to ensure that there was a safe and affordable transportation system in place between the mainland of Canada and Newfoundland and Labrador. Unfortunately, because of that infrastructure deficit that I have just mentioned, what has happened is that over time it has become less and less affordable in regard to those links for Marine Atlantic, because the funding simply has not kept up with the demand and the requirement for ensuring Newfoundland and Labrador is connected to the rest of the country.

This is tragic, to say the least. I have been fortunate and have travelled right across Newfoundland and through the south coast of Labrador. I have travelled from Rivière-St-Paul right up to Red Bay in Labrador, at the limit of the Labradorian highway. Even coming from British Columbia, I can say that no part of the country is more stunning in its beauty or more friendly in the welcome its inhabitants give to visitors.

That area from Rivière-St-Paul in Quebec right up to Red Bay is essentially not connected up in any way with the rest of the Canadian highway grid. We certainly hope to see that type of linkage some day, right up the north coast of Quebec, the Gulf of St. Lawrence, and right up to Labrador.

As well, we should look at the possibility of eventually having a much more effective link between the coast of Labrador and Newfoundland itself. That is something I would certainly like to see.

Having stood on the grounds of the Pointe d'Amour lighthouse, one of the oldest and most beautiful lighthouses in Atlantic Canada, and seeing it from that location and reading about the abortive attempts to have that linkage between Labrador and Newfoundland, I am certainly aware of the difficulties and the challenges that having these closer links would entail, but it does not mean that we should simply decide that at no point should we have those links.

We should be looking to repair our transportation deficit, our infrastructure deficit, by providing more of that transportation funding so that we can have better linkages between the Labrador coast and Newfoundland itself. I am sure my friend, the member for Labrador, is in agreement with me.

We are strongly in favour of providing more of that support for Marine Atlantic, more of that support so that there can be more regular and more affordable service between mainland Canada and Newfoundland, but we are also in favour of looking at a bigger picture.

● (1855)

We are in favour of making Labrador and Newfoundland more accessible through the northern highway grid that hopefully eventually will be extended after negotiations with the first nations of those areas and in agreement with the proper public consultation process, thus making sure that all Canadians have the opportunity of experiencing the beauty of the south Labrador coast and the north coast of the Gulf of St. Lawrence.

The whole issue of transportation is extremely important for the prosperity of Newfoundland and Labrador, as it is for the prosperity of British Columbia. We need to continue to move forward and provide the kind of appropriate funding that will make sure those links grow stronger and that the communities in Newfoundland and Labrador have at their disposition all the tools to address the issues that we in this corner of the House have been speaking to for the past few years, issues such as the prosperity gap.

Most middle class and lower income families are actually falling further and further behind. That is just one manifestation of funding that tends to be concentrated in a few areas, rather than governments, either Liberal or Conservative, supporting a much broader investment in transportation infrastructure across the country. This prosperity gap, which the NDP has certainly spoken to, is just one manifestation of the transportation deficit, the infrastructure deficit, that we are experiencing across the country.

We need to start turning things around by providing more of that investment in transportation infrastructure and by providing more funding for communities so they have the tools for their own development. We should be looking as well at all measures to improve transportation between Newfoundland and Labrador and mainland Canada.

For those reasons, we support Motion No. 242 and we hope that members in all four corners of this House will do the same.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, I acknowledge and commend my colleague and friend, the hon. member for St. John's East, who has brought forward this motion to the House of Commons for discussion. I thank him very much for years of great service to the people of Newfoundland and Labrador, to the House of Commons and to Canadians.

I think it goes without saying that the hon. member has served the House well but, most important, has served his constituents exceptionally well. I wish him all the very best in having stated that he will not seek re-election. I know he is one of the finest members of Parliament that Newfoundland and Labrador has ever had the benefit of having as a representative in the House of Commons.

Motion No. 242 is a very important one. It is very timely. I also would like to think, and I feel confident in saying, that the MP for St. John's East would have liked to have gone out with a real high note on Marine Atlantic, having championed and spearheaded an initiative to reinforce and reinvigorate that Crown corporation, which serves our needs within the island of Newfoundland so importantly.

Private Members' Business

The motion was tabled in the House of Commons prior to the announcement of the Government of Canada in terms of its overall Marine Atlantic strategy. That motion having been tabled, called upon the government to adopt a comprehensive strategy for marine services and transportation links to the province.

The member who brought it forward fully intended that it would be a source to spur on the government and to create an incentive to fully fund and revitalize, from a policy point of view, the Marine Atlantic ferry services. Unfortunately, however, it did not achieve that.

The overall result, as a result of the Government of Canada's decision on Marine Atlantic, was to increase fares on an annual basis tied to the consumer price index for the next five years. That is completely unacceptable to the people of Newfoundland and Labrador.

Its second decision was to add an additional fuel surcharge to users who used the Marine Atlantic ferry service.

Its third decision was to look at ways of reducing fuel consumption within the ferry system. I do not know. There could be other ways to do it, maybe using blended fuels and other things which Marine Atlantic is already doing, but the only way to reduce fuel consumption is to reduce the number of crossings of the Marine Atlantic ferry service. That is unacceptable. Our objective here is to increase the level of standards of service, not to decrease them.

The fourth decision established by the Government of Canada, through the Department of Transport, was to increase user fees onboard the vessels and for related services. This is not a strategy to revitalize Marine Atlantic. This is a strategy to gouge Newfoundlanders and Labradorians and others who use the service.

Of all the perishable goods that come into the province of Newfoundland and Labrador, 90% arrive via the Marine Atlantic ferry service. This is our essential service. It is our Trans-Canada Highway. That is why the very excellent member for St. John's East brought it forward for debate in the House of Commons. He, too, understands and realizes the importance of this issue. Together we will continue to work and press the Government of Canada to provide a better, not a lesser, service for Canadians.

Marine Atlantic, the gulf ferry service, is unique in that it is constitutionally bound by the Government of Canada to provide, but it is not necessarily exclusive in that responsibility. There are three constitutionally based ferry services in the country.

In the province of British Columbia, the government bears a responsibility for a fortnightly mail boat service between Victoria and Seattle, Washington. In lieu of actually providing that service, a political arrangement was established between the Government of Canada and the Government of B.C. Instead of providing a fortnightly mail boat service, a financial compensation offer was granted. That compensation was established to increase annually, based on the consumer price index of Vancouver. Today's annual subsidy is roughly \$30 million a year.

• (1900)

Looking at it fairly and genuinely, the Government of Canada has two options available to it. It could either provide a fortnightly mail

boat service, a mail boat between Victoria and Seattle every four days, establish a Crown corporation to do it, maybe costing \$3 million, \$4 million or \$5 million a year to do so, or it could have a political arrangement between the Government of Canada and the Government of B.C. and establish it based on some merit based principles. It established that service and provided close to \$30 million a year, the annual federal subsidy tied to the consumer price index of Vancouver, not reducing the subsidy based on inflation, but increasing it. This is a very important point.

The second constitutionally bound service is between New Brunswick and PEI. PEI forwent its constitutional service for the construction of a fixed link. The Government of Canada paid 100% of all capital costs related to the construction of the Confederation Bridge, the fixed link that now binds the mainland of Canada with the people and the province of PEI. It tied the fees or the rates charged to consumers to use the Confederation Bridge at an amount less than the value of inflation. It is well below the actual cost of providing the service. It structured a deal that annual subsidies would go to the private sector operator of the Confederation Bridge and it required the private sector operator not to increase fees to any level, other than below inflation. In other words, the cost of using the Confederation Bridge is lowering each and every year.

Now we get to the Marine Atlantic ferry service, the third and final and most recent constitutional obligation that was brought in to the federation. Marine Atlantic is not lowering the fees and it is not stabilizing fees. What is it doing? It is increasing fees on an annual basis.

The disparity between how the Government of Canada treats other constitutional services versus how it treats the Marine Atlantic, the gulf ferry services, is quite evident. I am sure that is why the member for St. John's East brought this motion forward.

We need a comprehensive strategy that deals with the rising costs of Marine Atlantic, but does not bear those costs out on the consumers, on the users of the ferry service.

Here is one of the problems. When Marine Atlantic was a Crown corporation that encompassed all of Atlantic Canada, it had 17 ferry runs throughout all of Atlantic Canada. It operated ferries between New Brunswick and PEI, Cape Breton and PEI, Digby, Nova Scotia and Saint John, New Brunswick, between Nova Scotia and the state of Maine, throughout the coast of Labrador and throughout the south coast of Newfoundland and the northeast coast of Newfoundland. It had 17 ferry operations plus the Saint John dockyards.

In 1995 the decision was taken to dramatically reduce the actual size of the Crown corporation. Today, Marine Atlantic is no longer a Crown corporation that offers 17 different ferry runs. It now operates one full time service between North Sydney and Port aux Basques and a seasonal service between Argentia and North Sydney.

The problem, and this is a very evident problem, the entire pension costs of all the former workers at Marine Atlantic from all 17 runs are still borne as the responsibility of the current Marine Atlantic Crown corporation. In other words, all pension costs, which now inflate to \$25 million a year, are incurred by the users of one ferry services, the crossing between North Sydney and Port aux Basques.

Private Members' Business

•(1905)

The government opposite has decreed a policy of reducing net federal debt. I could not think of a better opportunity to apply some of that \$10 billion in surplus that went to debt this past year and the \$13 billion last year. Why does the Government of Canada not pay down that pension liability, that pension debt, and allow \$25 million more to Marine Atlantic for use by consumers and the people of Newfoundland and Labrador.

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, I am pleased to speak to the motion by my colleague from St. John's East. As we all know, he has recently announced his retirement from politics. With last Monday's budget, I guess we all know why. It was a litany of broken promises on the part of the Conservative government to the people of Newfoundland and Labrador.

I also add that I have great respect for him. I congratulate him on his long public life and his service to the people of the province and the people of the country. I sincerely wish him and his family the very best in his retirement years.

I am somewhat disappointed with the intent of the motion. It has focused on Marine Atlantic and Marine Atlantic only, and the still fantastic idea of a fixed link. It is solely concerned with the island portion of the province.

It might be hard for the member to remember at times, but our province is not just an island. Most of the province is part of mainland Canada, Labrador. Marine Atlantic is an important part of the transportation picture, but we must look at the whole picture.

My friend from St. John's East has talked about how the province is dependent on Marine Atlantic. In fact, if there is a transportation link more than any other that would unite the province with the rest of Canada and reduce that dependence, it is the Trans-Labrador Highway. Completing it will take vision. It requires the province to commit to the project and unconditionally. Labrador deserves more than 50¢ dollars. It requires cooperation with our neighbours in Quebec. Some people do not like that, but there is no good reason to get upset.

Labradorians know that prosperity requires modern transportation links west with Quebec and the rest of Canada as well as south with Newfoundland. It should also mean that the Conservative government honour its promises to Labrador.

In 2005 byelection the current Minister of National Defence promised, among other broken promises, a Conservative government would share the cost of the Trans-Labrador Highway on a 60:40 basis. During the last election, the Prime Minister himself said in a letter to Premier Williams, "A Conservative government will support a cost shared agreement to complete the Trans-Labrador Highway". Premier Williams praised this supposed commitment at the time. One wonders what he thinks of it now.

As our own regional minister once wisely advised, "Whatever deal you make, get it in writing", which might be funny if it was not so serious.

Here we have written Tory commitments on the Trans-Labrador Highway. My Tory opponents in the past two elections should thank

the voters. Imagine if they had won, they would have to get up and defend the broken promises of the Conservatives to Labrador.

Just like this motion, the budget on the past Monday is silent on the Trans-Labrador Highway. Not only is it silent, the government plays games with the issue. In question period the finance minister said that money was available for infrastructure. What he did not say is that the Conservative government offered nothing. Perhaps the finance minister did not read his own budget before deciding to support it. He should read, specifically at page 165, where he promises:

A Building Canada Fund, with spending allocated among provinces and territories on an equal per capita basis. This will support investments in the core national highway system...

There are two things wrong with that.

First, the formula is per capita. That is great for provinces that have more population than roads. However, in Newfoundland and Labrador, with 1.6% of the Canadian population, we have 6.5% of the national highway system. If highways funding is allocated per capita, we get short changed.

Second, the finance minister's build Canada fund does nothing to build Labrador. It refers to core national highways. The Trans-Labrador Highway is part of the national highway system, but as a northern remote route, not a core route. If the finance minister misspoke, I would ask him to set the record straight, or the transport minister or somebody to set the record straight.

Labrador alone, with the Trans-Labrador Highway, accounts for 20% of Canada's northern remote highways. That category also includes route 389 in Quebec which links Baie Comeau to Labrador City. It includes other northern roads: the Dempster and Klondike in Yukon; the Mackenzie Highway and Ingraham Trail in NWT; the 37 in northern B.C.; the 58 in Alberta's Peace country; the Canam Highway in northern Saskatchewan; the Flin Flon highway in Manitoba; and the Radisson Highway to James Bay, Quebec.

These are important northern routes just like the Trans-Labrador Highway.

•(1910)

What do the territories and the provincial north get out of this budget? A goose egg. There is no dedicated funding for northern and remote highways.

The finance minister also boasts of his \$25 million in infrastructure funds for each province and territory. I wonder what his provincial colleagues think of this. They want \$15 million per year for the Trans-Labrador Highway alone. That is on top of everything else they want the federal government to cost share.

Nor are we the only province looking for federal highways money. My colleague from St. John's knows full well, for example, that the fixed link makes no economic sense unless Quebec completes route 138 along the north shore. Right now, there is a 350 kilometre gap between Natashquan and Old Fort Bay. Route 138 would provide yet another route to and from Labrador and Newfoundland.

Private Members' Business

Many of my constituents look forward to this project, just as they look forward to the completion of the Trans-Labrador Highway. The combined route would form a belt linking Labrador and Quebec, creating a tourism route and providing transportation alternatives.

Quebec is looking for federal funding of \$100 million for this particular fixed link, but just as with the Trans-Labrador Highway, the Tory budget is a bitter disappointment for anyone who was counting on federal cash.

There is something else that the finance minister said yesterday that I must contradict. He accused Liberals of ignoring infrastructure for 13 years when we were in government. Respectfully, this is wrong and it is a disservice to the proud record of the previous two Liberal MPs for Labrador.

Labradorians remember that it was their Liberal member, now Senator Rompkey, who secured federal funding for the reconstruction of the Labrador Straits Highway in the 1970s and 1980s. They remember he provided funding in 1983 that built the highway from Labrador City to Churchill Falls and many of the bridges between Happy Valley-Goose Bay and Churchill Falls.

Especially they remember the \$340 million Labrador transportation initiative fund, one of the proudest achievements of my predecessor in this place, Mr. O'Brien. That fund paid for upgrading of phase one of the Trans-Labrador Highway, the construction of phase two from the Straits to Cartwright, the branch roads to St. Lewis, Charlottetown and Pinsent's Arm, and has even been used to build phase three.

Despite the efforts of some in the provincial government to rewrite history, it was and remains federal funding. Not one cent of that fund came from the province. In fact, it is the provincial share of Labrador highway funding which has always been and remains inadequate.

Despite what members opposite have said, it was not just federal but Liberal federal funding which has paid for 90% of the Trans-Labrador Highway so far. Indeed, the last time the Tories were in power, they sold us out. In the Crosbie-Peckford roads for rails deal, Labrador got a measly \$8 million out of over \$800 million. We have nothing to learn from the Tories about commitments to Labrador.

Many of us in Labrador are getting impatient with the Conservative minority government. We no longer wonder when the Conservatives' Labrador highway promise will be kept. We wonder whether they will keep it at all.

Mayor Letto of Labrador City, who was my worthy opponent two years ago, has expressed his frustration. So has Mayor Leo Abbass of Happy Valley-Goose Bay.

Our provincial minister, Mr. Hickey, said last year that we would have a cost shared deal by the end of October, by the start of November, by Christmas, by the end of the year. To his credit, he never specified the year. He even said at one time that he had a signed deal on his desk, but federal officials said they were still waiting for the provincial proposal.

On March 11, Minister Hickey told VOCM Radio that the federal transport minister "looked across the table, he said it is done, you can go back and tell your people that we're committed to this project". Those are his words. Some commitment. It is not in the budget.

We cannot drive on a commitment. We cannot build a highway with promises.

In either case, I would like to know what the province is seeking from the federal government.

The Prime Minister promised a cost sharing agreement to complete the Trans-Labrador Highway, all of it, not part of it. If the province settles for anything less, especially if the province settles for a chip seal for the Labrador West-Goose Bay segment, leaving the rest of Labrador for a later date, then I will be very disappointed in both Tory governments.

A promise is a promise and a deal is a deal.

When my friend from St. John's East filed his motion in October, he had no idea he would be betrayed in February. How does this motion square with the fact that they have hiked ferry rates, they have put a fuel surcharge in place and they are going to reduce the crossings across the gulf?

● (1915)

My friend from St. John's East should pressure his colleagues to stop stalling and keep their promises on Marine Atlantic, on the Trans-Labrador Highway and on other infrastructure projects for Labrador and the province.

I would only say that the province wins when Labrador wins.

● (1920)

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, I want to thank all hon. members who participated in this debate. I want to thank the member for Humber—St. Barbe—Baie Verte for his kind personal remarks, also the member for Bonavista—Gander—Grand Falls—Windsor, the member for Labrador, and of course the member for Burnaby—New Westminster. I want to thank all members for their participation in this debate as well.

Needless to say, the comments on my motion have been many and varied. It is sufficient to say that we do need an improved gulf ferry service.

In concluding this debate I want to concentrate a little bit, if I may, and make specific reference to the fixed link, a proposal connecting Newfoundland to the mainland of Canada in southern Labrador. I am encouraged by people such as Mr. Tom Kierans, a great visionary, a professional engineer who was instrumental incidentally in the development of the Upper Churchill. The Confederation Bridge has already done wonders for Prince Edward Island. I am sure that a fixed link would do wonders for the people of Newfoundland and Labrador.

Connecting to the mainland of Canada by tunnel would also relieve the pressure being felt on the Marine Atlantic ferry service. Much of the freight and tourism business would certainly make a tunnel venture worth pursuing.

A tunnel link would allow tourists to come to our province via the gulf ferry service and then leave through a tunnel under the Strait of Belle Isle, which is the great circle route.

*Adjournment Proceedings***ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

AUTOMOBILE INDUSTRY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege to speak again in the House of Commons about a very serious issue, our automotive industry.

We have witnessed a decline in Canada of our market share in the automotive industry. I put a question about this to the Minister of Industry, who really should be named the minister of industrial disasters given the lack of action by the government with respect to industrial strategies, not just for the automotive industry but also for the textile industry.

We are now hearing news reports about the Gilden manufacturing company abandoning its Canadian market, particularly in Montreal, and moving offshore. The Conservative government had an opportunity to protect those jobs and chose not to do so.

In the automotive sector, we have witnessed a number of different problems. I have been speaking on this subject in the House of Commons for many years, trying to push the government forward. I thought that when the flip-flopping, floor crossing Minister of International Trade went from being a Liberal to a Conservative, he would have at least brought his auto policy that he promised the House of Commons industry committee with him. He promised a number of times in the House to deliver an action plan to the Minister of Industry, who has done nothing to bring a public policy forward.

My question really pertained to the terrible news that we heard in my constituency and across this country about 2,000 Chrysler workers being laid off. The government's response has only been a veiled empathy. It claims it cannot do anything, but that is not true.

The government has acted with hostility toward the auto industry. It repealed the Technology Partnerships Canada program that was the only instrument available to the government to induce automotive incentives. That program was well abused by the Liberals at the time and it needed a review.

The House may remember that it involved a number of different scandals with regard to David Dingwall and a whole series of kickbacks and schemes that really made problems for the program. It was the only program available to do something. The Conservative government cancelled that program but has provided no vision for a substitute program.

I asked in February why the minister had not brought forth a comprehensive automotive strategy. Basically, once again, what I received in reply to my question was complete neglect for the industry. There was no appreciation or understanding of the industry. The government announced in its budget a fee based system to work against our automotive sector. It is incredible to think what has happened.

I am told by one of my constituents who knows Newfoundland's coastal area very well, Mr. Burf Ploughman, that many of the mayors from the region have recently held meetings with the mayors around the northern peninsula area to support this issue. This is the first time they have come together in a long time. As a matter of fact, it is the first time they have come together since the boundary was drawn in 1927.

A tunnel across the strait not only would be good economically, it would be good for national unity as well. It would provide an opportunity for the governments of Canada, Quebec and Newfoundland and Labrador to work together for the common good of this underdeveloped northern region of our country.

I have no doubt that the money for a tunnel could be found if there was a collective political will to find it. Economically speaking, this region of Canada is ripe with hydroelectric and mining potential. By building a tunnel and, as the member said, Highway 138, we would be greatly enhancing the economic potential of the whole area.

Our Lower Churchill and hydro projects in Quebec could see upward of about \$50 billion for the region and for the area. Instead of sending our sons and daughters to far-flung parts of the world, we could send them north to high paying jobs in the mining sector.

A number of people would say it is a pipe dream, but maybe not. Building the tunnel would save millions in annual subsidies to the federal, Quebec and Newfoundland governments for subsidies to the ferry service. A tunnel would allow Lower Churchill hydro power easy access to the island of Newfoundland, thereby allowing us to close our polluting oil fired generation. A tunnel would greatly enhance our tourism potential. It would open up the general economic potential of the whole area.

● (1925)

A recent feasibility study put the cost of the tunnel at about \$1.5 billion. The cost of route 138 would be in the order of about \$600 million. I am somewhat troubled by the estimated tunnel cost because Norway built the world's longest road tunnel, 24 kilometres in length, at a cost of \$125 million U.S. Perhaps we could make use of that kind of technology.

Let me conclude by saying that a chain is only as strong as its weakest link. It is time to strengthen our national chain to provide an improved Marine Atlantic gulf ferry service. The railway was a national dream as well. It opened up the west. Let the tunnel be our national dream. Let us open up the northeast for the benefit of the people who live there and strengthen the nation as a whole.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

The Deputy Speaker: I declare the motion carried.
(Motion agreed to)

Adjournment Proceedings

The Canadian auto workers that I represent and those in Oakville and Oshawa, as well as those across this country, are going to work every single day at companies that need renewed investment and new technology. These workers see taxpayers' dollars going to other countries. It is shameful.

We know the government is pursuing a trade policy with South Korea which will be detrimental to the auto industry. It is going full speed ahead with no brakes. Canadians are now going to send millions of dollars to South Korea, so that country can set up its own factories and promote its own workforce as opposed to the government making investments in Oakville, Oshawa, Windsor and St. Thomas.

I once again call upon the Conservative government to invest money and resources in the people of Canada to close the prosperity gap as opposed to sending money overseas.

• (1930)

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I am pleased to have this opportunity to speak to the concerns of the hon. member for Windsor West about Canada's auto industry and the ongoing free trade agreement negotiations with South Korea.

The hon. member would have us believe that Canada's auto sector is on life support. The facts clearly show otherwise. Canada's automotive manufacturing industry is one of the most successful and competitive in the world. It employs over half a million Canadians. Canada boasts 12 major assembly plants with a 13th coming on line in 2008, producing 2.5 million cars and light trucks in 2006, about 16% of all North American production.

In fact, in 2006 Ontario outperformed Michigan for the third year in a row as the highest automotive producing region in all of North America. This being said, a restructuring is taking place within the North American auto industry.

The Detroit-based auto assemblers are taking some difficult but necessary decisions to remain competitive and this, regrettably, is impacting Canadian jobs. We are very concerned for the people who are impacted by these business decisions. Affected employees are of course eligible for assistance through existing government programs in addition to the severance packages which the Canadian Autoworkers Union has secured for its members.

At the same time other companies within Canada's auto sector are expanding and creating new jobs. For example, Toyota is building a new \$1.1 billion assembly in Woodstock, Ontario which will come on line in the fall of 2008 and Honda is investing \$154 million in a new engine plant in Alliston, Ontario, also coming on line in 2008.

Despite the difficult period of global restructuring for the Detroit-based automakers, Canada's assembly plants are winning new product mandates. A new Chevy Camaro will be built in my hometown of Oshawa; the new Dodge Challenger has been awarded to the Brampton plant in Ontario; and in Oakville, Ford is building two new successful crossover vehicles. These are votes of confidence in our auto industry.

Canada's new government will continue to ensure that Canada's auto sector remains viable. Our measures in budget 2006 to reduce

corporate and personal taxes make Canada even a better place for auto investment. We have laid out a strategic economic plan in "Advantage Canada" that will create a better business environment for all industries. By continuing to reduce taxes, cutting red tape, building modern infrastructure, and creating a more skilled and educated workforce, Canada's new government is setting the stage for economic growth, opportunity, and choices for people and businesses.

The role of the federal government is to create the right economic conditions to support a strong manufacturing base in Canada. In budget 2007 the government introduced significantly enhanced write-offs for capital investments in machinery and equipment. This is a measure which has been advocated by the Canadian Automotive Partnership Council to stimulate new automotive investment and help ensure the Canadian auto industry remains innovative and competitive.

As for the hon. member's concerns about the impact of a potential free trade agreement with South Korea, studies show that such an agreement will in fact have a limited impact on Canada's auto sector. The implications of the proposed elimination of the tariff are relatively small when compared to the size of the auto industry. This is expected given the current tariff of only 6.1% and the fact it would only be eliminated on 128,000 units or roughly 8% of the total Canadian vehicle sales.

However, what it does have is the potential to deliver significant commercial benefits across a wide range of the Canadian economy from agriculture to high tech services to investment. Free trade agreements ensure that Canada is competitive in key markets. The United States and other countries are aggressively negotiating free trade agreements, including with South Korea. The hon. member for Windsor West can rest assured that the government will only agree to a free trade agreement that delivers substantial benefits for Canada and which is good for the Canadian economy.

• (1935)

Mr. Brian Masse: Mr. Speaker, the parliamentary secretary should know that those studies are absolutely bogus, shallow and short-sighted. It is interesting to note that the Americans this week will be actually pulling out of negotiations with South Korea because they are going to decide to protect their industry, just like they did with regard to the free trade agreement with Canada.

Adjournment Proceedings

The Deputy Speaker: Resuming debate.

[*Translation*]

CHILD CARE

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I am pleased to be able to speak during the late show and to express my concern about the future of child care centres in Canada.

Child care services play an essential role in our communities and help children to fully develop. In addition to offering quality service to working parents, child care centres make it possible for children to acquire learning techniques and to develop social connections.

Unfortunately, the Conservative government refuses to invest in child care centres. In addition, there is no measure to increase the number of places available in child care centres or to ensure appropriate pay for workers. The Conservatives have dealt a terrible blow to these institutions, which are essential to early childhood development.

Let us remember that the previous Liberal government signed bilateral agreements with the provinces and territories, and reserved \$5 billion over five years to create a national child care program. We signed agreements with all of the provinces and territories to create up to 250,000 places in affordable, accessible and quality child care centres for Canadian families. However, the Conservative government decided to terminate that program.

A new report indicates that Canada is ranked last among industrialized countries for early childhood education spending. This clearly proves that the Conservative government has abandoned Canadian families. The report by Dr. Fraser Mustard, Companion of the Order of Canada and internationally recognized expert in early childhood development, ranks Canada against 20 members of the Organization for Economic Cooperation and Development, which includes most European countries, the United States, Australia, New Zealand, Japan and Mexico. According to this report, Canada invests 0.25% of its GDP in early childhood education compared to 2% by other industrialized countries.

Another report, *Making Space for Child Care*, deplores the fact that the Conservative government has not created a single day care space since it was elected. This report calls on the government to restore funding agreements signed by the previous Liberal government with the provinces in order to provide Canadian families with access to quality child care and early childhood education centres.

While the government and its predecessor, the Liberal government, gave lip service and watched while we lost our auto pact. The United States protects its aerospace industry, its bus industry and a series of others because it demands protection for certain industries. This deal with the South Korean government right now needs to be pulled from the table immediately. We cannot have another attack on our domestic auto producers.

Yes, there is restructuring happening right now, but that is not a reason to abandon those communities that have successfully paid taxes across this country and have contributed to Canadian coffers for years, day in and day out. Those are the jobs that we have to protect and ensure they are going to be there for the future.

Why is the government so easily going to give up with regard to the existing base of auto manufacturers just because it thinks it is convenient? It is not acceptable and I would ask the parliamentary secretary to look in his own community where his new tax is going to have an effect because it is certainly going to be one that is regressive.

If he does not want to listen to me, he should listen to the media reports out there, headline after headline, that are condemning this new tax. The investment should be in Canada not in foreign countries.

Mr. Colin Carrie: Mr. Speaker, Canadians asked for action and we delivered.

The hon. member for Windsor West is a member of the Standing Committee on Industry, Science and Technology. The committee issued a unanimous report that included the two year writeoff for the capital cost allowance.

Mr. Brian Masse: It was five years.

Mr. Colin Carrie: This recommendation was included in our budget 2007. Canadians asked for that, but the hon. member for Windsor West decided to vote against it.

He also voted against \$400 million for the Windsor-Detroit border infrastructure, voting against infrastructure money for his own community.

He voted against more money for increased border security.

He voted against record amounts of money for research and development.

He voted against the scrappage program to get older, polluting cars off the road and consumers into new, fuel efficient, clean vehicles.

He voted against the apprenticeship program money, which will help alleviate some of the human resource problems in the auto industry.

He voted against more money for higher education.

He voted against lower taxes for companies that invest in the auto sector here in Canada.

I could go on. In fact, the member does not support a strategy that he helped bring to the committee report. This is what the hon. member is doing—

Adjournment Proceedings

A third study published by the YMCA found that Canadian families, irrespective of where they live or the size of their communities, want their child care needs met by a nationally-funded public system and not a federal cash payout. As many parents have pointed out, the Conservatives' payment amounts to only \$8 a week—a sum that will come nowhere close to meeting basic child care needs. Furthermore, even if parents have money to buy child care services, there is still a shortage of services to buy. Canadians want a plan that will guarantee every child—regardless of parental income or geography—will get a quality, affordable and accessible space offered by a licensed professional.

Parents understand, as we do, that a cash payout is not the answer to the country's very real need for child care. The Conservatives promised the creation of more child care spaces and have reneged on this promise. The success of Canadian families depends on having access to affordable, quality child care.

Can the minister tell us, once and for all, where these new child care spaces are that he promised in 2005? This Conservative government promised child care spaces, but in the end, has not managed to give even one additional child care space to Canadian families for children who live in either urban or rural areas. The Conservative government's promise to create 125,000 new spaces has been a complete farce. In truth, not a single new space has been created in Canada. No new spaces have been created for families—

● (1940)

The Deputy Speaker: The Parliamentary Secretary to the Minister of Human Resources and Social Development.

[*English*]

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, tonight I am here to remind the member and the House of the great progress that this new government is making on choice in child care and, particularly, on child care spaces.

The Canadians I talk to find it absurd to hear the Liberals taking such an interest in child care spaces now that they sit on the opposition benches. They wonder where all that interest was when the Liberals were in government. They know that the waiting lists, to which the member referred in his initial question, did not begin on January 23, 2006. They find it absurd that for a party that claims it is all about spaces, the Liberals, according to their own former deputy leader, failed to create a single space in 13 years. They also find it absurd that the Liberals, who were so inept at government, are no better as opposition.

Canadians read our election platform. They know our pledge was to begin delivering child care spaces in the upcoming fiscal year. Canadians also read budget 2006 where they saw the same commitment. They are not about to be duped by a Liberal opposition that is desperate, lacking in focus and scrambling for some credibility.

I suspect that Canadians will also find the member's question a little absurd as well. Apart from the fact that the member's spin and misinformation was corrected by the minister back in February, Canadians read budget 2007 which came out between the exchange and now. They know that the budget is delivering child care spaces, now that our pledge is coming due.

In fact, if the member took a minute to read the budget, he might be a little embarrassed to see just how much we are delivering for Canadian families. The Liberals should read the budget but, because they have not, permit me to tell the member what Canadians already know. Their new government is delivering where the old one did not. We are putting \$1.1 billion in transfers to the provinces and territories for child care and child care spaces.

Already, in the week that followed the budget, provinces announced in their own budgets that they will be taking the money and using it as it was intended. There have been 17,000 new spaces announced for the upcoming year so far.

While the member and his Liberals would like to take away from the headway that we are making on child care spaces, Canadians will have none of it. They see past the Liberals' desperation. They see their new government getting things done for them. They see us, the new government, delivering as promised.

Canadians see their new government delivering over \$2 billion a year for universal child care that goes directly to families to put toward choice in child care. That is twice the entire Liberal plan but the Liberal leader said he will take it away.

Canadians see us putting \$695 million toward a child care expense deduction. The Liberals just voted to take it away. Canadians see us creating a new \$1.5 billion child tax credit that, like the universal child care benefit, will go directly into their pockets. The Liberals just voted to take that away.

Canadians see their new government putting more money than any government in Canadian history into early learning and child care; over \$5.6 billion in direct payments, transfers and tax measures. The Liberals want to take all of that away.

We believe in Canadian parents who asked for choice in child care. Canadian families know which party in the House is standing up for them.

● (1945)

[*Translation*]

Mr. Jean-Claude D'Amours: Mr. Speaker, the parliamentary secretary should be ashamed for saying such things, since it was the Liberals who had invested \$5 billion to ensure early learning and childhood development in Canada. Yes, \$5 billion.

What did the Conservative government do? It cut the money that was allocated to the provinces to help child care centres across the country. It is shameful to produce figures and make references the way the Conservatives do, since it was a Liberal government that invested \$5 billion, not them. The Conservatives cancelled the money that we had allocated.

Adjournment Proceedings

What is even more shameful is that \$116 million was earmarked for the rural regions of New Brunswick, where we need it most, thanks to an agreement signed in good faith between the federal Liberal government and the provinces. A \$116 million agreement was signed.

In their new budget, the Conservatives presented \$6 million. What happened to the other \$111 million in the agreement for families signed with the province of New Brunswick?

[*English*]

Mrs. Lynne Yelich: Mr. Speaker, I say shame on that member. Canadians find it a little funny to see the Liberals trying to take the early years study, the data of which was all collected during their time in government, and pass it off as criticism of this government. The study was released less than a week after the budget. It does not take into account the \$5.6 billion we are investing in child care

choice. The study is nothing less than an indictment of the Liberal record.

Canadians are happy to see that their new government is nothing like the old. We have come to Canadians with a plan. We have outlined the costs. We are delivering what families have asked for.

We will continue to deliver unprecedented benefits directly to parents. We will continue to support them with tax benefits that recognize child care expenses. We will continue to support parents and we will continue to put more money in their pockets. We will continue to stand up for parents. We will not—

The Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:49 p.m.)

CONTENTS

Tuesday, March 27, 2007

ROUTINE PROCEEDINGS

Interparliamentary Delegations

Mr. Keddy 7937

Committees of the House

Health

Mr. Merrifield 7937

Public Accounts

Mr. Murphy (Charlottetown) 7937

Public Safety and National Security

Mr. Brown (Leeds—Grenville) 7937

Canadian Soldiers' and Peacekeepers' Memorial Wall Act

Mr. Mark 7937

Bill C-417. Introduction and first reading 7937

(Motions deemed adopted, bill read the first time and printed) 7938

Income Tax Act

Ms. Charlton 7938

Bill C-418. Introduction and first reading 7938

(Motions deemed adopted, bill read the first time and printed) 7938

Petitions

Visitor Visas

Mr. Wrzesnewskyj 7938

Superintendent of Bankruptcy

Mr. MacKenzie 7938

Labelling of Alcoholic Beverages

Ms. Wasylycia-Leis 7938

Foreign Credentials Recognition

Ms. Charlton 7938

Immigration

Ms. Charlton 7938

Questions on the Order Paper

Mr. Lukiwski 7939

GOVERNMENT ORDERS

The Budget

Financial Statement of Minister of Finance

Motion 7939

Mr. Lunn 7939

Mr. Szabo 7940

Ms. Bell (Vancouver Island North) 7941

Mr. Rota 7941

Mr. Bevilacqua (Vaughan) 7943

Mr. Russell 7943

Mr. Epp 7945

Mr. Murphy (Charlottetown) 7945

Mr. Laforest 7946

Mr. Bevilacqua (Vaughan) 7947

Ms. Nash 7947

Ms. Demers 7948

Mr. Bevilacqua (Vaughan) 7949

Ms. Nash 7949

Mr. Moore (Port Moody—Westwood—Port Coquitlam) 7950

Mr. Bevilacqua (Vaughan) 7951

Ms. Nash 7952

Mr. Hearn 7953

Mr. Murphy (Charlottetown) 7954

Mr. Regan 7955

Mr. Thibault (West Nova) 7955

Mr. Valley 7957

Mr. Regan 7957

Ms. Fry 7957

Mr. Batters 7959

Mr. Valley 7960

Mr. Fitzpatrick 7960

Mr. Paradis 7960

Mr. Szabo 7962

Ms. Nash 7962

Mr. Batters 7962

Ms. Bell (Vancouver Island North) 7964

Mr. Szabo 7964

Mrs. Freeman 7965

Mr. Szabo 7966

Mr. St-Cyr 7966

Mr. St-Cyr 7967

Mr. Szabo 7968

Mr. Fitzpatrick 7968

Mr. Solberg 7969

Ms. Nash 7970

Ms. Fry 7971

Mrs. Grewal 7971

Ms. Nash 7972

STATEMENTS BY MEMBERS

National Research Council

Mr. Rajotte 7973

Mel Swart

Mr. Maloney 7973

Quebec Bridge

Mr. Carrier 7973

Seniors

Ms. Crowder 7973

Democratic Republic of Congo

Mr. Obhrai 7973

Louis-René Beaudoin

Mr. Tonks 7974

Order of the Knights of Columbus

Mr. Petit 7974

Germaine Morin-Proulx

Ms. Picard 7974

The Budget	
Mr. Fast	7974
Public Safety	
Ms. Neville	7974
The Budget	
Mr. Warkentin	7975
Lumber Industry	
Ms. Bell (Vancouver Island North)	7975
Canadian Forces	
Ms. Ratansi	7975
Jean-Paul Auclair	
Ms. St-Hilaire	7975
Diabetes	
Mr. Patry	7975
Immigration and Refugee Protection Act	
Mr. Jaffer	7976

ORAL QUESTIONS

Quebec Election	
Mr. Dion	7976
Mr. Harper	7976
Mr. Dion	7976
Mr. Harper	7976
Mr. Dion	7976
Mr. Harper	7976
The Budget	
Mr. Ignatieff	7977
Mr. Flaherty	7977
Mr. Ignatieff	7977
Mr. Flaherty	7977
Taxation	
Mr. Duceppe	7977
Mr. Harper	7977
Mr. Duceppe	7977
Mr. Harper	7977
Securities	
Mr. Paquette	7977
Mr. Flaherty	7977
Mr. Paquette	7977
Mr. Flaherty	7978
National Revenue	
Mr. Layton	7978
Mrs. Skelton	7978
Mr. Layton	7978
Mrs. Skelton	7978
The Budget	
Mr. Dryden	7978
Mr. Flaherty	7978
Mr. Dryden	7978
Mr. Flaherty	7979
Federal-Provincial Relations	
Mr. Thibault (West Nova)	7979

Mr. MacKay	7979
Mr. Thibault (West Nova)	7979
Mr. MacKay	7979
The Environment	
Mr. Bigras	7979
Mr. Baird	7979
Mr. Bigras	7979
Mr. Baird	7979
Saint-Hubert Airport	
Mrs. Lavallée	7980
Mr. Blackburn	7980
Mrs. Lavallée	7980
Mr. Blackburn	7980
Government Appointments	
Ms. Fry	7980
Mr. Van Loan	7980
Ms. Fry	7980
Mr. Day	7980
Government Accountability	
Mr. Rota	7980
Mr. Clement	7980
Mr. Rota	7980
Mr. Toews	7981
Health	
Mr. Dykstra	7981
Mr. Clement	7981
Government Appointments	
Mr. Dewar	7981
Mr. Van Loan	7981
Mr. Dewar	7981
Mr. Van Loan	7981
Aboriginal Affairs	
Mr. Merasty	7981
Mr. Prentice	7981
Mr. Merasty	7982
Mr. Prentice	7982
Small Craft Harbours	
Mr. MacAulay	7982
Mr. Hearn	7982
Mr. MacAulay	7982
Mr. Hearn	7982
Foreign Affairs	
Ms. Lalonde	7982
Mr. MacKay	7982
Ms. Lalonde	7982
Mr. MacKay	7983
Mr. Scarpaleggia	7983
Mr. MacKay	7983
The Environment	
Mr. Bezan	7983
Mr. Baird	7983
Aboriginal Affairs	
Ms. Crowder	7983

Mr. Prentice	7983
Ms. Crowder	7983
Mr. Prentice	7983
Foreign Affairs	
Mr. McTeague	7984
Mr. MacKay	7984
Infrastructure	
Mr. Watson	7984
Mr. Cannon	7984
Canadian Forces	
Mr. Stoffer	7984
Mr. O'Connor	7984
Foreign Affairs	
Mr. Boshcoff	7984
Mr. MacKay	7984
Presence in Gallery	
The Speaker	7985
Points of Order	
Comments by Member for Timmins—James Bay	
Mr. Angus	7985
Comments by Member for Winnipeg Centre	
Mr. Martin (Winnipeg Centre)	7985
Mr. Hill	7986
Mr. Lukiwski	7987
Mr. Godin	7987
The Speaker	7987

GOVERNMENT ORDERS

The Budget	
Financial Statement of Minister of Finance	
Motion	7988
Mr. Wilfert	7988
Mr. Patry	7990
Ms. Savoie	7991
Mr. Dewar	7991
Mr. MacKenzie	7991
Mr. Sorenson	7992
Mr. St. Amand	7993
Mr. Dewar	7993
Ms. Savoie	7994
Ms. Black	7995
Mr. Tweed	7995
Mr. Marston	7996
Ways and Means	
Notice of Motion	
Mr. Flaherty	7997

The Budget	
Financial Statement of Minister of Finance	
Motion	7997
Mr. Martin (Winnipeg Centre)	7997
Mr. Dewar	7998
Mrs. Yelich	7998
Mr. Bell (North Vancouver)	7998
Mr. MacKenzie	8001
Mr. Dewar	8001
Mr. Tilson	8001
Mr. McKay	8001
Mr. St. Amand	8003
Mr. Harris	8003
Mr. Kamp	8003
Motion agreed to	8005
Criminal Code	
Bill C-35. Second reading	8005
Motion agreed to	8006
(Bill read the second time and referred to a legislative committee)	8007

PRIVATE MEMBERS' BUSINESS

Heritage Lighthouse Protection Act	
Mr. Keddy	8007
Bill S-220. Second reading	8007
Mr. Cuzner	8009
Mr. Blais	8009
Mr. Miller	8009
Mr. Simms	8009
Mr. Blais	8011
Mr. Stoffer	8012
Mr. Warawa	8013
Transportation between the Island of Newfoundland and Mainland Canada	
Motion	8014
Mr. Julian	8014
Mr. Byrne (Humber—St. Barbe—Baie Verte)	8015
Mr. Russell	8017
Mr. Doyle	8018
(Motion agreed to)	8019

ADJOURNMENT PROCEEDINGS

Automobile Industry	
Mr. Masse	8019
Mr. Carrie	8020
Child Care	
Mr. D'Amours	8021
Mrs. Yelich	8022

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

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

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

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :**
<http://www.parl.gc.ca>

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

**Additional copies may be obtained from Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: (613) 941-5995 or 1-800-635-7943
Fax: (613) 954-5779 or 1-800-565-7757
publications@pwgsc.gc.ca
<http://publications.gc.ca>**

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

**On peut obtenir des copies supplémentaires ou la version française de cette publication en écrivant à : Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : (613) 941-5995 ou 1-800-635-7943
Télécopieur : (613) 954-5779 ou 1-800-565-7757
publications@tpsgc.gc.ca
<http://publications.gc.ca>**