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OFFICIAL REPORT  
(HANSARD)

**Monday, April 16, 2007**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, April 16, 2007

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

•(1105)

[*English*]

### PERSONS WITH DISABILITIES

The House resumed from February 21 consideration of the motion and of the amendment.

**The Acting Speaker (Mr. Royal Galipeau):** When we last considered this item the hon. member for Barrie had seven minutes left. He has the floor.

**Mr. Patrick Brown (Barrie, CPC):** Mr. Speaker, it is good to be back to speak about this today. During the riding week we have just had, I heard many times from constituents how important this is and how much they treasure the CPP and the CPPD benefit.

It is important to note that a significant number of CPPD recipients also receive benefits from other sources. CPP disability therefore makes up one part of a broad and complex income system for persons with disabilities, a system that includes private and long term disability insurance, workers' compensation, employment insurance sickness benefits, and provincial social assistance. The standing committee may wish to take this into account when undertaking its study of CPPD benefits.

Calculation of the CPP disability benefit is legislated in the Canada pension plan. Any changes to these rates would require provincial approval.

Let us now turn to some of the accomplishments of the CPPD.

The Government of Canada promotes an inclusive society, one that allows people with disabilities to participate in the workforce and in their communities throughout their life transitions. For this reason, CPPD provides support for beneficiaries who are trying to return to work. Since early 2005 beneficiaries have had a new financial safety net that they can count on when trying to return to regular employment: automatic reinstatement of CPPD benefits.

Automatic reinstatement helps CPP clients take a chance on returning to the workforce. Before this provision came into effect, clients were not sure whether they would re-qualify for benefits if it

turned out they could not continue working. Automatic reinstatement reduces this uncertainty by providing extended entitlements to clients whose CPPD benefits are stopped because they begin working again on a regular basis.

It provides a two year period during which they can ask to have their benefit payments restarted, using a simple process, if their disability recurs and prevents them from staying at work. There is no limit on the number of times a client can use this provision, a particularly good support for persons with episodic disabilities.

A survey of clients who used this provision shows that the change is doing what it was intended to do and is doing a good job. A substantial majority, 75%, felt that automatic reinstatement would influence their future plans to return to work and a third of these clients indicated that the provision offers security and improved their self-confidence in planning a return to work. Almost 80% were completely or mostly satisfied with all facets of the process, including ease of use.

The government is also committed to client service as demonstrated by Service Canada on behalf of CPPD. As an example, to make it easier for CPPD applicants, telephone contact is maintained throughout the application process. When a decision is reached, a personalized letter is sent to each applicant explaining the decision in simple language.

In addition, Service Canada has made other improvements to the delivery of services to Canadians. Clients are now offered the convenience of a one-stop personalized service. They have the choice to communicate via telephone or in person.

Communication with clients and stakeholders, of course, is an important part of this commitment to client service. CPPD beneficiaries receive an annual newsletter, "Staying in Touch", that contains useful information on federal programs and services in such areas as student assistance, tax credits and benefits for seniors.

Our government strives to uphold its commitment to Canadians for accountability and for transparency. We believe the Canada pension plan exemplifies both. We are proud of this accomplishment.

This accountability and transparency are demonstrated by the fact that every three years the federal, provincial and territorial ministers of finance review the CPP to ensure that it remains financially sound and to make any necessary adjustments. The triennial review also allows us to ensure that the CPP evolves along with the changing needs of Canadians.

*Private Members' Business*

I would like to return to the issue currently before the House and highlight an initiative that complements the motion. A recently initiated comprehensive evaluation of CPP disability will focus on the extent to which the overall objectives and outcomes of the program are being met. This important study will take place over the next 18 months.

I am sure that the evaluators will want to review the study that is the subject of the current motion as additional input. The evaluation goes beyond the scope of the study to look at all aspects of program management, client outcomes, interaction with other disability programs, and documenting best practices.

We want to ensure that the CPPD is meeting all the current and future needs of Canadians without jeopardizing the affordability and financial sustainability of the CPP in the years ahead. These two sources of important information, the study proposed in the motion and the more comprehensive CPPD evaluation, should give us a better picture of those Canadians who receive the CPPD benefit and of how it helps them.

In other words, our government is confident that there are valuable lessons to be learned from these studies. We therefore welcome this opportunity to support the motion to conduct a study of the level of funding provided by the CPPD benefit. We believe it will help our government to achieve its commitment to Canadians to ensure that the Canada pension plan disability benefit continues to be there for current and future generations when they need it most.

• (1110)

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, I thank the House for the opportunity to speak on this important motion today. I would like to start by restating my support and the support of Canada's new government for Motion No. 243, which was presented by the hon. member for Kitchener Centre.

The proposed study will contribute to Human Resources and Social Development Canada's practice of continuously monitoring and assessing the Canada pension plan to ensure that it meets the needs of Canadians, both today and in the future. I know this study will provide valuable information on the extent to which the Canada pension plan disability program is meeting its objectives. This is important information. That is why I feel quite strongly that this study should be completed as soon as possible, not delayed until November.

It is important to note that later this week parliamentarians also will be considering possible changes to Bill C-278, which deals with another important program for persons with disabilities, EI sickness benefits, and I feel strongly that the Human Resources study of the level of financial support offered by the Canada pension plan disability needs to happen now.

The information to be gleaned from the study of CPP disability should be considered before proceeding to discuss possible changes to EI sickness benefits. All too often in this place hon. members want to act before the facts are in. They want to propose changes to programs before they even know whether there is a problem or not, and the political speeches begin before studies are undertaken. This issue is far too important to play politics with and I feel that every member of the House can agree with that.

This is an important issue, one that deserves to be examined right away. Let me repeat: this is important information and we need it as soon as possible, not in November. There are bills before Parliament that require the information that can be learned from studying this program and these bills will not wait until fall.

I think there is some confusion here as to what the CPP disability program is and what it is supposed to do. Therefore, I think it would be good to have a cursory examination of the program so that we can clear the air on a few important points before we begin to discuss changes in earnest.

It is important that all hon. members and in fact all Canadians understand what this program is about and how it works.

Let me start by saying the CPP disability program is the largest long term disability insurance program in Canada. Currently, some 300,000 Canadians and 90,000 of their dependent children receive about \$3.3 billion in payments. The CPP program as a whole is recognized around the world as one of the best public pension systems in the world and this government has acted to make it even better.

The CPP disability program was designed to replace a portion of earnings for those who have to leave the workforce due to a severe and prolonged mental or physical disability. This program was not intended to function as a general needs-based income program. There are other levels of support, offered by all levels of government, that fulfill that role. Its purpose is to provide protection against the loss of employment income and to supplement other disability and family income.

How does it work? There are contributory and medical eligibility requirements for the disability benefit, as laid out in the Canada pension plan. First, applicants must have made CPP contributions in four of the last six years. This requirement of recent contributions to the CPP is designed to address the objective of replacing a portion of employment income.

While the government feels that this issue is worthy of immediate study, that is not to say that the government has not acted to make changes to this program. I am sure all members know that. It is part of Bill C-36, currently under review in the Senate. A proposed amendment seeks to make it easier to qualify for CPP disability benefits for long term CPP contributors, those with 25 or more years of contributions, by requiring contributions in only three of the last six years.

Second, as stipulated in the legislation, only those with a severe and prolonged mental or physical disability are eligible to receive disability benefits. This requirement refers to a disability that prevents an applicant from working regularly at any substantially gainful occupation, not just their most recent jobs.

*Private Members' Business*

•(1115)

As we can see from the specific eligibility requirements, not all Canadians with a work-limiting disability will be eligible to receive a benefit. CPP disability is intended for some of our most vulnerable Canadians.

I would like to take this opportunity today to address an important and often misunderstood point. I understand from recent comments made in the House that some are under the impression that all applicants for CPP disability benefits are automatically denied and that only through appealing this decision do they eventually receive CPP disability benefits.

This is simply not true and is a perfect example of some of the misunderstandings surrounding this program, misunderstandings that we on this side of the House feel should be examined immediately. If hon. members on the other side of the aisle feel this is true, then they should also want to study this immediately and not shirk their responsibilities by ignoring this issue for another six months.

That being said, each and every application for a CPP disability benefit is reviewed thoroughly and fairly with reference to the legislative requirements and in a timely manner.

Trained CPP disability specialists with a medical background view each applicant's application. They look at their capacity to work, taking into consideration their health status, disability-related limitations, treatments, and personal characteristics such as age, level of education, and work experience. All of these components are extremely important in the decision making process and help ensure a fair decision that is consistent with eligibility criteria.

Clients whose applications are not approved receive telephone calls and personalized letters explaining the reasons for denial. In addition, in cases where an applicant is not satisfied with a decision on their application for CPP disability benefits, there are three separate levels of recourse available. The last two levels are appeals to two independent review tribunals. This generous appeal structure is designed to ensure fairness and accessibility.

In addition, it is important to note that a significant number of CPP disability recipients can also receive benefits from other sources. The CPP disability program is one part of a broad and complex income system for persons with disabilities, a system that includes private long term disability insurance, workers' compensation, employment insurance sickness benefits, and provincial social assistance.

Staff in Service Canada's service delivery network also refer those who are denied a CPP disability benefit to other appropriate programs and supports that may be made available to them. For example, CPP disability applicants are encouraged to apply for a tax credit, called the disability tax credit, or the veterans disability pension if it appears that they may be eligible for one or both of these entitlements. In some cases, Service Canada staff will assist these individuals with their applications.

The Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities may wish to take

this overall context of CPP disability programs into account when undertaking its study.

A number of hon. members of this House have indicated that it takes too long to adjudicate applications for CPP disability benefits. In 2005 and 2006, the disability program received more than 60,000 applications. Of those, over 30,000 applicants were granted benefits.

In terms of speed of service, the target is that 75% of decisions will be made within four months of receiving a completed form. As of February 2007, 86% of decisions were made within this timeframe.

Service Canada is exceeding its stated targets. That is indeed something to be proud of and we can feel confident that most vulnerable clients are being well attended to.

I again want to thank the House for the opportunity to speak today. I want to reiterate that it is an important issue that cannot wait until fall to be examined. There is currently legislation before the House and the Senate that would benefit from the knowledge that can be gained from undertaking an examination of the CPP disability, and these bills will not wait until fall. We need answers as soon as possible.

We would be shirking our duty as responsible legislators if we were to allow bills to proceed without having all the evidence in place beforehand. If the opposition really is interested in more than just playing politics with this important issue, then it will want to examine this issue right away and not wait until fall.

•(1120)

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Speaker, it is a pleasure to speak to Motion No. 243. I am very pleased to speak in support of this motion, which calls on the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities to study the level of financial support provided through the Canada pension plan disability benefit, CPPD.

From the first hour of debate it appears a substantive issue in this motion, a study by Parliament on Canada pension plan disability benefits, has the support of all parties in this House. It is no small accomplishment for all parties to agree on anything, so Canadians should be heartened by seeing a shared agreement to make something as important as studying long term disability a priority. I say that Canadians should be heartened, yet they probably are not. Why? Because the opposition's commitment falls short of truly making this study a priority.

*Private Members' Business*

The Conservatives made supporting our friends and neighbours who are struggling with disabilities a central plan of our platform in the last election. This Conservative government has honoured those who voted for us by introducing Bill C-36 which improves access to Canada pension plan disability benefits by measures in the 2007 budget, such as: the new registered disability savings plan introduced to help parents and others save money to care for children with severe disabilities; up to \$1,000 annually to a limit of \$20,000 in the form of a Canada disability savings grant to help promote the future financial security of children in lower income families; an investment of \$30 million in the Rick Hansen Foundation which will help translate research into benefits for Canadians living with spinal cord injuries; and a new enabling accessibility fund that will contribute \$45 million over three years to help all Canadians, regardless of their physical ability, participate fully in their communities.

I believe Canadians see that their government has stepped up to the plate, so where are the Liberals? For starters, the Liberals voted against every measure the Conservative government put in place to help those Canadians who are dealing with disabilities. Their leader says he wants to run on a platform of social justice, then instructs his caucus to vote against the budget that actually delivers it for the first time in this country.

Perhaps the Leader of the Opposition needs more time to think about it. We say that leadership is not leading followers in the wrong direction. Canadians cannot afford to wait for the Liberal leader to ponder what they already know is good and works. How can Canadians be expected to trust the Liberals to govern when Liberals cannot even seem to figure out how to be in opposition?

When it comes to this motion, the Liberals are no less of a disappointment. They hold out the promise of doing something on a priority, then agree with the Bloc to defer everything until the fall. That is not leadership. This is another example of the Liberals saying whatever they think will be pleasing to the public, but failing to follow through. No doubt the member for Kitchener Centre proposed this motion to show support for stakeholders in her own community. How disappointed they must be to see her agree to postpone it. It looks like her new leader cannot shake off the ghosts of the old Liberals who made everything a priority so that nothing ended up being one.

I understand that the Minister of Human Resources and Social Development relayed his support for this motion to be studied at committee. I have no doubt he was encouraged to see the opposition align more closely with the views of Canadians that he was hearing. How disappointing for the minister and the stakeholders he meets to see that this important public policy issue is not getting the true support it deserves.

It is no less perplexing to see that the Liberals are working with the Bloc to frustrate progress on this issue. The Bloc, of course, has no experience with the responsibilities of being in government. The Bloc's contribution to this public policy matter is to delay any action at the same time the Bloc purports to support it. The Bloc members cannot have it both ways, at least not in the minds of the people they are putting off.

The government and Conservatives across the country want to make progress for those with disabilities. We believe that to make further progress requires proper study of the Canada pension plan disability benefit. It is only through gathering the evidence and learning where challenges exist that we can recommend to the government how to address those challenges with sustainable solutions.

• (1125)

Sustainability is critical. Acting in an informed way helps build solutions that can evolve as circumstances change. We have an opportunity here, but despite the Liberal leader's claim to be committed to sustainability, he is unable to show some discipline with members of his own caucus who are proposing ad hoc solutions to the types of problems that potentially should follow a study like the one in this motion.

For instance, the member for Sydney—Victoria has a bill before the House. It stands for a principle we all support. It aims to help those who have cancer or other illnesses, but rather than providing benefits through Canada pension disability, the bill calls for a solution that would only help employees to the exclusion of other Canadians.

I cannot help but think that Bill C-278 would benefit from Motion No. 243 being studied as soon as possible. Perhaps because the member for Kitchener Centre agreed to defer this study until fall the member for Sydney—Victoria felt he had no choice but to call up his bill in the coming days.

Still, Canadians expect legislation to be based on good planning. They expect solutions to be measured and sustainable. Canadians should not be held hostage to the lack of good planning by the Liberals for their own private members' business. They should not be saddled with legislation whose impact has not been studied and no one can say is sustainable.

I support a study because it is the right thing to do. I only wish the opposition cared as much about ensuring that we pass good legislation as my caucus colleagues and I do. My constituents wish that the opposition would come to its senses and return to making this study a priority.

When this finally does get studied, members will know that CPP disability is the largest long term disability insurance plan in Canada. Last year, approximately 300,000 individuals and 90,000 of those individuals' children received financial support through this program.

As specified in the Canada pension plan, monthly Canada pension plan disability payments are made up of two parts, a fixed amount which in 2007 is \$405, and a variable amount based on the level of Canada pension plan contributions and the number of years contributions were made before the client became disabled. The combination represents the monthly amount a Canada pension plan disability beneficiary will receive in 2007. The maximum benefit payable is \$1,053 per month. In addition, eligible children of disabled contributors are entitled to a fixed monthly payment of \$204. Last year on average, Canada pension plan disability beneficiaries received \$763 per month.

*Private Members' Business*

What is also important to note is that a significant number of recipients receive benefits from other sources. There is a broad and complex system in Canada that provides income support to persons with disabilities. While Canada pension plan disability plays a central role in this system, the standing committee may also wish to review in its study the other income sources for disability beneficiaries.

An example of another pillar of this income support system is EI sickness benefits which fall under the responsibility of the Minister of Human Resources and Social Development. EI sickness benefits provide temporary income support for up to 15 weeks to individuals who are too injured or sick to work. In 2004 over 294,000 individuals received these benefits with total payments of \$810 million.

We know that a number of individuals who receive EI sickness benefits while they are temporarily disabled go on to apply for and then receive CPP disability benefits. With the introduction of Service Canada in the last few years the government has been working to better serve all Canadians who need services from the federal government including those applying for EI sickness benefits through CPP disability.

This government is committed to quality client service by building on the one step personalized service offered through Service Canada. The government is working to improve the client interface on behalf of these two important sources of support for Canadians with disabilities.

Even though I have much more to say on this motion, I know my time is running out, but the premise of what I said is that the motion should proceed directly to committee. It should be studied. For the life of me I cannot understand why the Liberals who introduced the motion now suddenly want to put it off until fall. It is a matter of making a decision. This is an important issue. It is meaningful to a number of Canadians who are beneficiaries and it should be looked at immediately.

• (1130)

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I want to take the opportunity to briefly enter into the debate on Motion No. 243. I commend the member for Kitchener Centre for having moved the motion. I had not intended to speak to this motion, but I was prompted to do so by the suggestion that any member of this House would want to delay the impact and lessen the importance of the private member's motion so that the report back date is later rather than sooner.

The reason I was prompted to speak to this motion is that I was thinking back to my former colleague Wendy Lill, the former member of Parliament for Dartmouth who did magnificent work. She breathed tremendous energy, life and compassion into the issues before the subcommittee on the persons living with disabilities during the seven years that she worked on behalf of her constituents of Dartmouth and also on behalf of persons living with disabilities in this country. At the same time she also served as one of the best, if not the best, arts and culture critics that this Parliament has ever known. I am thinking of how apoplectic she would be if she were sitting in this House today to hear that anybody would be thinking of

a single reason for delaying reporting back on something as important as the issue of the level of CPP benefits for persons living with disabilities.

I was listening to the member for South Shore—St. Margaret's talk about the various other income sources that are available to some—and I say some because it is not all, and he did not say otherwise I want to make that clear—persons who are living with disabilities who are in receipt of, or who are potentially eligible to receive CPP disability benefits, sources like EI sick benefits, social assistance and so on.

My colleague from Burnaby—New Westminster has made the point again and again that what is really needed is a national strategy around the whole issue of income and other supports for persons living with disabilities. Until we have a commitment to a comprehensive national strategy, then what we are doing is dealing piecemeal with different aspects of what profoundly affects the lives of persons living with disabilities.

It is often not recognized by the public, and no wonder, given the nonsense of a dug-in partisan nature that goes on, that from time to time there has been collaboration across party lines in this House around these issues. We have seen over the last while the collaboration of opposition parties in the face of what seemed to be foot dragging by the government to step forward with a real sense of urgency and leadership to make sure that we were among the first to sign on to the international convention on the rights and dignity of persons living with disabilities. We saw the government move. Congratulations to the government for moving ahead with a more appropriate sense of urgency and indicating that it will actually participate in the signing ceremony that will help to propel the convention toward ratification.

Surely to heaven we can find the same resolve, the same appropriate sense of urgency to say that income supports for persons living with disabilities are inadequate. They are fragmented and fractured. There are people who are falling between the cracks. There are not appropriate bridges to ensure that people do not fall back in having the income needed to meet their everyday needs and the associated additional costs for persons living with disabilities.

Let us have a national strategy. Let us treat this with a sense of urgency. Let us deliver not piecemeal but comprehensively to those millions of people in Canada living with disabilities.

• (1135)

**The Acting Speaker (Mr. Royal Galipeau):** Resuming debate.

I just want to give fair notice to all members that the next member I am about to recognize is the hon. member for Kitchener Centre and that will be her right of reply.

The hon. member for Kitchener Centre.

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I am pleased to speak to Motion No. 243 which calls upon Parliament to ask the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities to undertake a study of the current level of financial support provided to persons with disabilities through the Canada pension plan and report back to the House no later than May 2007.

*Private Members' Business*

I tabled this motion at the beginning of Parliament several months ago. I view the amendment put forward by my Bloc colleague as a friendly amendment that would move the reporting back to the House to be no later than November 30, 2007. I find that an acceptable amendment because I feel, as colleagues from other parties have said previous to this, that we need to have a comprehensive look at this. This is one piece of the support we give the disabled.

It is interesting to note that the Canadian Human Rights' annual report of 2006-07 reported that the largest single source of human rights violations reported to that committee was from the disabled community. Clearly, we need to do more to help Canadians living with disabilities.

As a former member of the Independent Living Centre in Kitchener, which is run under the auspices of the Mennonite Central Committee, in which I have many friends, I have some experience with the disabled community in Kitchener Centre. All too often, people with disabilities come into my Kitchener office and talk about being forced to choose between purchasing their medications or being able to afford their food and rent. This is quite unacceptable and, in fact, appalling in a nation as prosperous as ours.

It is a great concern that people with disabilities face constant challenges in meeting the bare minimum for basic living expenses. I am sure I reflect a concern that all members of the House share about the number of people with disabilities who face enormous financial challenges. That is why I tabled the motion that is before the House today.

Research shows that Canadians with disabilities have a lower average income and rely more on government programs for income support than other Canadians. People living with disabilities are not always able to earn adequate income through employment. In 2004, the average earnings for people with disabilities were \$30,700. This is 15% less than people who were in the job market without disabilities.

Late last year, the United Nations adopted a landmark convention on the rights of people with disabilities and the convention focuses on the rights and development of people with disabilities and presents a vision where disabled people no longer need to endure discriminatory practices and attitudes that have been permitted to prevail for far too long.

For Canada to fully respond to the need of all people to contribute to the best of their ability and to realize their potential, we must address the income deficiencies that exist among people living with disabilities. The purpose of my motion is to seek the review of the financial support provided to Canadians through the CPP disability program.

In 2005-06, almost 296,000 individuals with severe and prolonged disabilities, along with 89,000 of their dependent children, received \$3.3 billion through CPP disability. The maximum monthly benefit in 2006 was \$1,031, which amounts to \$12,372 annually. I defy members of the House to imagine what it would be like to live on that kind of annual income.

We know the Government of Canada supplies support to people with disabilities and their caretakers through a variety of income

measures but we need an inter-jurisdictional discussion with other levels of government to ensure that people living with disabilities are able to live, thrive and flourish in this very rich country and not be relegated to being marginalized. That is why I put this motion forward and I appreciate the support of all members of the House.

• (1140)

**The Acting Speaker (Mr. Royal Galipeau):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Royal Galipeau):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Royal Galipeau):** All those in favour of the amendment 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 nays have it.

*And five or more members having risen:*

**The Acting Speaker (Mr. Royal Galipeau):** Pursuant to Standing Order 93, the division stands deferred until Wednesday, April 18, immediately before the time provided for private members' business.

**Hon. Karen Redman:** Mr. Speaker, if you were to seek it, you may find unanimous consent to suspend the House until 12 o'clock.

**The Acting Speaker (Mr. Royal Galipeau):** Is there unanimous consent?

**Some hon. members:** Agreed.

SUSPENSION OF SITTING

**The Acting Speaker (Mr. Royal Galipeau):** We will suspend until noon.

(The sitting of the House was suspended at 11:43 a.m.)

SITTING RESUMED

(The House resumed at 12 p.m.)

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## GOVERNMENT ORDERS

• (1200)

[*Translation*]

### BUDGET IMPLEMENTATION ACT, 2007

The House resumed from March 30 consideration of the motion that Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, be read the second time and referred to a committee, and of the motion that this question be now put.

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, this morning I am pleased to speak about the bill to implement the budget, particularly because this is my first time addressing the House as the Bloc Québécois' new finance critic. The member for Joliette was appointed leader of the Bloc Québécois in the House of Commons, succeeding the member for Roberval—Lac-Saint-Jean, whom I would like to thank for his competence and experience in helping me learn more about the work of parliamentarians over the past few years. The member for Roberval—Lac-Saint-Jean passed on a lot of knowledge and know-how, and I wish him every success in his chosen pursuits. I also have complete confidence in the member for Joliette's ability to fulfill the leadership role the member for Laurier—Sainte-Marie has entrusted to him. I would also like to thank the leader of the Bloc for entrusting the finance critic portfolio to me.

I am therefore happy to rise today to speak on the budget implementation bill. I would just like to say that this appointment comes at an especially good time, seeing as the budget process is just starting. Consultations for the next budget will begin in the coming weeks and months, even if the budget is not tabled until next year. I plan to make sure I have solid support in my riding and to hold a consultation. Then, I will speak for the Bloc and listen to all the people who want to have their say about the next budget, in order to get the same results the member for Joliette helped us get in this budget.

We need to remember that the bill before us today follows on the passage of the budget. We agree on the principles of this budget and on the government's proposed funding mechanisms. Other bills will be needed to effect legislative change as needed and implement individual measures.

The Bloc Québécois has fought very hard on the issue of the fiscal imbalance for a number of years. It believes that the government has made significant progress on spending and that this will at least give the Government of Quebec additional fiscal flexibility. The fight will continue, and, in light of past experience, we hope that the arguments we have made about the principle of the fiscal imbalance will lead to measures that go beyond strictly financial promises. In the near future, the current government must take real steps to correct

### *Government Orders*

the fiscal imbalance permanently. This means tax point transfers and possibly also GST transfers, but the solution must be enshrined in legislation and must not come about simply because the federal government's finances are healthy enough that it can afford to pay Quebec more money without changing how things are done.

The Conservative government itself admitted this was the situation. In advertisements criticizing the leader of the Liberal Party, it said that if the Liberal Party regained power, decisions could be reversed and the money could end up no longer allocated to Quebec. We have it from the government itself that there is a contradiction between the position of the Minister of Finance when he says that the fiscal imbalance has been corrected, and the Conservative government advertisements saying that the Liberals could undo all this.

The Bloc Québécois wants a permanent solution to this problem so that Quebec and the provinces, which need money in order to be able to provide services, will be able to go ahead and provide those services with confidence, knowing that the money will be available over a period of several years and they can do some sort of financial planning. Right in the middle of the last election campaign in Quebec, we saw how a federal budget dictated the money available for Quebec in a last minute kind of way. This situation will have to be resolved at some point, and I am sure a lot of time will be spent on doing so in the coming weeks and months.

The bill before us deals with the implementation of certain provisions of the budget. It covers five main areas. First, this is a bill that implements various personal and corporate tax measures. I will discuss this later on. Second, it amends the Federal-Provincial Fiscal Arrangements Act, to introduce the new equalization formula as well as a per capita distribution mechanism for Canada health and social transfers.

• (1205)

It also includes an annual escalator of 3% for social programs, through to 2014. This is the second focus of the bill.

Third, the bill creates three new trusts and authorizes the Minister of Finance to contribute amounts set out in the bill according to guidelines he deems acceptable. He will be able to contribute these sums from the 2006-07 surplus if he thinks that is appropriate. In other words, legislation is needed to allow the federal government's surpluses to be allocated to foundations that have specific objectives.

We must also ensure that these foundations are accountable for the way in which they manage the money. We have to make sure the Auditor General has all the necessary information. When it comes to the environment, we think it is important for this to be included in the bill.

*Government Orders*

Furthermore, the bill establishes a legal framework to ensure that all the savings from paying down the debt are translated into tax cuts. This other aspect of the bill will allow that to happen when the bill is passed. This is one of the things the Bloc Québécois took into account.

The fiscal imbalance is the cornerstone of this budget. Quebec has been very supportive of the Bloc's decision. Instead of triggering an election on the eve of the budget, which would have prevented money from being paid to Quebec, there was no election and Quebec will get its money.

The Bloc Québécois did the responsible thing. In the current context of a minority government, this is a significant insurance policy for Quebeckers and the Bloc. It allows us to ensure that the Conservative government's decisions are supported by the Bloc before being accepted. In my view, this model has been somewhat effective. It may even partially explain the election results in Quebec. During this provincial election, Quebeckers felt that a minority government could also lead to something positive for Quebec. I am not saying I was pleased with the results, but this is nonetheless a consequence.

These are the measures under five broad headings. There are personal and corporate tax measures. The budget implementation bill includes 500 categories of tax measures announced on March 19.

First of all, there is the tax fairness plan, along with some tax relief and continued GST refunds for conferences and tours. I would remind the House that the Minister of Finance had announced an ad hoc plan to eliminate the GST-HST visitor rebate. This sudden decision was criticized by the entire tourism industry in Quebec and in Canada. The Bloc Québécois spoke out on behalf of those individuals. As industry critic, and together with the finance critic of the day, I personally wrote to the minister. Now, the new budget remedies the situation.

I also recall the opposition expressed by the Quebec Outfitter Federation, for example. As a direct result of the Conservative government's misguided policy, that organization was losing an important tool for attracting tourists. With this bill, that measure is at least partially corrected and the Bloc Québécois is pleased with the results.

This issue must be closely monitored to ensure that tourists who do not come as part of an organized tour are not penalized. At least one important benefit results from the action taken. At the outset, the government was entirely opposed to the idea of any corrections to the bill. In the end, there have been some corrections.

The Bloc Québécois is very pleased to have so constructively and effectively represented an industry that very much relies on government measures to help it—and not the reverse—and to have achieved the results we did.

In the area of tax measures, there have also been some changes to the rules regarding RRSPs and RESPs. An RRSP allows individuals to save for their retirement. More detailed changes will be outlined later. An RESP allows parents to set aside some money, to which is added a contribution from the government, for their children's future. It was also important to make improvements to this area.

● (1210)

Finally, there is a surtax on inefficient vehicles, even though the government told us that that the environment was not a major problem in Quebec and Canada. In recent years, Quebeckers and Canadians, as well as all manner of experts, have been pointing out that there is a real, far-reaching and significant environmental problem that everyone on this planet should be worried about. By hammering the message home, we are beginning to see the introduction of measures such as the surtax on inefficient vehicles.

This is merely one aspect that the federal government should be addressing to achieve a quality environment. In my opinion, it should start by recognizing the Kyoto accord. We are not there yet but at least some measures have been put forward as a result of pressure by the opposition parties and the environmental movement. Furthermore, I would say that the general public is more aware of the gravity of the environmental situation than the government, which is now coming up to speed. Let us hope that, at the end of the day, we will achieve tangible and global results.

There are four tax fairness measures in the part of the bill dealing with taxation. There is a \$1,000 increase in the age credit, which will further reduce taxes for older individuals. This is a worthwhile measure. Matters pertaining to seniors must be studied in more detail. It is often said that their pension is indexed to the cost of living. I believe that their basket of goods and services—the market basket for seniors—is not necessarily appropriate. Seniors often need certain types of equipment, for example a handrail to help them get in and out of the bathtub.

Furthermore, with respect to prescription drug costs and other additional expenses, the cost of some items is rising much faster than the general rate of inflation. There should be a special basket of goods for seniors that takes into account the rate of inflation for their cost of living. That said, today's measure—increasing the age credit by \$1,000—is a step in the right direction, albeit a rather weak one. It is like using just one crutch, not the pair. We have to resolve the underlying issues to ensure that seniors are completely and truly protected with respect to the cost of living, especially women living alone who have to absorb extra costs, particularly when their spouse dies and they transition from life as a couple, in a house or apartment, to single life. The government still has to improve the Canada pension plan.

Next, there is the implementation of spousal income splitting, which came into effect January 1, 2007. I would note that taxpayers will not feel the impact of these measures until they complete their 2007 tax returns. Unfortunately, this will not show up in this year's tax return, but eventually, this measure will ensure better income distribution.

*Government Orders*

Beginning January 1, 2011, the tax fairness plan will reduce corporate income tax by 0.5%. The Bloc Québécois made recommendations in the Standing Committee on Industry, Science and Technology to offer incentives such as accelerated capital cost allowance. We are very pleased that the government decided to act on that recommendation. However, the government must ensure that it is in companies' best interest to go ahead and use these tax measures. We think this is a better way to go than reducing corporate income taxes across the board. In my opinion, the government has done the bare minimum to satisfy industry lobbyists who made representations. I think that there is more to be gained from encouraging businesses to invest in their own productivity than from simply lowering taxes.

Lastly, the government is implementing the new income trust tax regime. Everyone knows that the Minister of Finance did not follow the script on that one. In-depth studies and a better solution to the problem are needed so that small investors do not get hurt. Perhaps this work should go on during the new round of consultations for the next budget.

Second, there are two tax measures providing tax savings for families. A child tax credit for \$2,000 was introduced, which will enable families to save up to \$310 per child per year. In addition the government is increasing various basic personal amounts, providing up to \$209 in annual savings for a supporting spouse or a single person supporting a child or relative.

• (1215)

Following pressure from the Bloc, the government decided to rethink its decision to abolish GST refunds for conferences and organized tours. I spoke about this earlier. I think that all tourism sectors are very happy with this decision.

The fourth area, which we already talked about, deals with the retirement and education savings plans. Then, there are measures for the fiscal arrangements with the provinces.

The equalization payment formula has been changed. More money will now be available. However, this does not address Quebec's historic demands. For example, the equalization formula does not take into account all of the revenues from natural resources—which is a step backwards—and it contains loopholes that favour provinces producing fossil fuels, by allowing them to remove natural resources revenues from the distribution formula. The 2007 budget does not set a termination date for the underwater oil agreements in Newfoundland or Nova Scotia.

More work is needed on these issues. Quebeckers can count on the Bloc Québécois to ensure that budgets are as reasonable as possible and meet Quebeckers' needs. I believe that that is one of the reasons why Quebeckers formed a political party like the Bloc Québécois, which has accounted for most of the members from Quebec in the past five elections. The federal system in Canada may not be perfect, but with the Bloc Québécois, Quebec can at least make its voice heard and get results in the end.

I would like to continue talking about trusts and new funds and draw members' attention to the ecotrusts. Thanks to this bill, the government can use up to \$1.519 billion of the 2006-07 surplus to create ecotrusts. The money will be divided among Quebec and the

provinces according to their demographic weight and will help improve environmental management.

The government is providing \$614 million to fund post-secondary education in some provinces. The distribution method will be set out in the trust indenture. We will see how things work.

Speaking of trusts, the government will also invest in human papillomavirus immunization by creating a \$300 million trust to provide Quebec and provinces with money to support HPV immunization.

The bill also covers a wait times guarantee, payments that will be made directly to the provinces for child care spaces, payments to the territories and payments to the Nature Conservancy of Canada and the Canada Health Infoway.

As the former industry critic, I take a special interest in one provision of the bill, and that is the money for CANARIE Inc., which is spearheading work on the next-generation Internet in Canada. We have to continue making this sort of investments if Quebec and Canada are to increase their productivity in this sector. I believe it is important that we move forward.

The measures in this bill will allow us to move forward, especially on the fiscal imbalance and other issues, which is why the Bloc Québécois supported this budget.

Nevertheless, we find these improvements insufficient, because we still need to see a definitive solution to the fiscal imbalance issue, one that involves the transfer of tax points. This bill—the budget—does not provide such a solution.

In closing, the Conservative government has an obligation to govern and an obligation to follow through on its commitment to correct the fiscal imbalance. It has demonstrated this through financial commitments. However, it must now take concrete action that will translate into a true resolution of the fiscal imbalance issue, through the transfer of tax points.

A lot of work remains to be done. The Bloc Québécois is pleased to have supported the budget because we believe that this is what Quebeckers wanted and that it is in their best interest. However, this in no way means that we are giving up on obtaining real equity, particularly in terms of the fiscal imbalance. I can assure this House that, in the new phase that is beginning and with next year's budget in mind, the Bloc Québécois will remain equally committed to achieving better wealth distribution and creation.

• (1220)

[*English*]

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, I am pleased to rise and take part in the debate on the budget implementation act. It is obviously one of the most important legislation that comes before the House every year.

*Government Orders*

When I thought what I might talk about today there were a number of things. I have to bypass the easy way, which is to only talk about the Atlantic accord that is resonating throughout Newfoundland and Labrador and Nova Scotia. I might touch on the subject of the Atlantic accord, but I want to talk more generally about the budget and how I think it has divided Canadians. It is a very cynical budget.

There is a lot about which we can talk. With the amount of money spent on this budget, the richest budget ever, Canadians would be right to have assumed that everybody should have had Christmas Day on budget day. In fact, it was far from festive for most Canadians. The budget could have done a great many things if it had been focused on helping those who needed help the most, or maybe if it had focused on innovation, the productivity gap, aboriginal Canadians, the environment and other things.

I suspect the response to the budget across the country has not been what the government wants or what the Minister of Finance wants. We can go to the minister's website and see the online poll he has done. He asks Canadians if they have benefited from the budget and 93% of the respondents have said no. That is a pretty significant number.

It is not only the minister's website. A number of other people have done some very open-minded and objective evaluations of the budget. One of the institutes that I go to quite frequently is the Caledon Institute. It does great research and work on a number of issues. I notice that its evaluation of the budget was, as usual, very thorough and effective.

I will read a few quotes by the Caledon Institute. It calls it "Mixed Brew for the 'Coffee Shop' Budget". It says, among other things:

The 'new' child tax credit—in reality an obsolete program resurrected from the 1980s—tops this list. The funds for this inequitable scheme could have been far better spent on increasing the existing progressive Canada Child Tax Benefit or creating additional child care spaces. These...investments would have been much more helpful to ordinary Canadian families than a child tax credit that gives \$310 to millionaires who do not need it and nothing to the poorest who do.

That is quite indicting.

Another quote says:

Ottawa has chosen instead to introduce a bundle of tax carrots that will serve a variety of particular groups but will provide little or no benefit to the broader population of low- and modest-income Canadians. The Budget could well have been named "Opportunities Lost." With a \$19 billion price tag, never has so much been spent with so little result.

It seems to me that the leader of our party has said very similar things to that. I agree with him and I agree with the Caledon Institute.

The institute also refers to specifically "The 'New' Child Tax Credit: a policy zombie resurrected". It says:

All non-poor families will receive \$310, including the very rich; some low-income families with a low tax liability will receive a smaller amount, while the poorest will get nothing at all because they do not owe income tax.

The poorest families will get nothing. This measure will make income inequality among families worse, not better.

It refers to last year's universal child care benefit and says:

—this Budget's non-refundable child tax credit are inequitable, wasteful programs that deliver benefits to upper-income families for whom the payments are a

meaningless drop in their income bucket, while depriving low- and middle-income families...

The institute goes on in a lot of different ways. For example, it talks about aboriginal Canadians who are noticeably absent from the budget. It says:

The Kelowna Accord was a solemn agreement signed by the provinces, territories, First Nations and Aboriginal organizations, and the previous Canadian government.

It talks about the new federal government rejecting the Kelowna accord and says:

Now it becomes apparent that Canada's New Government has no plan at all, unless doing as little as possible can be characterized as a plan.

That is a reasoned, thought out, analytical view of what the budget has done. It is not only the Caledon Institute that says this. I suspect if Kelowna is a socialist plot, then the government would think that the Caledon Institute is probably a socialist organization to the government side.

• (1225)

It is a long time since I have heard Andrew Coyne called a socialist. The *National Post* suggests:

—with this budget, [the Minister of Finance] becomes officially the biggest spending Finance Minister in the history of Canada. That's after inflation and population growth is taken into account. They've now increased under this Conservative government...spending by \$25 billion in two years. Is this what Conservative voters wanted? No sense of priorities, not a nickel in real, honest to God tax cuts of any kind. There's a lot of spending programs disguised as tax credits for children...which may be fine programs, but they're programs, not tax cuts.

Nancy Hughes Anthony, president of the Chamber of Commerce, another well known socialist, suggests:

I don't think there's anything new there. [He] actually told us at the time of his income trust announcement in October that he would adjust the tax cuts corporate tax cuts in the future...instead, we saw small little targeted breaks for everybody from lacrosse fans to truckdrivers.

In general, this is an unfocused budget. Most Canadians know that if we really wanted to increase productivity and benefit Canadians, particularly those who might be able to use a bit of a break, we would lower personal income taxes, perhaps to the level the Liberals did in the economic update of November 2005.

What else got mentioned in the budget but got very little action? How about the environment? John Bennett, senior policy analyst for the Sierra Club of Canada, says:

This government has abandoned its obligations to the Kyoto protocol and abandoned its moral responsibility to keep our international commitments...This government has no intention of reducing greenhouse gas emissions. It has every intention of trying to sound like it does, but has no intention to actually do it.

That is consistent throughout the budget. The government sounds like it can do something without actually having to do it.

On social programs, Monica Lysack of the Child Care Advocacy Association says:

For a government that identified childcare as one of their priorities, this is an admission of failure.

There was an editorial in the *Toronto Star*. There are a number of things I could say, but let me quote this. It says:

*Government Orders*

What is left, then, is not a crafty pre-election budget, but a financial document that is unfocused, that is devoid of a national strategy to tackle any of the major social issues facing this country, and that does little to help the poorest of the poor.

Aboriginal Canadians are perhaps the most targeted group in the budget by their exclusion. Phil Fontaine, National Chief of the Assembly of First Nations, says:

We're extremely disappointed, frustrated because it's obvious that those that did well today are those that are considered important to this government. Those that are viewed as unimportant did badly, and we did badly.

An awful lot of issues in the budget have not been addressed.

There are a couple more issues in the development area, both regional development and international development. For the second budget in a row under the Conservative government there is no mention of regional development programs like ACOA.

Previous governments had a big plan for ACOA, which in the last number of years has done some amazing work in Atlantic Canada and has invested in research and innovation. The Atlantic innovation fund has driven university research and has helped Atlantic Canada's strong but generally smaller universities to compete and provide innovative solutions and also commercialization of products. There is no mention in the budget.

The minister suggests there have been no cuts to ACOA, and we hear that all the time, but consistently the estimates indicate not only cuts to regional development across the board but to ACOA. The money is shifted from here to there, but there is never any evidence of what is actually happening with the spending. Regional development is a big issue.

On international development, I will tell the House a story about a trip I took to Kenya with three other members of the House, three friends, the Conservative member for Cumberland—Colchester—Musquodoboit Valley, the member for Halifax and the member for Scarborough—Guildwood, who sponsored the great private member's Bill C-293, the overseas development assistance act, to make poverty the focus of international development.

There is so much that Canada can do in the world. It does not all have to be centred on Afghanistan. In fact, we see everyday in countries like Kenya the needs of the developing world and so many ways that Canada can help. Canada has helped and I hope it will continue to help.

When the four of us went to Kenya, we saw some amazing things and amazing people. We met Beatrice, who lost all seven of her children and their partners in less than two years to HIV related issues. She was a grandmother. She was a street beggar. She had 12 grandchildren. What was she going to do? She thought she would have to poison her grandchildren because she could not take care of them. Instead, she got up one day and decided she would do something about it. She borrowed \$15 U.S. from a micro credit in the slums of Nairobi, and today she runs three businesses in the slums.

This is the kind of resilience that exists in third world. These are the kinds of people who can make a huge difference.

● (1230)

Susan is a woman who we met in Eldoret in western Kenya. I remember my colleague from Scarborough—Guildwood was particularly touched by her. She worked in a microcredit in a big, open, empty warehouse with some sewing machines and people making bags. We went over to talk to Susan. She looked up at us happy and smiling and said, "Thank you, God" for the blessings he had given her. She is HIV positive and was given up for dead. Now she is living and working because of a microcredit. She makes lovely cloth bags with beads on them. We asked her how many she could make in a day. She said that she could make five bags in a day. How much does she get paid for each bag? Eight Kenyan shillings. She makes forty Kenyan shillings a day, which is the equivalent of 65¢ or 70¢ Canadian in a day.

We all know about the terrible rates of poverty, disease and the lack of sanitation in which people exist throughout the world. Working full time, she makes less than \$1 Canadian a day and she considers herself fortunate.

What the people of Kenya can do with little should be such a spur to countries like Canada to invest in making their lives better. We can do so much. We should hit our millennium target of 0.7% of GNI to international aid. I felt that on the government side. We can do this.

In countries like Kenya and other African countries in sub-Saharan Africa there is a resilience, a strength, an entrepreneurial savvy among the people who simply have nothing, but make do. Not only do they make do, but they thank God for what he or she has given them. It is an inspiration.

Canada can do a lot more. I would like to see more mention of international development. I would like to see Canada commit to reaching 0.7%. At the very least I would like to see us ensure that we maintain the work we have done in places like Kenya where CIDA has been active. Its funding may be threatened over the next few years for the work it does on tuberculosis.

Kenya is a country about the size of Canada. Three hundred Kenyans a day die of tuberculosis. How many people in Canada even think tuberculosis is still a disease about which to worry? Five hundred people a day die of HIV. Millions of young African children die of malaria. We can do so much more. The area of international development is lacking in the budget as well.

I want to turn for a second to the issue of the Atlantic accord. This is an issue that has absolutely dominated discussion in Nova Scotia and in Newfoundland and Labrador. We hear about it from Premier Danny Williams and a bit about it from Rodney MacDonald. This is the dominant issue in Atlantic Canada. We can listen to what the premiers have said about it.

We have all heard what Danny Williams has had to say. He has stood up and he has fought for his province. He wants to keep what he fought for. He says:

A promise was made. We expected that promise to be kept by the Prime Minister and, indeed, his government....Even though he is claiming that they are excluding 100% of non-renewable natural resource revenues [they are not]....There is a sense of betrayal, a sense of disappointment.

*Government Orders*

That just about says it all.

Rodney MacDonald, the Premier of Nova Scotia is not the most fiery of speakers. He is concerned about the accord, though. On March 19, he said:

It's almost as if they want to continue giving handouts to Nova Scotians rather than us keeping our offshore accord and that to me is fundamentally unfair.

A lot of people in Canada do not fully understand this. When we debated it in the House of Commons, people on the other side stood up and asked foolish questions. It does not matter to them. They get briefing notes from some hack in the Department of Finance or a backroom Conservative who hauls it out and says "Go fight the battle". They have no idea what this actually means.

Let me just educate members a bit on the Atlantic accord. This is the agreement that was reached between the Government of Canada and the Government of Nova Scotia on offshore revenues on Valentine's Day 2005. It says:

—the Government of Canada intends to provide additional offset payments to the province in respect of offshore-related Equalization reductions, effectively allowing it to retain the benefit of 100 per cent of its offshore resource revenues.

Then it says:

The amount of additional offset payment for a year shall be calculated as the difference between the Equalization payment that would be received by the province under the Equalization formula as it exists at the time...

● (1235)

Very simply, this means that offshore revenues are excluded from equalization. If equalization goes up, the provinces of Nova Scotia and Newfoundland and Labrador would get the improved equalization plus they would keep their offshore revenues. A choice has allegedly been offered to Nova Scotia and Newfoundland and Labrador which would have the old equalization with the old formula or the new equalization that some in the rest of Canada will benefit from. We should have both. It should not be one or the other.

The former Prime Minister, the member for LaSalle—Émard, the member for Halifax West, who was regional minister, and the then minister of finance and now our House leader, did a great job on that for the people of Nova Scotia and Newfoundland and Labrador.

If anybody thinks the offshore is just politics, I would like to read a few headlines. I will not go into details. Marilla Stephenson said in the *Halifax Chronicle-Herald* dated the week of the budget:

Note to Rodney: Stephen played you big time. The Prime Minister has played you like a fiddle. If any theme rang through the Prime Minister's budget delivered on Monday night, it was that the have-nots are to remain, well, have-nots. The Prime Minister stoops to conquer. Jeering from the sidelines were the budget's unlucky trio of obvious losers: Nova Scotia, Newfoundland and Labrador, and Saskatchewan. All are now victims of a calculated insult—

David Rodenhiser in the *Halifax Daily News* said:

Nova Scotians are left asking themselves: Who's standing up for us? Right now, the answer is no one. Certainly not our federal cabinet minister, the member for Central Nova, who's defending Ottawa rather than Nova Scotia on this. And not MacDonald, who's content to pursue process rather than take action. MacDonald repeatedly stated yesterday that provincial finance officials are gathering information and requesting meetings—

Here is a headline entitled: "Atlantic Tories running for cover; Cabinet representatives urged to stand up for region's rights". Another one says it all. The headline in the *Chronicle-Herald* reads:

"Federal Conservatives shaft province, once again". There is not much more to be said about that.

Now the topic has even changed a bit because for a while we heard that the provinces did not really get a bad deal because they had a choice of two deals. That lasted about a week.

In the *Halifax Chronicle-Herald* on Saturday it stated, "It appears that Ottawa and Nova Scotia are now working on an accord deal. Plans said to be a compromise on the scrapped 2005 Atlantic accord agreement".

There is not much question that Nova Scotia and Newfoundland and Labrador were betrayed by their cabinet representatives and by their Conservative members with the dismantling of the Atlantic accord, a deal which provided such hope for the people of Nova Scotia and for the people of Newfoundland and Labrador. Apparently, other provinces feel the same way. Having spent two weeks back home, I can tell the House that this is not an issue likely to fade anytime soon.

ACOA, international development, the Atlantic accord, the failure on child care, and leaving the poorest of the poor vulnerable are not acceptable. Some things were not even mentioned in the budget that have come to pass.

Last Friday, members of the Coast Guard in my own community of Dartmouth—Cole Harbour were called to a meeting and were told there were going to be new Coast Guard vessels. They would be made in Canada. They were also told that their jobs would be moved from Dartmouth, where they have been for years, to St. John's, Newfoundland, which happens to be the riding of the Minister of Fisheries and Oceans and the minister responsible for the Coast Guard. There was no explanation, no business plan, or no idea of where this came from. There was no explanation given to the workers about what was going on. We do not even know if there is a dock in St. John's that could handle them. That is an insult to the people of Dartmouth—Cole Harbour. They are rightly concerned about this issue.

This budget is designed very clearly for the next election, not the next generation. It is political arithmetic, add a few votes here, appeal to a few votes there, pander, troll for votes in bunches where they can be found. If people do not vote Conservative and likely never will, or they contribute too small of a voting block, too bad. There is nothing for them. Aboriginal Canadians, sorry. Low income families, sorry. Atlantic Canada, sorry.

The budget is a cynical concoction of winners and losers. Guess who the real losers are? The real losers are the people who need help the most.

We have benefited as a nation from governments, mainly Liberal but also PC, that have built the social infrastructure of Canada. We are now witnessing a government that is ignoring the needs of the vulnerable and is spending billions of dollars trying to buy the next election. It is not the way good governance is done. It is not the way to inspire a nation. It is wrong and it needs to be fixed.

*Government Orders*

•(1240)

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I listened with interest to the hon. member's comments. I had the opportunity to serve briefly on the finance committee with the hon. member. We had an opportunity to tour communities across the country. We know that while often we get into regional debates with the budget, we have to look at the effects of the budget on the entire country and the benefits to all Canadians that are provided in the budget.

I want to ask the hon. member about two very specific issues, ones that I know are very important to him: first, the 40% increase in post-secondary education, and we spoke at length about Dalhousie University and some of the challenges it was facing; and second, the additional measure that was taken to vaccinate for the human papillomavirus that will prevent cervical cancer in almost 80% of the cases which is in addition to the \$260 million that was invested in the Canadian Cancer Society strategy last year. I would like to hear the member's position on those specific measures.

**Mr. Michael Savage:** Mr. Speaker, I did enjoy working with my colleague in the finance committee. He knows of my passion. I argued for the HP virus vaccine to be put in the budget and he supported that. It was in the budget recommendations and I think it is a positive thing for Canada.

On the increase in post-secondary education, the government in effect has said that we are going to go to some kind of a dedicated transfer in post-secondary education. It is nowhere near enough and it is not in any way targeted. We do not know what the criteria is for that.

That does not do anything for Canadians. It does nothing for students and particularly students most in need. That is who we should be targeting: low income families; aboriginal Canadians; persons with disabilities through things like the Millennium Scholarship Foundation, which I hope will be renewed; and Canada access grants. That is the way we need to go.

The member talked about taking a regional approach. We have to take a look at Canada as a whole. When I talk about Atlantic Canada, I am elected by the people of Dartmouth—Cole Harbour to represent them here and not to represent here to them. They sent me here with a message. They do not want me going back home with speaking points. They want me to go back and talk to them and bring their message here.

They were betrayed by this budget. If it is any consolation to the member, the rest of Canada got a bad deal too, but ours was the worse.

[*Translation*]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I listened with interest to my colleague's speech, and noted particularly the way in which he defends his home region.

Had the Bloc Québécois voted the same way as the Liberals on the budget, we would be in the midst of an election campaign today and Quebec would not have the additional monies promised in the budget. No one wanted an election.

In my opinion, we have a very different view of the budget. I do not know the statistics for the Maritimes, but I do know that there is significant support for the budget in Quebec because it was felt that, in the circumstances, we had to follow through.

I have a more specific question for my colleague. Does he not believe that the next step for the Conservative government should be to provide a practical framework for the federal spending power?

Under Mr. Trudeau, the Liberals formed a very centralizing government. Mr. Chrétien had the same approach. Is it not possible now for the federal government to put some limits on its spending authority so that it stops interfering in areas that do not fall under its jurisdiction and which, in the past, resulted in significant deficits?

Last of all, if the general rule applied to the fiscal imbalance was that there would be transfers of tax points, the provinces—and Quebec in particular—could use the money transferred to put in place their social policies, which may be different from those found in the rest of Canada. It is not unusual for different societies to make different choices.

We could push not only for additional money, as we did this year, but also for structural changes in order to ensure that the fiscal imbalance is resolved once and for all, including the issue of spending power. Is that not the way to go?

•(1245)

[*English*]

**Mr. Michael Savage:** Mr. Speaker, if any members understand the importance of defending and advocating for their region specifically when we come to the House, it would be our colleagues in the Bloc Québécois. They are very concerned about the fiscal imbalance.

Let me tell the House what the fiscal imbalance is that matters in the province of Nova Scotia. It is the imbalance between the rich province and the poor province. It is the imbalance between the rich Canadian and the poor Canadian.

I believe that the national government actually has a role in evening that out. The budget makes it worse, not only because it rips the Atlantic accord out of the hands of Newfoundlanders and Labradorians and Nova Scotians but because the way that money is going to go from the federal government to the provinces in the future is going to further penalize the poorer provinces.

We have always believed that a strong national government has a role to play. Constitutionally, there are differences between the federal government, provincial governments and municipal governments. We have always felt that areas like ACOA and investing in those most in need is a strong and reasonable role for the federal government to play. In the budget we see some of that being dismantled and we are concerned about it in Atlantic Canada.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, last summer I had the honour of going to a number of communities in my riding to celebrate the 100th anniversary of Treaty No. 9. After about the third community I must confess that there was not much to celebrate in the fact that we have signed treaties and ripped them up the minute they were signed.

*Government Orders*

The federal government went into those communities and basically lied to the people and had no intention of living up to signed agreements. Unfortunately, we see that sad history with almost any signed agreement with first nations. So many of them have been ignored and ripped up.

In my community we have a signed agreement between the Government of Canada and the people of Kashechewan to move them off the squalid flood plain they are on and move them onto high ground, yet in the budget there is no money for first nations and nothing for education. We can buy tanks to send anywhere we want in the world, but we are going to leave Canadian citizens on a third world flood plain and there is no money, nothing for them.

I would like to ask the hon. member what he thinks about that, looking at the budget and the amount of money in the federal coffers but nothing being put forward for the most desperate people we have in our country?

**Mr. Michael Savage:** Mr. Speaker, as I indicated in my comments, the biggest gap in the budget is with aboriginal Canadians. We believe that aboriginal Canadians have been the victims of poor development over the years and in many cases the government has not had an inspired look at how aboriginal Canadians can play a role within Confederation.

The Kelowna accord was an agreement that the Government of Canada made. It has been put into the dustbin of history, and that is shameful, in the same way the Atlantic accord for Atlantic Canadians has been shelved.

I agree with the Caledon Institute that the biggest missing piece in this budget is: what are we going to do at a time of great affluence to ensure that aboriginal Canadians take their rightful place in Canada and have the opportunities that the rest of Canadians have? I think it is particularly shameful.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member will know there was a broken promise related to a wait times guarantee and the health minister advised the House that he would not be able to deliver on this until after the next election. Now we find that there are agreements coming out where instead of having funding for all five priority areas, one priority area will do it and the Conservatives are claiming that it is a promise kept. I wonder if the member would care to comment on that.

● (1250)

**Mr. Michael Savage:** Mr. Speaker, my colleague from Mississauga South is entirely correct. This is a perfect example, a further example, of how the government puts politics over public policy and does not try to move the yardsticks on wait times, but tries to move the perception of the yardsticks on wait times. That leaves Canadians with a choice. If they are going to get sick in a region, they had better hope they get sick of the right thing or else they are in an awful lot of trouble and that is not right.

[Translation]

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, I am pleased to speak to Bill C-52 on the budget implementation. From the outset I want to confirm that the Bloc is in favour of it. As I will have the opportunity to point out later, one of the reasons we were in favour of the budget brought down by the government was that it introduces a major step toward

correcting the fiscal imbalance. However, I am tempted to say this is an unfinished symphony. I do not remember who wrote the *Unfinished Symphony*. In any event, it is still unfinished and we therefore do not know the final result. I will come back to that.

Bill C-52 before us confirms that Quebec will receive, through equalization and various tax transfers, some \$3.3 billion more a year, in 2009-10. It also confirms the creation of the ecotrust, which will allow Quebec to implement its plan for reducing greenhouse gas emissions.

By the way, the federal Conservative government would do well to look at what Quebec is doing to reduce greenhouse gas emissions. Quebec's leadership role in this has not gone unnoticed on the international stage. Hon. members will recall that a French political leader recognized Quebec as a true innovator at a conference in Nairobi, Kenya. We also know that at that same conference, while the Conservative government had promised that Quebec would play a more significant role on the world stage, the former environment minister refused to give Quebec's then environment minister, Mr. Béchard, a chance to explain the difference and the avant-garde nature of Quebec. Quebec's environment minister had asked for a mere 45 seconds, but was denied. The federal government said it was speaking with one voice, the voice of Canada. And this government brags about having an open federalism. We saw in Nairobi what this government means by "open federalism". Quebec's environment minister, Claude Béchard, just waited in the wings.

Bill C-52 also confirms the payment of \$110 million for reconstruction in Afghanistan in 2007-08. Last week's sad events prove beyond a shadow of a doubt that this mission must be re-evaluated, its objectives made much clearer, and we must focus our efforts more on reconstruction.

Over the weekend, I heard my colleague, the hon. member for Saint-Jean, the Bloc's defence critic, speaking to the media. He told Radio-Canada, I believe, that he has visited Afghanistan twice, but that the members of the Standing Committee on National Defence were never able to see for themselves any reconstruction work, any schools back up and running, any hospitals fixed up, or any roads or bridges rebuilt. Instead, they were confined to the air base to receive briefings—and not to say "biased briefings"—given by military personnel. I therefore believe that this \$110 million for reconstruction in Afghanistan constitutes a step in the right direction, but the mission in Afghanistan must be seriously reconsidered. In any case, this is what the Bloc Québécois has been calling for from the beginning.

● (1255)

Lastly, Bill C-52 introduces the government's tax fairness plan, which enacts legislation regarding the new tax regime for income trusts, while allowing income splitting between spouses and an increase in the age credit.

*Government Orders*

In the time I have, I would like to focus on one area in particular, and that is the fiscal imbalance. Naturally, the Prime Minister, the Minister of Transport, Infrastructure and Communities, and the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec like to strut through our regions boasting that they have corrected the fiscal imbalance. We believe, however, that the fiscal imbalance has only been partially corrected, as I said at the beginning.

However, they forget to talk about the one party in this House that, for years, even before the election in 2000, has been pointing out the fiscal imbalance and fighting for the correction of the fiscal imbalance. In this House, that party is the Bloc Québécois; in the Quebec National Assembly, it is the Parti Québécois. I would remind the House that it was Premier Landry who established the Séguin commission, who mandated the former Liberal finance minister—himself a federalist—to study the whole fiscal imbalance issue.

I recognize that the Minister of Transport, Infrastructure and Communities comes to our regions to announce good news. Last week, I was with him when he announced that the issue of the Les Escoumins and Trois-Pistoles wharves had been settled. But this is another unfinished symphony. As I stated in my press release after the announcement, the minister should set aside money to compensate the regions affected by the closure of the wharves and the cancellation of the ferry service. The regional economy—both Les Escoumins in my riding and Trois-Pistoles in the regional municipality of Les Basques—has suffered as a result. We would have expected the government to set aside some money for compensation of the regional economies.

The Bloc Québécois believes that the government recognized that there was a fiscal imbalance because of all the hard work that we, the sovereignists, did. The Liberals refused to even accept the term. Hon. members will recall that the former Prime Minister and member for LaSalle—Énard, who was elected in 2004—I cannot name him because he is still a member—refused to use the term “fiscal imbalance”. It was as if it gave him hives or he was afraid he would get pimples on his tongue if he said the words. He recognized that the provinces suffered financial pressures.

With regard to financial pressures, the federal government in Ottawa collects too much tax from Quebeckers for the services they get. That is the fiscal imbalance: Ottawa has the surplus, but the provinces have the needs. We, the sovereignists in the Bloc Québécois, succeeded in having the term recognized and put pressure on the government in the hope of eliminating this fiscal imbalance.

Without being overly parochial and partisan, we recognize that Bill C-52 on the budget provides initial financial results for Quebec. But it is not enough.

• (1300)

We believe it needs to go further. The federal transfers included in the budget are not quite enough for eliminating the needs Quebec is currently facing. That is why we feel that the current Conservative Prime Minister did not entirely keep his promise to eliminate the fiscal imbalance.

Upon reading budget 2007-08, we see that the full correction of the fiscal imbalance promised by the Conservative leader has not been achieved. The Prime Minister is completely disregarding the Séguin report, which achieved consensus in Quebec. There was consensus among the National Assembly, the Liberal Party of Quebec, the Parti Québécois and the Action démocratique du Québec. They all agree that to fully correct the fiscal imbalance would require a transfer of tax points or the GST to Quebec and the provinces. That is what prompts us to say that the budget is still unfinished.

The tax fields must be redistributed so that Quebec can increase its independent revenues and thereby have more room in terms of the choices that Quebec and the elected members of the National Assembly could make to protect themselves from unilateral cuts by the federal government.

I will conclude my presentation by speaking about one more point. The Bloc Québécois deplors the fact that the Conservative government has not made any plans to put an end to federal spending power in Quebec's areas of jurisdiction, as recommended by the Séguin report. It is all well and good to say that monies will be transferred. However, if the vicious circle resumes at the first possible opportunity and the federal government interferes in provincial jurisdictions, we are not making progress. According to the Constitution, the federal government has spending power even in areas of exclusive provincial jurisdiction. This interference must stop. In future, when there are pan-Canadian programs in place and Quebec decides to implement its own programs, it must be able to withdraw unconditionally and with full compensation each time it believes it must do so.

I would like to close by saying that the Conservative government, with its budget, now has the obligation to govern. It has a fair bit of work to do to find a definitive solution to the fiscal imbalance and to deal with the other concerns of Quebeckers.

The Bloc Québécois members will continue to fight to bring the decisions of the National Assembly to this House. On March 26, an election was held in Quebec. The minority government will have to continue working with the decisions developed in the past in the National Assembly. The Bloc Québécois will do its duty and bring the decisions of the National Assembly to this House. Defending the interests of Quebeckers is an intrinsic part of the responsibilities of the Bloc Québécois and all those elected under the banner of our party.

• (1305)

[English]

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I am very happy today to have an opportunity to speak briefly on the budget debate. I want to indicate at the outset that I am planning to share my time with the hard-working member and NDP finance critic from Winnipeg North.

*Government Orders*

Much has been said about what is and is not in the budget. I think there is a pretty broad consensus that it is a budget born out of political cynicism and that it is simply an array of broken promises and spectacular betrayals. One hears many comments about the many aspects of those broken promises and disappointments. I want to run through a couple of them in the time available.

I think every member of the House can appreciate that it takes a pretty major force to bring every member of the Newfoundland and Labrador legislature, Conservatives, Liberals and New Democrats alike, together with every member of the Nova Scotia legislature, Conservatives, New Democrats and Liberals alike, to stand together in opposition to the broken promise and spectacular betrayal with respect to the government's treatment of the Atlantic accord and offshore revenue resources.

I am not going to go into all the ins and outs, but let me say very clearly that it is no secret to anybody that what inspired this budget in general, the many choices made by the government and the betrayal with respect to the treatment of offshore resource revenues is the crassest of political objectives. It is the idea that the Conservative minority government can throw overboard anybody in any community, any constituency and any province where it does not think it can make gains to elevate itself to a majority government in the election that it wants to call at the earliest possible opportunity when it calculates that is achievable.

I do not think that this is going to stand up in history as one of the most inspirational visions for a nation. It will be up to the people of Canada to decide, but I think it is absolutely transparent that this was the driving force behind the budget.

Let us be clear that for starters, going into the budget, the government was sitting on and dealing with a surplus of \$14.1 billion. Yet when we go through the things that are not even touched or addressed in the budget, it is clear that there is a complete disregard and insensitivity. One cannot even give the government members the benefit of the doubt and say that it is just out of total ignorance that they do not know of the depth and breadth of the unmet needs ignored by the budget.

There is no national housing strategy, this after the previous Liberals destroyed the best national housing program in the world over a decade ago. Nothing has been done to replace it.

There is no national transit strategy. Never has it been more important to have a public transit strategy with our Kyoto challenges and the climate change fiasco that is unfolding.

If it were not for Bill C-30 and, frankly, the leadership of my leader, the member for Toronto—Danforth, we would have no strategy, no timetables and targets. It is my leader who provided tremendous leadership in saying that we cannot face the nation or the world without a strategy, without timetables and targets, and without something meaningful to begin address climate change, the devastating impact on our country and our commitment to try to work with the other countries of the world to minimize that impact and start to rebuild alternative energy plans.

There is also nothing to repair what remains with us as outstanding damage to the employment insurance system. Again, those damages were so fantastic in areas of high unemployment that

to this day people are still angry at the smashing of that unemployment insurance system by the Liberals in the mid-1990s. We still have not seen it repaired and there is nothing in the budget to address it.

There is nothing to reduce student debt or the continuing crisis of escalating tuitions.

● (1310)

I could go through the many omissions, but I want to dwell on two in particular.

There is absolutely nothing meaningful in the way of a national anti-poverty strategy. That is despite the fact that what we had in this budget was the opportunity to take a significant portion of this \$14.1 billion surplus and ensure that we begin to reduce the gap between the haves and the have nots, to reduce that growing prosperity gap, which is growing in part because this government saw fit to continue on through and implement further corporate tax cuts contained in the past budget. It is an absolute tragedy when we look at the impact on the lives of individuals and families and literally whole regions.

Finally, I want to speak briefly about the complete failure to deal with our disgraceful record with respect to meeting our international obligations for official development assistance. I know that Conservative members are fond of jumping up and down and saying that the budget honours the commitment made by the Liberals to increase by 8% our ODA budget. Our level of ODA is such a humiliation and such a disgrace in the world today that anything short of beginning to make a major leap forward to make up for the foot dragging and the lagging by the Liberals over a 10 year period is simply inadequate.

As a matter of fact, with this budget, to the best of anyone's ability to calculate, we will be at the lowest level of international development assistance since the beginning of really tracking the OECD countries' development assistance levels. Just very briefly historically, that of course was actually making some progress under the Mulroney government and had reached 0.52%. A former finance minister's budgets dragged it down to less than half of that.

As a result of this budget kicking in, we are now going to rank 14th of the OECD countries, moving lower to 15th, and falling so short of those obligations that we do not even begin to contribute to meeting the millennium development goals. Today was a day of teachers in this country coming together to plead for the government to deliver on 0.7% or we will not even begin to make progress toward ensuring universal education for the children of the world.

This budget is a spectacular betrayal. It is a humiliation. One hopes that the government understands that the people of Canada are not prepared to reward the Conservatives with votes of applause until they mend their ways and get on a more progressive track.

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I listened to the member with interest. I am surprised by her tone in addressing the budget. I think the budget accomplishes an awful lot of very good things that I believe the NDP actually supports.

*Government Orders*

I want to speak specifically of education and see if I can get a response on education. The budget delivers \$35 million over two years for new graduate scholarships; a \$500 million annual investment, beginning in 2008-09, toward labour market training; an \$800 million increase, or a 40% increase, for post-secondary education; \$50.5 million over two years for the temporary foreign worker program; and \$34 million over two years to ensure foreign students and skilled temporary workers already in Canada can meet health and security requirements to stay in the country. What about these specific education measures could the NDP possibly stand against?

That is not to mention the significant improvements in health care, the significant increase in health care funding, and the significant investment in the health care Infoway. I want to hear the member's response on education, but I could go on for quite a while.

**Ms. Alexa McDonough:** Mr. Speaker, with a surplus of \$14.1 billion, the government cannot spend the amount of money it is spending in dribbling a little here and a little there and end up saying that this is huge progress.

One of the problems is that we have never returned to the base funding. Huge cuts were introduced in 1995 and subsequently did enormous damage to our post-secondary education infrastructure. They did enormous damage to our health infrastructure. They did untold damage to the level of commitment to overseas development assistance. The result is that we need nothing less than major infusions into rebuilding the base and ensuring that we are not just introducing a little bit here and a little bit there and a little bit somewhere else, which effectively atomizes our capacity as a nation to really deliver on these national, universal and exceedingly important programs.

Nobody is fooled. The government can go through it and say there is some for this and some for that and some for something else, but one thing is absolutely clear. Until the funding gutted out of these important programs by the previous Liberal government is restored to the base so that year after year it is built in, then we are still going to see the erosion of the quality and the accessibility of our health, education and other social welfare programs.

• (1315)

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I have a quick question for the member. The one item in the budget for disabled people is a registered savings plan for disabled people. Would the member comment on that?

**Ms. Alexa McDonough:** Mr. Speaker, I am pleased to address the hon. member's question on what I think about the registered savings disabled persons plan.

I can only tell him what many disabled persons have told me. They are individuals who are living with disabilities and struggling with inadequate incomes. They cannot even pay adequately for nutritional food, let alone additional costs associated with their disability, whether it is added transportation costs or added costs for technical aids or whatever.

The reaction I have heard overwhelmingly from individuals as well as advocacy groups for the disabled is that a disabled persons savings plan misses the fundamental point, which is that disabled people do not have enough money at the end of the day or the end of

the week, let alone at the end of the year, to invest in a savings plan. It misses the point that today 60% of our persons who are living on the streets and homeless are disabled persons and that disabled persons make up 40% of the users of our food banks.

I think such a plan utterly misses the mark. I think it misdiagnoses what it is that persons living with disabilities most need. Like everything else, there is a little of this and a little of that, but it does not add up to anything significant or meaningful that would actually alter the lives of working people or persons who are not able to be in the workforce precisely because the nature of their disabilities and the lack of support services do not enable them to be self-supporting.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, the member for Peterborough provokes some discussion in the House around Bill C-52, the budget implementation act. He suggests that this budget is filled with so much goodness and so many progressive ideas that we should be falling all over ourselves to support it.

Tories do that. Conservatives, just like Liberals, have done this for years. They give us a scattergun approach. They do a little here, as my colleague from Halifax just said, and a little there but they do not address the systemic issues facing this country, and then expect all kinds of support to miraculously appear.

The member for Peterborough should know better because he sat through all the committee hearings. The finance committee heard from hundreds of groups from across the country. People recommended a substantive, meaningful approach to education once and for all. They did not recommend another series of band-aids on band-aids. They did not recommend a hodgepodge of little tax cuts here and there.

Every major institution that appeared before the committee, every student organization, every professor organization, every administrative organization pertaining to education, whether it had to do with college or university, recommended that the government, once and for all, increase transfer payments to at least the point they were before the Liberals cut the heck out of education. They wanted to see transfer payments increased and an overhaul of the student aid program which is now a mess because of neglect over the last 13 years. They wanted to see a separate education transfer.

I cannot think of anyone at our hearings who disagreed with that. I do not think anybody said that we should not make education a priority and not have separate transfer funds for education. Everybody, from businesses to labour organizations, to social justice coalitions, to ordinary citizens groups, to individual citizens believe that the future of this nation rests on how we ensure that everyone, regardless of background, has access to quality education.

*Government Orders*

Members sitting on the Conservative and Liberal benches should remember that we do not have a universal education system today. We have a selective system that allows the well-to-do to access post-secondary education and those who come from families who have been able to invest in things like registered education savings plans, but it does not open doors or provide anything for those who struggle day to day to make ends meet and who have as much right to universal education as their rich next door neighbours.

The system is getting more elitist with every day that passes. If it were not for the efforts of some provincial governments, like the Manitoba NDP government that has frozen tuitions, there would be exclusive education with very few opportunities for ordinary rank and file Canadians to better themselves and look for future opportunities through our post-secondary education system.

On the most important issue facing the future of this country, this budget fails and fails miserably.

Much must be said about this bill but the most fundamental thing that has been mentioned by my colleague from Halifax and others is that it is our job as parliamentarians to ensure that we work to equalize conditions in this country. That is the role of government and of Parliament. Our job is to close the gap between the rich and the poor. Our job is to ensure that so much wealth is not concentrated in so few hands; that we see opportunities and conditions equally available and distributed in this country.

I will go back to education for a moment. Education is one of the last remaining institutions to equalize conditions in this country. Over the years, through consecutive Liberal and Conservative governments, we have seen national programs that help equalize conditions disappear, cut back, torn apart, deregulated, out-sourced, privatized and so on.

• (1320)

Education is one of the things that we hold on to. Health care is in deep trouble as privatization is allowed to take hold. There is no meaningful national family allowance care program because we have never come to grips with what that really means in terms of families. There is no national child care program. There is no set of programs across the country that help to equalize conditions.

Although education is vital to our future, the Conservatives missed a golden opportunity in the budget. They blew it. They did not get the point that Canadians raised with us time and time again and that is if we invest at all we must invest in education.

The budget does not close the prosperity gap. It does not ensure that education remains as a national institution to help equalize conditions. It does not help those who are working hard to improve themselves and their families and are looking for some assistance from government so they can help themselves, like literacy.

Today the teacher's federations from across the country are all over this precinct lobbying members of Parliament for a number of very important objectives that we thought had been accomplished long ago but we are starting all over again, one, of course, being the achievement of 0.7% in international aid; the other being the restoration of literacy programs, the court challenges programs and programs that help women and women's equality. Those are the very

issues that help people to help themselves but which the Conservatives decided to throw out the window.

After hearing from so many representatives and receiving so much testimony, the finance committee agreed that the government should restore the funds that it cut from literacy, court challenges, women's equality programs, museums, the volunteer initiative, and the list goes on. All of those programs are important for individuals and communities to help themselves through difficult times. This is not a hand out but a hand up. This is not social assistance but the tools by which they can fend for themselves and feed their families. When it comes down to it, that is the one outstanding and fundamental truth when it comes to elected representation in this country and our role as members of Parliament.

The budget has denied Canadians the opportunity to help themselves. Today we stand and implore the Conservative government to not do what we have seen happen over the last 13 years, which is that the very things that create unity in this country, that connect us, the ties that bind, are not destroyed and dismantled in the face of this compelling determination to create the survival of the fittest philosophy, survival of the laws of the jungle and a free for all in our society today.

The government must recognize that the founding principle of this country is to help one another, to cooperate and to build a strong society. That is fundamental to who we are as Canadians and that is being torn apart and being allowed to be destroyed through this kind of a budget. We cannot let that happen. It has been going on for too long.

I could go on at length about the last 13 years but I made a promise to focus on the present, a promise that I intend to keep because Canadians know that the Liberals let them down over the years but now we are on to a new scenario and we must try to do the best we can to convince the government to repair the damage that was done by the Liberals and build for a better day in the future.

I implore members on the Conservative benches who are listening here today and who, I think, are ready to ask questions, to do what they can to put back at least the funds that were chopped out of fundamental issues starting with literacy, child care, equality programs, with basic—

• (1325)

**The Deputy Speaker:** Order, please. It is now time for those very questions.

The hon. member for Peterborough.

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I would like to thank the hon. member for the honourable mention at the beginning of her speech. I appreciate it and there is no such thing as bad publicity.

I will begin by acknowledging that it is very important to increase funding for education. The 40% increase for post-secondary education that is in the budget is what we disagree on. I think a 40% increase is substantial but I suppose the member thinks that a greater increase would have been better.

*Government Orders*

However, I would like to ask a very pointed question with respect to infrastructure. We know that Canada faces productivity concerns and I would like to bring up some specific infrastructure measures in the budget; \$17.6 billion in gas tax transfers and base funding for municipalities; \$8.8 billion to the building Canada fund to support investments such as core national highway systems; and \$2.1 billion for the gateway and border crossings, including funding for the Windsor-Detroit corridor. I know the NDP has members who represent that very area.

There is also a \$1 billion increase in funding for the Asia-Pacific Gateway over what had already been pledged. I know there are NDP members from British Columbia. These are very specific infrastructure investments that the Government of Canada has made to help us improve productivity and put Canada on a good footing. I would love to know why the NDP does not support them.

• (1330)

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, members of the New Democratic Party have not failed in acknowledging where there are significant steps in this budget. We have acknowledged that there is some movement with respect to infrastructure.

We have acknowledged that there is a tax investment savings plan for people with disabilities. We have acknowledged that there is finally, after much pressure from New Democrats and others, money for hazardous training for firefighters in this country. We have acknowledged that the government has agreed to change the transit pass tax credit to ensure that people who buy their transit passes on a weekly basis get the same credit as if they bought them on a monthly basis. There are little things in this budget we agree with.

We appreciate that the government chose to listen to some of our suggestions but we must judge the budget in terms of what money was available and what size the problem was. There is no better example than when it comes to infrastructure where we have a \$60 billion deficit that is growing every day that we neglect it. The question then is whether the government has actually put enough into this area on a planned basis so that municipalities can appropriately address this very serious issue. I say no in the context of two budgets that produced a \$22 billion—

**The Deputy Speaker:** Order, please. There are a lot of other people rising.

The member for Mississauga South.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member is quite right. There are a lot of little things in the budget but there is a very substantial thing in the budget and that is under the fairness provisions the imposition of a 31.5% tax on income trusts. This is probably the greatest fraud ever perpetrated in the history of Canadian political life. It is a promise broken. During the last election, the Conservative Party said that it would never tax income trusts and then it turned around and did it.

What is worse is that the NDP, and that member specifically on the finance committee, supported the broken promise.

When we look at what has happened lately, it is very clear that the expert testimony at the finance committee indicated that the so-called tax leakage was a fraud. The witnesses explained that the finance minister had failed to take into account legislative tax

changes in calculating the tax leakage and had also failed to account for the revenues associated with taxes paid by RRSPs, as examples.

In summary, the bottom line is that the tax leakage was a fraud but the NDP continued to support it. The member should explain why the NDP is against seniors.

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, there go the Liberals again on their hobby horses. As my colleague from Timmins just asked, is the ego of the member for Wascana so tattered and embattled that his colleagues must rush to his defence and try to explain a sorry chapter in the history of the Liberal Party?

This is a perfect example. When it comes to Liberals, they would much rather stand up and defend the interests of big business and big banks than ordinary senior citizens who have not fared well by the government under either the income trust program or any others.

In fact, seniors know that if the Liberals had dealt with this issue when they ought to have, we would not be in the mess today and people would have some certainty in the marketplace and also would not have had to face the problem of \$500 million or more in lost tax revenue because of the trends we were facing and the inaction of the Liberal government.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, the best summary of the budget, and the one we hear most often from people, is how so little could have been done with so much money. The Liberal Party left the government with the best fiscal situation in Canadian history and the Conservative finance minister has spent the largest amount of money ever, much to the shock of Canadians across the country. The Conservatives cut government programs and expenditures supposedly to be more efficient and now Canadians have learned that the Conservatives have made the greatest expenditures in Canadian history. Many Canadians will not benefit, or will benefit very little, from any of those huge expenditures.

One of the previous speakers today told us about a survey on the finance minister's website asking Canadians if they benefited from the budget. Ninety-three per cent of Canadians apparently said that they had not benefited. Where did all that money go? Why is it not going to those Canadians who really need the help, and who I am sure are part of the 93% who do not feel they have been helped.

It is unprecedented that premiers are screaming that promises have been broken in a budget. When in Canadian history have we ever seen a premier take out a full page ad against a federal finance minister for breaking a promise? Another premier is suggesting he might sue the federal government. The budget is a litany of broken promises. There are a lot of expenditures in it, but not in the way most Canadians think they should be made.

*Government Orders*

I always try to be balanced in my speeches in the House, so I will try to go over some of the positive things in the budget. I will talk specifically to those things that relate to my area in the north.

We have formula financing in the north. We commissioned a study to look at formula financing and to make recommendations for the future about whether we should go back to a formula or remain on a fixed amount. Fortunately, the government followed the recommendations in the O'Brien report. The result can be found on page 119 of the budget which shows \$3 million more this year than the guaranteed minimum allocation that would have been received under the Liberal government. The amount went from \$537 million to \$540 million. If we compare that \$3 million to the \$30 million the Liberals put in for economic development, or the \$40 million for the northern strategy, it is not a large amount of money, but any increase for the territories is good from my perspective.

In the last election campaign when I was asked what my priorities were, I said that my main priority was to try and keep the status quo. The Liberal government did much for the north. We put in many programs. We provided assistance. As an opposition member, I was hoping to keep as much of that as possible. When the Conservatives were in opposition, they did not applaud those things. I am happy that some of those positive things for the north, and for many parts of Canada for that matter, have been kept in this budget.

Infrastructure is one example. More than \$15 million was put into the municipal rural infrastructure fund in my riding and \$40 million was provided for the strategic infrastructure fund. For the Canada Games centre \$20 million was provided. This was one of the prerequisites for having such a successful Canada Games in the Yukon. The Conservatives have finally agreed that the Liberal infrastructure idea is a good one and have carried on with \$25 million in this budget. We are very happy about that.

The Conservatives were skeptical that giving municipalities a gas tax rebate was a good idea. We fought for a long time for the government to keep it as we said we would, and the Conservatives finally agreed in this budget to provide the rebate from 2009 to 2013.

The finance minister did muse that there might be some changes in the conditions. I would like to hear very quickly from the finance minister what those changes are going to be. I am sure municipalities across Canada would like to hear what those changes are going to be. What changes are going to be made to the gas tax? What changes are going to be made to infrastructure funding requirements and conditions?

Those programs were successful and were applauded by municipalities across the country. I certainly hope the money will continue to go to municipalities.

• (1335)

We met with the Nunavut Teachers' Association this morning. There is a big infrastructure need in Nunavut. We hope that recreational facilities will be eligible under the conditions for the continuation of these good programs.

I applaud the setting up of a Canadian mental health commission to produce a mental health strategy. We will be watching very closely to make sure the Conservatives actually do it and that it is not another one of their broken promises.

As was mentioned earlier, there have been a number of broken promises by the government. The one on income trusts is a perfect example. It is inconceivable that the Prime Minister could promise absolutely that the government would never tax income trusts and then totally break that promise. A single mother in my riding told me that based on that promise she transferred her registered education savings into an income trust. Because of that broken promise, she lost a substantial amount of money for her child's education.

I am also supportive of the anti-drug strategy in the budget. We will be watching carefully for the results of that. It is very important for my riding. Sandra Henderson of the Yukon Teachers' Association was here this morning. I was talking to her. She was talking about mothers who use drugs during pregnancy. Doctors are saying it is resulting in children who are angry and who are very disruptive in the classroom. This is obviously unsustainable. We will be watching for a lot of progress on the anti-drug strategy and emphasis on prevention. We want to reduce the number of children with FAS and children who are affected by the use of drugs by the mother during pregnancy and other substance abuse problems.

It is beneficial for my riding that the mineral exploration tax credit of 15% is increased, but only until March 31, 2008. There was a little bit for business. Less paperwork is great. It follows up on the Liberals' initiatives in that area to reduce the paperwork burden for businesses. Although it will not help my riding a lot, the capital cost allowance accelerated write-off for manufacturing is going from seven years down to two. This is positive. A small item for seniors, the RRSP change from 69 to 71 years is good.

The national water strategy in theory is a good idea, but the devil is in the details. What are the details? What will actually help? I will be watching very closely to see if it is treading on the responsibilities of municipalities and provincial governments in dealing with water quality. When the Liberals were in government, we did an audit of all the first nation communities in Canada. We set up a plan for all of them. There are still a number of communities that have serious water problems. The recommendations have not been fully implemented. We will be looking to the government to move as quickly as possible on that, considering that it is now putting an emphasis on a national water strategy.

*Government Orders*

There are a number of things in the budget of which I am very supportive in the sense that they are there, but how they got there is sad. Previously they were all successful Liberal programs, but the Conservative government cut them or gave no indication the programs would continue. Finally, after lobbying in budget speeches and in committees, we have finally convinced the government, and the people of Canada and the NGOs have finally convinced the government that these are necessary and effective programs that should be carried on. Finally, the programs were reinstated but sadly with a smaller amount of money than they had in the first place and sometimes with a fewer eligible recipients.

A perfect example is the GST rebate. There was an uproar in the tourism industry across Canada. In fact, the cuts affecting the tourism industry have probably hurt my riding more than any other because the Yukon is the one area of Canada with the largest number of employees in tourism in the private sector. It was shocking that the government would take money from the Canadian Tourism Commission which it could have used for marketing and that the government would take away the GST rebate to tourists.

● (1340)

As a result, the tourism industry, as is the case for any group or organization that has limited resources, had to spend this spring fighting along with us to get that reinstated. It is fortunate that at least part of it, but not the full amount, was reinstated in the budget. The part of the program that was being put in place was the ability for conventions and groups coming to Canada to get the GST rebate. There has been some damage done, but hopefully that will be diminished and will not extend into the future. The GST rebate was not restored for individuals travelling to Canada. It is still a burden and a negative mark on our tourism industry.

A whole speech could be given on funding for museums. It is astonishing that such an underfunded part of Canada's heritage, the small museums, went through such tribulations. It is ironic that the money for large museums was increased under the national museums program, but all the small museums, which are so important to tourism across the country, are still underfunded.

There was the horrendous situation a few weeks ago of the attendance of the heritage minister at the museums conference. The conference showed the lack of faith there was in that particular funding area.

Another area I am delighted to see in the budget, but it is sad how it came about, is the aboriginal justice strategy. They are workers in the justice system. The strategy is very important and is one of the few components that is actually working. It is reducing crime. It should be a part of the justice system. That strategy was about to expire. There was no information being given. People were being laid off and projects were closing. In just a few weeks before the strategy was to expire, the government wisely decided to keep the program.

I did not hear the government telling all the police officers in Canada that their funding was expiring and they would have to look for other jobs and start closing up shop, and two or three weeks before the funding expired it was put back. The aboriginal justice strategy is a fundamental part of the justice system. It is very important. It is a tragedy that those people had to go through all that

turmoil, and still only receive funding for another two years, I think it is.

The aboriginal justice strategy should be considered in the same light as police officers, prosecutors, defence lawyers, judges and probation officers. It should be a permanent part of the justice system. Canadians are looking to the government to continue the goodwill of extending it by two years by making it permanent funding so that this trauma to our justice system does not happen again. The Conservative Party talks so much about justice. Canadians expect that the Conservative Party would at least be very positive and productive in an area that has been so effective in the justice system.

I am pleased that the meal allowance for truckers was increased to 80% from 50%. This is something for which I had lobbied.

We are also pleased that the ecotrust program was put in place. Once again, this is a perfect example of something the Liberals had put in place, the partnership of the federal government with the provinces and territories to reduce greenhouse gases and emissions. The Liberal government had a \$3 billion program. I compliment the Conservative government for restoring the program. However, it was only restored at \$1.5 billion which is half the previous amount.

Someone in the Prime Minister's Office suggested when the program was announced that it would be done on a per capita basis. I wrote to the minister of the environment at the time and said that per capita is not sufficient in the north and that we need more than that. The northern premiers made the same case. Fortunately we did get an increase. We are now getting more per capita and we are using that to increase the electrical generation.

The Conservative cuts to literacy programs caused a big outrage across the country. I do not think the Conservatives expected the uproar from all the opposition parties and from the people that work in the literacy field. How could any responsible modern day government in the world cut literacy programs.

Fortunately, some of that money has been reinstated. Some good literacy projects have been approved in my riding and in other areas. Unfortunately, some of those projects have a time limit of one or two years. We will be looking for permanent funding for literacy. Literacy is a basic foundation for a modern society and those programs are necessary for the most vulnerable people in a modern society. Literacy is far more important now than it ever has been. As society becomes more technical, how can the poorest of the poor ever survive without a good grasp of literacy and numeracy.

*Government Orders*

●(1345)

The homelessness program is another on the huge list of programs that the Liberal government put in place that was very effective and helped out. These programs were cut or cancelled or the suggestion was made they would not be re-funded and, fortunately, with a lot of pressure were put back in place. Thank goodness the homelessness program that was referred to as SCPI under the Liberal government was reinstated and re-funded. I am not sure about the rest of the country, but in my particular area that is one of the most successful programs the government has ever put in place. It is very important.

Another area that I guess one could give a very small compliment for is child care. As we know, the Liberal government negotiated a \$5 billion agreement with the provinces across the country. It was unprecedented that this kind of agreement could be reached for something that is very important, especially for single mothers and people who really need support in child care.

The Conservative government, as we know, promised \$250 million, which is a lot less than \$5 billion, to industry to create day care spaces. It found over the last year that it could not create one single space and it did not work, so it has transferred that to the provinces and territories, thank goodness. Any citizen watching can see that \$250 million compared to \$5 billion is a small amount. Yukon will certainly be looking forward to getting its portion, but it had already received \$1.3 billion from the Liberal government. This is a small amount and Yukon certainly will not reject it, but it should certainly be a lot more.

Another area is education. It has been talked about a lot in the debate so far. I want to talk about one aspect of education and that is undergraduate students. I congratulate the government for providing scholarships for graduate students, but all the undergraduate students listening should remember that had the Liberals been elected, they would have been receiving \$3,000, up to a half year's tuition for their first year of education, and in their last year of education, up to \$3,000. That is \$6,000.

What did they get under the Conservative government in last year's budget: a textbook. I checked with a bookstore and the amount the government gave on the textbook rebate would not even buy some of the textbooks in the store. That is a good indication of the scope of things in this budget and what is there for people.

Another good thing that the Conservatives finally put back was the Liberal program to take the working poor off social assistance. I commend them for that, but it is a far less amount of money than the amount the Liberals put in.

Finally, I want to talk about the north. The last government put tremendous emphasis on the north and I have to commend it for that, specifically the \$40 million for the northern strategy and the direction that all departments in the north have a special place in Confederation. They are very important to Confederation and were given that emphasis. The only promises the Conservative government made to the north were for icebreakers and a northern port. What happened to those two promises? They vanished. They are not in the budget anywhere.

Probably the biggest disappointment that has been mentioned by many people is the lack of funding for aboriginal people. I do not

think I have enough time left to go through the whole list but there was roughly \$440 million. That is a tiny amount compared to the \$9 billion or \$10 billion which was the normal budget for Indian Affairs. The Liberals were not going to add \$440 million but \$5 billion in Kelowna, plus \$2 billion for residential schools.

Where is the money for the increase in inflation and for the increase in the population of aboriginal people? The Conservatives cancelled the aboriginal procurement program and aboriginal languages program. Those programs lost all sorts of money. Other programs that aboriginal people used, like the non-smoking strategy, were all cancelled. I do not have to add what everyone else has said about it being such a disgrace.

There was the ANCAP program for aboriginal people to reduce emissions. There is a community in Kluane that wanted to use that program. It is gone.

●(1350)

In summary, there are a few good things in the budget, but as I said at the beginning, most people are asking how could spending so much money get so little results for the people of Canada?

When Canadians are filling out their income tax returns right now at home, they are looking at last year's schedule 1 where it shows they were getting charged 15% income tax on the first amount of money and this year's schedule 1 it shows 15.25%. They are wondering how could all this money be spent, the largest expenditure in history, and they get an increase in income tax, especially the most vulnerable people in society. Why should they have that increase in their income tax rate?

●(1355)

**Mr. Dennis Bevington (Western Arctic, NDP):** Mr. Speaker, I want to congratulate my colleague across on his speech and his focus on the north.

In the budget, fairness was addressed in a number of ways, but I do not think fairness was addressed in terms of the northern residents tax deduction. It was mentioned in this budget but for 18 years, under the Liberals, there were no cost of living increases to the northern residents tax deduction and that has left it in a position where the benefit is not worth nearly what it was in the beginning.

The Conservatives recognized that they needed to raise the lifetime capital gains exemption from \$500,000 to \$750,000 because it had not been done for 20 years. The same thing applies to the tax benefits that should be there for northerners. They did not do anything about it and the Liberals did not do anything about it for 18 years.

I have a question for my hon. colleague. How does he feel about being in a government that ignored this very important part of the northern benefits structure for so many years and how can he ensure that we get this back on the agenda to make sure that northerners are treated fairly in the tax system for a change?

*Statements by Members***JUNE CALLWOOD**

**Hon. Larry Bagnell:** Mr. Speaker, I would just reiterate what I said in regard to the budget, that the previous government put unprecedented emphasis on the north, with the northern strategy and with having every department look at the north. There was \$40 billion for that. There was \$30 billion for northern economic development.

The fact is that the Conservatives decreased income taxes not just on the northern living allowance, which fortunately is still in place, but they decreased income taxes for all Canadians, and it has much more of an effect than what the member is talking about.

However, I am glad he raised the point about the added costs in the north, the cost of doing business, the cost of living, and especially the cost for the most vulnerable people in small, isolated communities with small tax bases. They live so far apart they need that assistance. That is why we had to argue in a number of cases, and I am glad the government agreed, that we need more than just per capita funding in a number of these programs. We need base funding to cover the remote harsh climate and then per capita funding on top of that.

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## STATEMENTS BY MEMBERS

[*English*]

### CARLETON COUNTY SPRING SHOW

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Mr. Speaker, last week I had the opportunity to attend the Carleton County Spring Show and Sale.

This event, held annually in the Florenceville-Bristol area, brings together people from the county who have raised their calves specifically for this show and auction.

Congratulations to 4-H'r Bethany Boyd from Johnville, the overall grand champion, grand champion Maine-Anjou, and 4-H grand champion.

The Charity Steer donated by the exhibitors raised \$6,250 for the Woodstock Cancer Support Group, a very special cause. This group goes above and beyond to provide services that reach out to cancer victims in the Saint John River Valley.

I also want to mention the significant presence of the 4-H in this event. The kids from 4-H made up almost half the entries in the show and a significant number of these young people were grand or reserve champions, not to mention young Stephanie Budd whose animal will be providing the beef on our table for the next while.

I look forward to seeing the 4-H people this week when they arrive on the Hill.

Congratulations to all the organizers and volunteers who make this event happen, and to all the people who took out their wallets to support the exhibitors.

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** Mr. Speaker, early Saturday morning past, an angel who walked Toronto's streets departed.

The late June Callwood was a prolific and awarded writer, however, it will not be in the reading salons that the greatest amount of tears shall be shed. June applied most of her boundless energies to repairing the aches of her communities.

An aching void will be felt in places like Nellie's House, where abused women and children found shelter; Jessie's Centre for Teenagers; and Casey House Hospice for people infected with HIV-AIDS.

In the 1980s, in Toronto's rough Queen and Bathurst neighbourhood, I first encountered June's inexhaustible energies and good works, and in recent years I have been honoured to have been able to call June a friend.

June has departed leaving behind thousands of friends and admirers, however, we know that as she passes through heaven's gate there will be thousands there to greet her, the thousands whose dying days were made bearable by her goodness at Casey House Hospice.

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● (1400)

[*Translation*]

### NATIONAL WILDLIFE WEEK

**Mr. Marcel Lussier (Brossard—La Prairie, BQ):** Mr. Speaker, National Wildlife Week, which was celebrated from April 8 to 14, raised our awareness about the major climate changes in the north. But we can all help to conserve northern wildlife species. These amazing species and unique ecosystems, which have been around for thousands of years, are now facing the impact of rapid climate change, increasing toxins and growing natural resources development.

We must all realize that our awareness is critical to the conservation of biodiversity and habitats, sustainable development, climate change, invasive species and the recovery of species at risk.

I urge my colleagues to learn about and actively contribute to wildlife conservation in their day-to-day lives.

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[*English*]

### OPERATION NUNALIVUT 07

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, I rise in the House today to congratulate the men and women of the Canadian Forces and of RCMP Division V who over the past two and a half weeks successfully completed Operation Nunavut 07.

During this exercise, these brave women and men conducted patrols in one of the most inhospitable and challenging environments our planet has to offer.

*Statements by Members*

In this ambitious exercise, three separate patrols left Resolute Bay, two destined for Canadian Forces Station Alert and one destined for the Alexandra Fiord.

Patrol 1's trek across western Ellesmere Island to CFS Alert was the first patrol to complete this route in its entirety in recorded history.

These operations are crucial to maintaining the sovereignty over our precious northern territory. It is about time that Canada had a government that takes the north seriously.

Canada's new government considers the sovereignty of the north a very serious matter.

I stand in the House today proud that we have a Prime Minister and a Minister of National Defence who are willing to commit the necessary resources to keep our true north strong and free.

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**HOLOCAUST MEMORIAL DAY**

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I rise in the House to pay tribute to the innocent victims of the Holocaust, the courageous survivors, the allied troops who freed the camps, and the righteous gentiles who risked and sheltered, saving lives.

But even more importantly, I rise in the House to remind my colleagues that anti-Semitism is still with us, that history will repeat itself unless we learn from it, and to remind our government that vigilance should translate into concrete action.

Canada still does not have a comprehensive strategy to combat anti-Semitism and Holocaust denial. At-risk communities still shoulder the burden of extra security, alone.

Remember and act, Mr. Speaker. We must all remember and act.

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[*Translation*]

**MARIE-PIER BEAUDET**

**Mr. Steven Blaney (Lévis—Bellechasse, CPC):** Mr. Speaker, I would like to share how proud I am of a 20-year-old woman from Lévis who recently captured her third Canadian archery title, breaking a 23-year-old record in the process.

I am inspired by Marie-Pier Beaudet from Lévis, who also won six gold medals at the Copa Merengue in Santo Domingo, Dominican Republic, a few weeks ago.

Not resting on her laurels, Lévis' star athlete is now in Phoenix for the Arizona Cup International, where she is ranked fifth out of 62.

Achieving that kind of distinction requires a great deal of effort, patience and talent. We would therefore like to highlight Marie-Pier's exceptional achievements, which have earned her a place among archery's best and have made her a role model for all citizens of Lévis-Bellechasse.

Marie-Pier, Lévis' Canadian champion archer, my colleagues and I congratulate her and wish her every success in her future endeavours.

**JACKIE ROBINSON**

**Mr. Luc Malo (Verchères—Les Patriotes, BQ):** Mr. Speaker, sixty years ago yesterday, Jackie Robinson broke a major racial barrier when he suited up for the first time in the Brooklyn Dodgers uniform, putting an end to several decades of segregation in major league baseball. Robinson had previously achieved a significant milestone in 1946, when he joined the Montreal Royals and led his team to victory in the Little World Series. He has left Quebec's baseball fans, who quickly took to him, with an undying memory.

Robinson was named rookie of the year in 1947 and best player in 1949. His career included six all-star games and he was the first black player inducted into the Cooperstown Hall of Fame. Besides being a prominent sports figure, Jackie Robinson remains a symbol of courage and dignity for all those who have fought and continue to fight against racism and discrimination.

Today, the Bloc Québécois wants to pay tribute to this athlete who changed the face of professional sports.

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● (1405)

**DANIEL POIRIER**

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, today I would like to draw attention to the departure of journalist Daniel Poirier from Radio-Canada's Atlantic Canada news network.

Daniel gave Acadians and Atlantic Canadians a window on the world and understood what they cared about. In his 32-year career as a journalist, Daniel did an exceptional job of showcasing our people. He was their confidant, their ally, and he listened to them.

Thanks to his outstanding work, he helped communicate the concerns of Atlantic Canadians—from francophone rights to the fishing industry, to name but a few—to everyone in this country.

I would like to express my boundless gratitude to Daniel for everything he has done for Acadians, and I wish him every success in his future endeavours. We will always love him, moustache or no moustache.

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**BLOC QUÉBÉCOIS**

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Mr. Speaker, last week, PQ supporters from Chutes-de-la-Chaudière, including an assistant to former Bloc member Yvan Loubier, decided to begin taking steps to get to the bottom of things, as called for by their leaders.

Given that Quebecers will soon be able to speak out democratically, their very clear message should serve as an inspiration to many members in this House.

In their words, “The presence of sovereignist members in Ottawa should ensure that the rules of the game are respected in the event of a referendum.” However, the Bloc prefers to ignore the evidence suggesting that people are fed up with the repeated referendums.

Regarding the Bloc's presence in Ottawa, they added that "this situation is no longer tenable" and that it is time for the Bloc members "to return to Quebec to take care of what is essential" and to not waste its time on federal debates, especially since the Bloc Québécois cannot bring about any solutions that would serve the interests of Quebec, unlike our Conservative government.

For the past 15 months, the Bloc Québécois has been trying to clarify the mystery of Quebec. Well, I would suggest that Bloc members first listen to their rank and file and make the obvious decision.

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#### WILLIAM HENRY DRUMMOND

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, 2007 marks the 100th anniversary of the death of Dr. William Henry Drummond in Cobalt, Ontario. Dr. Drummond was Canada's first national poet, and his unique style blended English and French in a symbolic and meaningful way.

Dr. Drummond was a remarkable person. In addition to crafting his celebrated writings, he practised medicine and operated a silver mine in Cobalt. He was also an avid sportsman and enjoyed the outdoors.

[English]

William Henry Drummond thoroughly enjoyed living in northern Ontario and his surroundings served as inspiration for his many poems.

In the words of David Clayson Brydges, "Yet this poetry represented the Canadian saga of unsung common salt of the earth folk".

On April 5, I had the privilege of attending a special commemorative ceremony held in Drummond's honour at the Cobalt Library. His memory was celebrated by young and old and his poems were read in both official languages.

As the member of Parliament for Nipissing—Timiskaming, I am pleased to draw attention to one of the most significant Canadian cultural legacies that Cobalt can call its own.

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#### LIBERALS OF CENTRAL NOVA

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Speaker, I rise today to point out the difference between leadership and opportunism. I speak in favour of democracy and in respect of partisan choice.

Today I rise to defend a group of Canadians ignored and abandoned by their own party, the Liberals of Central Nova. Their own leader has told them that they do not matter and Nova Scotia Liberal MPs have not been able to find enough backbone to speak for them. They want them to vote green.

What an embarrassment for this once proud party. What is next?

In the last federal election in Central Nova, the Marxist-Leninist Party placed just behind the greens. So, in the upcoming days I fully

#### Statements by Members

expect Nova Scotia Liberal MPs to call another press conference stating a new alliance, this time with the Marxist-Leninist Party.

For Central Nova Liberals I offer an alternative course: find a home in the Conservative Party, a party with principles, a party that will not abandon them.

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#### JUNE CALLWOOD

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, it is with profound sadness that I and all of her friends in the New Democratic Party have learned of June Callwood's death.

June was kind, compassionate and driven to make the world a better place. She was never afraid to speak out whenever she saw suffering or injustice. There was no obstacle that stopped her in her crusade to help those in need and, through her conviction and charm, she was able to turn opponents to her projects into advocates and collaborators.

No issue was closer to June's heart than child poverty. Even in the face of setbacks, like Parliament's failure to follow through on its pledge to end child poverty by the year 2000, she never stopped fighting to ensure that no child must live in poverty.

While June was unable to end child poverty in Canada in her lifetime, she was able to give hope and relief to the many children she did help through so many different projects. We could and should honour her life and legacy by recommitting ourselves to making poverty history.

June will be sadly missed by all Canadians but her spirit lives on in the many lives she touched and through the work of the 50 charities and organizations that she created.

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● (1410)

#### CANADIAN FORCES

**Hon. Andy Scott (Fredericton, Lib.):** Mr. Speaker, I wish to pay tribute to our fallen soldiers in Afghanistan.

Corporal Aaron E. Williams, 23, and Trooper Patrick Pentland, 23, were from Lincoln and Geary in my riding. Private David Greenslade, 20, Master Corporal Allan Stewart, 30, Corporal Brent Poland, 37, Sergeant Donald Lucas, 31, and Private Kevin Kennedy, 20, all served at CFB Gagetown also in the riding of Fredericton. Corporal Christopher Stannix was serving with the Halifax-based Princess Louise Fusiliers.

I ask the families and friends of those courageous soldiers to please accept our prayers and sympathies.

For our troops still in Afghanistan we send our hopes for a safe return. Canadians are proud of their dedication and unwavering commitment to serving Canada proudly.

*Oral Questions*

[Translation]

**HOLOCAUST MEMORIAL DAY**

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, more than 60 years ago, between 1940 and 1945, millions of Jewish men, women and children from various Nazi-occupied European countries, along with homosexuals and political dissidents, perished in Hitler's death camps.

On this Holocaust Memorial Day, it is good to remember that at the end of the second world war, the world, stunned by so much horror, asked itself how such a death machine could have been developed and sustained. People needed to understand and name what had happened. The word "genocide" was coined in 1945.

The Shoah—the Holocaust—made it imperative not to forget. Remembering is one way to prevent other genocides. The international community and the United Nations extended the desire to protect against genocide to war crimes, crimes against humanity and ethnic cleansing and, in 2005, adopted a resolution on the responsibility to protect.

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[English]

**VIRGINIA TECH UNIVERSITY**

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, it was with shock and grief that we learned of the terrible shootings on the university campus of Virginia Tech in Blacksburg, Virginia this morning. Such a senseless act leaves Canadians stunned and horrified.

We extend our sympathy to the families and loved ones of those who lost their lives and to the students and staff of the university whose lives have been altered forever by this tragedy. For those who have been injured, we offer sincere wishes for a swift recovery.

We are reminded today in this House that life is both precious and fragile. We renew our commitment, wherever we are, to reduce gun violence in our homes, on our streets and on our campuses.

Our thoughts are with those scarred by the tragedy and we vow to rededicate ourselves to prevent such tragedies from occurring in our own communities.

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**ANTI-TERRORISM ACT**

**Mr. Ed Fast (Abbotsford, CPC):** Mr. Speaker, the Air-India inquiry is investigating the worst terrorist act in Canada's history: the murder of 331 people. Shockingly, the *Vancouver Sun* today reported that the Liberal opposition leader still opposes investigative measures under the Anti-terrorism Act, measures that he himself supported. Now he claims that they were never used in a useful way.

Since when is the Liberal leader an expert on terrorism? Today he admitted that he has never once spoken to the RCMP about the worst crime in Canada's history. In fact, he has not even asked the RCMP for a briefing note.

Maybe the Liberal leader should listen to the RCMP's Gary Bass who said that the inquiry had, without a doubt, suffered "a serious and damaging blow". Even B.C.'s solicitor general was shocked by

the Liberal leader's refusal to allow investigative hearings into this terrorist act.

Do the families of the victims of this horrendous crime trust the Liberal leader? Do Canadians believe that the Liberals can protect them against terrorists? The answer is a resounding no.

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● (1415)

[Translation]

**NATIONAL VOLUNTEER WEEK**

**Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.):** Mr. Speaker, on the occasion of National Volunteer Week, it behooves me to highlight the invaluable contribution of volunteers who work with our children, the hungry, the lonely and seniors, those who improve our environment and collect funds in order to support aid agencies in our communities.

This unheralded army of citizens is made up of men and women of all ages and from all backgrounds, young people and seniors, workers and the retired, our neighbours or members of our families. They all help make our communities stronger.

They contribute two billion hours of labour to Canada annually. All these individuals, those in my riding and in other regions, deserve our support and our thanks for the difference they make to the daily lives of so many individuals.

**ORAL QUESTIONS**

[English]

**AFGHANISTAN**

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, last week all Canadians mourned the loss of eight Canadian soldiers in Afghanistan.

We on this side of the House have a duty to demand clarity and accountability from the government and the defence minister has demonstrated a very poor grasp of his responsibilities. Last week he said this about the death of those soldiers: "I've got my fingers crossed that this won't happen again".

Canada deserves a defence minister who does more than cross his fingers and hope for success. When will the Prime Minister replace his incompetent Minister of National Defence?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, we obviously all mourn the loss of Canadian soldiers in Afghanistan, who are there protecting our interests, doing the work of the United Nations and also protecting the Afghan people.

Obviously the Government of Canada is doing everything it can to help National Defence pursue this mission. We have been very generous in terms of new equipment.

*Oral Questions*

They are constantly reviewing their practices to ensure the utmost safety, but nothing can change the fact that this is a very dangerous mission in a very dangerous part of a very dangerous country.

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, the government continues to refuse to be straight about its intentions in Afghanistan. First the defence minister said Canada will be there until the progress is irreversible. Then he said we may withdraw by 2010, but only if certain conditions are met. Now we learn that the Conservative cabinet has not even discussed the issue of withdrawal and will not do so until next year.

There are too many different answers to the same basic question, which is how long we are going to be there. When will the government begin to level with the Canadian people about its intentions in Afghanistan?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, on the contrary, I think the government has been extremely clear. We brought forward a motion to the House to extend the current Afghan mission to February 2009. That was in fact supported by the deputy leader of the Liberal Party.

The government has been clear that if it were to seek further extensions, it would come to Parliament to do that, and that remains our position.

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, once again the answer is not clear. It leaves open the possibility of extension.

[Translation]

This government refuses to take the necessary action to ensure that our allies can take over from us when our commitment in Kandahar ends in 2009. The government is postponing talks on this issue until next year, when it will be too late.

Why does this government not pledge to end this mission in 2009? Does it intend to extend it?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, this Parliament extended that mission to February 2009. If the government wants to prolong the mission beyond that date, it will make proposals after assessing the situation over the next two years.

[English]

But I must say, in looking at the new Red Green show over there on the Liberal side these days, I note that the policy of Elizabeth May and the Green Party is to cut the Canadian Forces budget by 50%. I can say with some degree of certainty that if that were the policy of the government not only would we not prolong this mission, we would have to close most of the bases in this country.

• (1420)

[Translation]

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, it seems to be working, because the Prime Minister looks quite red today.

The Minister of National Defence should know that the cold war is over. He firmly believes that we must send more tanks to Afghanistan. He forgets that the Afghan guerillas had a field day against Soviet Union tanks, in the eighties. There is a budget of \$650 million for tanks, which says something about our new way of

dealing with conflicts in the future. Afghanistan takes a lot of flack. Through this measure, the general is contributing to the escalation of the Afghan conflict, instead of working to contain it.

Instead of grandstanding at the expense of taxpayers, will the Minister of National Defence recognize that his decision to send these tanks is a strategic mistake and it only gets Canada more bogged down into this mission—

**The Speaker:** The hon. Minister of National Defence.

[English]

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, there is absolutely no escalation. We have a squadron of tanks over there now, Leopard 1s. We are going to replace them with a squadron of Leopard 2s, which are more modern and overcome some of the technical problems we have had, so there is no escalation whatsoever.

**Hon. Denis Coderre (Bourassa, Lib.):** No escalation, Mr. Speaker. I am very impressed. Finally this weekend the Minister of Defence allowed us to understand—

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

**The Speaker:** Order, please. The hon. member for Bourassa has the floor.

**Hon. Denis Coderre:** Mr. Speaker, maybe the Minister of the Environment does not want to listen and that is why.

Finally this weekend the defence minister allowed us to understand why he was so reluctant to tell us when the Canadian mission in Afghanistan would end. He told us that he expects the Canadian Forces to be embroiled in violent conflict for the next 10 to 15 years. That sure is a long time. That is roughly as long as the Vietnam war.

If it is not in Afghanistan that we are bogged down in violent conflict for the next decade, the minister tells us that he will find other operation theatres to put all his new hardware to use. He suggests tanks in Darfur. Is this a new government policy?

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** As has been said, Mr. Speaker, and as I have told the newspapers and TV, as I have told this Parliament, and as the Prime Minister has also confirmed, our military commitment in Afghanistan is to the end of February 2009. However, we have to plan for the long haul, for other possible ventures by other governments in other countries.

\* \* \*

[Translation]

**AEROSPACE INDUSTRY**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, a few days ago *Le Devoir* reported that Quebec will receive 30% of the economic spinoffs from the C-17 airplane contract, which is not nearly enough since Quebec was supposed to be receiving close to 60%. There were regional quotas associated with this contract even though we have been told a number of times in this House that there were not.

*Oral Questions*

How could the Prime Minister say there were no regional quotas in the C-17 contract, when we find out that there were and that these quotas were added to the contract at Boeing's request, and not the government's?

**Hon. Maxime Bernier (Minister of Industry, CPC):** Mr. Speaker, it is important to specify in this House, and to the leader of the Bloc Québécois, that we have confidence in Canada's aerospace companies. We also have confidence in Quebec's entrepreneurs in the aerospace companies. We are confident that they will be able to get their fair share of the contracts from the industrial spinoffs.

When we talk about figures or when it is a matter of specific minimum percentages, the most important thing to realize is that the real percentage is the one Quebec's entrepreneurs would like to have.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, a Boeing spokesperson says the amount will be up to 30% and that it was Boeing that imposed this figure. However, we are still told there are no quotas. We are not being told the truth here. The worst part is that we were told there were no quotas, but now we know there are. We know they are 30% of the spinoffs, which is not nearly enough. There is more. This government told Boeing that 30% was too much for Quebec and that the limit should be 15%. There are quotas of 15%.

If this minister says the contrary, then I would like him to table the contract in this House so that we can see what happened. Whose interests is he serving?

**Hon. Maxime Bernier (Minister of Industry, CPC):** Mr. Speaker, the leader of the Bloc Québécois lacks confidence in Quebec's entrepreneurs. They will be able to get their fair share of all the spinoffs from the military contracts.

I can kind of understand where the leader of the Bloc Québécois is coming from because, since March 26, the Bloc Québécois has been trying to determine its purpose here in Ottawa. Even people from the Parti Québécois are asking the Bloc Québécois to fold. The hon. member for Repentigny has said he is bored in the Commons.

On this side of the House, we are not bored and we are working in the interest of all Quebecers.

• (1425)

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, the Minister of Industry has said repeatedly that his government could do great things for Quebec. Well, military contracts are a sorry example of what it can do.

How can he explain to Quebecers today that all his government is delivering to Quebec is 15% of military contract spinoffs when 60% of the aerospace industry is concentrated in Quebec? This is nothing less than a blatant injustice at the expense of Quebec's economy.

**Hon. Maxime Bernier (Minister of Industry, CPC):** Mr. Speaker, Quebecers know very well that the Bloc Québécois cannot do a thing for Quebecers. It has been in opposition for 15 years, yet has not come up with any policy favouring Quebec. In fact, in its last election platform, the Bloc Québécois advocated cutting military spending. This military spending is what will pay for

the contracts that will be awarded to aerospace companies in Montreal and Canada.

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, the minister can shout himself hoarse boasting about the decisions made by the Conservative government, but he cannot deny that the injustice done to Quebec is a very serious one. He should explain and justify how it is that this particular decision of the Conservative government will have 85% of aerospace contracts go to the rest of Canada, which accounts for merely 40% of the aerospace industry. If that is their idea of looking after Quebec, they do not deserve any congratulations.

**Hon. Maxime Bernier (Minister of Industry, CPC):** Mr. Speaker, if I understand the Bloc Québécois' request correctly, they have not taken note of the last election. The people of Canada and Quebec said they had enough. They are fed up with patronage. On this side of the House, there will never be any patronage. They are asking us to engage in patronage.

We do not believe in patronage. We believe in Canadian businesses across the country being able to go and get their fair share of a contract, without the kind of patronage witnessed under the previous Liberal government.

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**AFGHANISTAN**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, this government is provoking an escalation of Canada's commitment in Afghanistan by buying equipment and tanks without a debate and without Parliament's approval.

This government tends to increase the imbalance regarding this mission. The statements made by the Minister of National Defence are serious. It is truly a complete change of Canada's role in the world.

Does the Prime Minister not realize that the mission in Afghanistan is not working and that an escalation and an extension of the conflict are not the solution to this situation?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, the mission in Afghanistan was approved by Parliament. It is an important mission for our national interests, for the United Nations and for the people of Afghanistan. It is a dangerous mission. We salute the sacrifices of our troops, who are working for us and for the population of Afghanistan.

[*English*]

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, all Canadians support our troops, but the government is escalating the mission and it is lengthening the mission. The Minister of National Defence has now said that we could be involved in this kind of conflict for 15 more years.

We already know that the defence department has plans to extend the mission to 2011. When is the Prime Minister going to come clean on this? We know the Liberals got us into it without any plan, but that does not mean the government has to continue on that same path.

*Oral Questions*

Canadians deserve an answer. For how much longer will our troops be committed to Afghanistan? The Prime Minister needs to tell us.

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I will repeat again that this Parliament extended the military mission in Afghanistan to February 2009. If the government wants to extend it further, it will seek the approval of Parliament to do that.

That said, members of the Canadian Forces who are in Afghanistan are not escalating anything. They are there to defend our national interests and protect the population of Afghanistan. It is the Taliban who are committing violence against our troops and the Afghan people and this Parliament should be supporting our men and women in uniform.

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, Canada's military commitment in Afghanistan is supposed to end in February 2009, but the government is now indicating that it has no intention of honouring that timeline.

Last week the Minister of National Defence suggested that Canadian troops could be withdrawn from Afghanistan by possibly as late as 2015, and the minister also admitted that cabinet had not even discussed an exit strategy.

Why can the minister not be clear with Canadians about how and when this mission will conclude?

• (1430)

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, I do not know where the hon. member got some of her information, because it is totally false. Our military commitment in Afghanistan is to the end of February 2009.

I will say it again for those who have not heard it: the end of February 2009.

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, if the end of the Canadian mission in Afghanistan is really going to be the end of February 2009, notice will need to be given in just nine months from now.

Are Canadians really supposed to believe that the government has not even discussed an exit scenario or is the minister simply softening up Canadians for an extension of this mission?

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, I will say it again: our commitment is the end of February 2009.

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**NATIONAL DEFENCE**

**Hon. Albina Guarnieri (Mississauga East—Cooksville, Lib.):** Mr. Speaker, a revealing report from the Ontario ombudsman shows how the government has failed the families of service personnel at CFB Petawawa.

The dramatic increase in the number of Canadians killed over the past year has caused children at the base to suffer extreme emotional distress out of fear for the safety of their parents, so I ask the minister, how can he plan to extend their parents' mission indefinitely when he is only offering one time funding to support services for these children?

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, I find it outrageous that the member is playing with the soldiers' commitment to Afghanistan and their families. I have said a number of times that our commitment is to the end of February 2009.

On the matter of looking after the families in Petawawa, we have transferred \$100,000 to the Ontario government, which has full responsibility for this matter.

I would ask that member to stop playing with the lives of families.

[Translation]

**Hon. Albina Guarnieri (Mississauga East—Cooksville, Lib.):** Mr. Speaker, the children of our military personnel should not need an ombudsman or a lobbyist to get what they need from their government. Families of military personnel on all Canadian bases have close ones in Afghanistan.

When will the government act to ensure that children on every military base have equal access to mental health care, before they suffer from the stress generated by Canada's most dangerous mission in 50 years?

**Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC):** Mr. Speaker, this government supports the children of military families.

[English]

I suggest the hon. member refer to budget 2007 which makes it clear that not only as the hon. member indicated we are supporting directly with operational funding, but we also have in the budget five new operational stress injury clinics to be located where military forces are to help the children, the families and the members involved in the military. That is the commitment of this government to the military of Canada.

\* \* \*

[Translation]

**AFGHANISTAN**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, defence representatives for countries present in southern Afghanistan met in Quebec City last week to discuss Afghanistan and military issues.

Did the Minister of National Defence take this opportunity to inform his allies that Canada's deadline for involvement in Afghanistan is February 2009, and that is that?

[English]

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, all our allies, all NATO allies, including the group that met in Quebec City, know that our military commitment is to the end of February 2009.

[Translation]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, we know that there is a serious shortage of troops in Afghanistan.

Did the Minister of National Defence bring up this important issue with his allies last week in Quebec City? Did he take advantage of that wonderful opportunity to get help for Canadian soldiers who are currently paying a very steep price in southern Afghanistan?

*Oral Questions*

●(1435)

*[English]*

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, our soldiers are the best equipped in NATO. Other nations come to see our equipment and they admire the equipment we have. We have provided the very best equipment to our soldiers.

\* \* \*

*[Translation]***OFFICIAL LANGUAGES**

**Mr. Richard Nadeau (Gatineau, BQ):** Mr. Speaker, the handling of bilingual signage on the display panels at Vimy during the 90th anniversary celebrations speaks volumes about this government's concern for the French language.

How can the Minister of National Defence explain to this House that no one in the Canadian military is capable of writing the panels in proper French? Do we not all agree that this is an affront to the French fact within the Canadian military?

*[English]*

**Hon. Greg Thompson (Minister of Veterans Affairs, CPC):** Mr. Speaker, as the member would know, when that was brought to our attention, we took action immediately to have those signs removed. We did that immediately, long before it was brought to the attention of that member. We did the right thing.

*[Translation]*

**Mr. Richard Nadeau (Gatineau, BQ):** Mr. Speaker, the previous federal government closed the only francophone military college, that of Saint-Jean. The Conservative government changed the army's bilingualism policy to reduce the position of the French language. At Vimy, the French on the panels was incomprehensible. The importance of the language school in Saint-Jean is diminishing because of the military's new language policy.

In light of those facts, does this not demonstrate that the Minister of National Defence views French as the least of his concerns?

*[English]*

**Hon. Gordon O'Connor (Minister of National Defence, CPC):** Mr. Speaker, our government supports the Official Languages Act. We are applying the Official Languages Act within the defence department. We have a new plan because the previous Liberal plan failed year after year.

The member may note that more money is going into our site at Saint-Jean, and more students are passing through on language training.

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**ROYAL CANADIAN MOUNTED POLICE**

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, will the minister explain how a powerless investigator, who has no legal authorities, helps RCMP officers find out exactly what happened to their pension fund and their insurance fund? The minister's investigator is acting under no known statutory authority whatsoever.

When will the government call for a full judicial inquiry that would have the legal authority to call witnesses and records, as this official opposition has called for since day one?

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, we want answers quickly, the RCMP wants answers quickly and so do Canadians. A full public inquiry could take years. That is a possibility if we do not get the answers.

I appreciate the comments by the RCMP Chief Superintendent Fraser Macaulay who has said he is pleased that an independent investigator will look into these allegations. He is very involved in this and I appreciate his view on this.

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, the simple fact is the RCMP officers deserve better. They deserve the full support of Parliament, they deserve the full support of the minister and the minister is letting them down.

Why is the government only concerned about talking when it comes to supporting the police in Canada and not interested in walking the walk and calling a full public inquiry now? Do the job.

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, any time improvements have to be made or any time questions are raised they should be looked into.

On the other side of the ledger, from time to time it would be nice to hear from the opposition the things the RCMP is doing. We did not get one positive comment about its recent cross-country crime operations against the Hells Angels, with 169 charges, 31 arrests, drugs, guns, vehicles and real estate.

When that member was the parliamentary secretary involved in legal matters and items related to policing, she did nothing to raise these questions.

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** Mr. Speaker, this issue is not about blind partisanship.

Why is the government blocking efforts to expose the alleged fraud in the RCMP pension and insurance funds and to expose subsequent cover-ups?

This money belongs to front line officers. It belongs to the courageous RCMP personnel who protect our communities. They deserve our support and the Canadian public needs the cloud hanging over the RCMP to be addressed in a transparent and fulsome manner.

Why will the minister not scrap the idea of a powerless investigator and appoint a full judicial inquiry?

●(1440)

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Again, Mr. Speaker, we want answers quickly. We do not want to have to wait for what could be two years or three years. If at the end of the next couple of months, it is deemed that there needs to be more powers to pursue this further, then we will take a look at that.

The commissioner has said and committed that every RCMP officer will be coming forward who is required to come forward. We are going to pursue this.

*Oral Questions*

I am also glad the member raised the issue of the pension fund because at three o'clock I will be tabling the latest status of the pension fund. The dollars are safe and they are sound. We want to find out what the problems were in terms of the oversight of that.

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** Mr. Speaker, the Conservatives say that they want to deal with the issues quickly.

Last year whistleblowers raised shocking concerns with parliamentarians of all parties about fraud, nepotism and cover ups of criminality at the top echelons of the RCMP. Unfortunately, Conservative MPs on the committee blocked our calls to get to the bottom of the scandal for months.

Whistleblowers and investigators faced constructive dismissals, and now the minister is putting up a constructive roadblock.

Will the minister appoint a full judicial inquiry, or is Conservative law and order at the discretion of the minister?

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, we are moving right ahead with this investigation.

I might appreciate my hon. friend's sincerity a little more if it had been shown that when he was in the party in government he would have raised these questions, but he did not. Instead his modus operandi is much like he did a little while ago. He went to the Middle East and all of a sudden broke out in a panic. He said that there was a problem in the Middle East and then he suggested how to fix the problem. He said, "Let's delist Hezbollah".

I wish when he had been in government he would have raised these issues. Now I am asking him to help us get to the bottom of this.

\* \* \*

[Translation]

**AGRICULTURE AND AGRI-FOOD**

**Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, our government wants to help Quebec's regions.

In order to do that, we have to support the agricultural sector. We want to stop youth out-migration and rural depopulation.

Can the Secretary of State for Agriculture tell us what the Minister of Agriculture and Agri-Food and he are doing to help our farmers and our regions?

**Hon. Christian Paradis (Secretary of State (Agriculture), CPC):** Mr. Speaker, I would like to thank my colleague, the member for Charlesbourg—Haute-Saint-Charles, for his excellent question.

Since coming to power, we have allocated no less than \$4.5 billion to Canada's agricultural sector. I repeat: \$4.5 billion. We have also kept our promises by protecting supply management and replacing CAIS.

Last week, in Sherbrooke, we announced yet another \$3.2 million investment in research funding for 50 projects in Quebec alone. These promising projects will help our farmers and our regions.

Unlike the Bloc Québécois—which thinks, but does not act—and the Liberals—who do not want to do anything—we, the Con-

servatives, are coming through for the agricultural sector in Quebec and Canada.

\* \* \*

[English]

**COURT CHALLENGES PROGRAM**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, New Democrats are proud of our influence in shaping the Charter of Rights and Freedoms, and especially proud of Canada's women who demanded to be included.

What should be a 25th anniversary celebration of the charter is instead a scramble to protect advances gained by ordinary Canadians under the charter. Why? Because the government has shut down the court challenges program. Only the wealthy can afford constitutional challenges.

Will the Prime Minister today take a stand for the charter and reintroduce funding for the court challenges program?

**Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, this party has an enviable record with respect to human rights in our country.

Just recently, for instance, to ensure that people's rights are heard, we have announced the federal victims' ombudsman so individuals who have concerns will have somebody advocating on their behalf. The budget just announced stable funding for legal aid. This provides people with access to the criminal justice system.

This party does not need to take any lessons from anybody in this Parliament on the subject of human rights.

[Translation]

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the court challenges program was very important to Canada's francophone communities. Ordinary Canadians have to use their own money to defend their Charter rights.

Big corporations and wealthy people who want to circumvent the Charter have an advantage over ordinary Canadians.

Can the Minister of Justice tell us what he really thinks of the Charter?

• (1445)

[English]

**Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, I am from a party that has a long tradition of supporting human rights in our country, going back to Mr. Diefenbaker and the Canadian Bill of Rights, the extension of the franchise for women in the country.

I find it more than passing interesting that when I was a boy, aboriginal Canadians did not have the right to vote. The Conservative Party extended those rights to aboriginal Canadians. We have a long, proud history of that.

*Oral Questions*

The charter of rights is a part of that proud history, and I am very proud to be associated with it.

\* \* \*

[*Translation*]

**MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES**

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, the Minister of Public Works and Government Services is at it again. He knows the rules: public servants must “avoid or withdraw from activities or situations, including procurement actions, that would place the public servant in real, potential or apparent conflict of interest—”.

When a minister holds shares in a company described as a “strategic partner” of another company to which his own department is going to award a \$400 million contract, that looks like a conflict of interest. Or is it a conflict of interest for any Canadian except Michael Fortier?

**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, the Minister of Public Works and Government Services has not been involved either directly or indirectly in the selection process for this contract or for any other contracts since he became Minister of Public Works last February.

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, the Minister of Public Works and Government Services, who does not report to this House, believes that his appointment to the Senate allows him to circumvent the rules.

It is clear now that the new Public Service Integrity Office must open an inquiry into this matter, without delay.

Will the government agree to a full, fair and transparent inquiry, or will it expedite the process in order to quickly award this \$400 million contract to Michael Fortier's friends?

[*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):** Quite a change of attitude on that side of the House, Mr. Speaker. Those members want to have an inquiry into a contract that has not even been signed yet.

As I said in answer to the first question, the minister was not involved either directly or indirectly in the selection process for this contract or for any other contracts since he became Minister of Public Works and Government Services.

We have been clear about this. We want an open, transparent government, and that is exactly what we are providing to Canadians. In fact, the new leader of the Liberal Party says that she is for that. If he does not believe me, she is right there. Elizabeth May, say hi.

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

**The Speaker:** The hon. parliamentary secretary is an experienced member. He knows that making reference to the presence of

someone in or not in the gallery is not permitted and he will want to refrain from such conduct.

The hon. member for Eglinton—Lawrence.

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**RAIL TRANSPORTATION**

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, when it comes to railway safety, the Minister of Transport seems to be asleep at the switch. Train derailments have become commonplace, some with disastrous environmental consequences, all under his watch.

Today the transport committee had scheduled an examination of the problem with expert witnesses, but the minister appears to have caused the chair of the committee to pull the item off the agenda.

What is the minister afraid we will find out and how many more personal injuries and environmental disasters is he willing to tolerate before he acts on rail safety?

**Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC):** Once again, Mr. Speaker, the hon. colleague is confused with the facts. For 13 years the Liberals sat by and watched rail safety in this country go down the tube.

What we have done is not only introduced that piece of legislation, so that we are able to hear from all parties on this particular issue but we have also created a board that will review this situation, and come back and give valid, legitimate information so that we can go forward and protect Canadians who use the rail system.

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, rhetoric instead of action and of course we are talking about the last 13 months. We are not talking about the last 13 years.

Railways are key to Canada's economic infrastructure and to the health of hundreds of communities. The minister cannot guarantee rail safety or reliability. Recent problems at CN have caused havoc to the economy as shippers were unable to get product to the market and rural communities were isolated. CN service is once again strained by strikes and lockouts, with already alarming economic consequences everywhere.

Will the Minister of Transport finally take an interest in this file or is he going to wait until the Minister of Labour picks up the slack?

● (1450)

[*Translation*]

**Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, the member should know that when we are talking about strikes in the transportation sector and at Canadian National, that is the responsibility of the labour department. Our government has been very active in trying to help the two parties reach a negotiated settlement in this labour dispute.

Unfortunately, the discussions on Saturday did not produce the desired result. We have said several times in this House, and our government has been very clear from the start, that our responsibility is to protect Canada's economic stability and the reliability of the railway system for Canadians and our trade partners, and we are going to act.

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#### EMPLOYMENT INSURANCE

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, the bill to improve employment insurance is compromised because the government refuses to give a royal recommendation.

Will the government listen to the arguments of the union leaders, workers and unemployed who have gathered on Parliament Hill today to ask that it remove the final obstacle to the adoption of Bill C-269 by giving a royal recommendation?

[English]

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, the opposition has now come out in support of different initiatives regarding employment insurance private members' bills to the tune of about \$6.2 billion a year if they were all implemented. That would bankrupt the employment insurance system, leaving unemployed workers holding the bag. We cannot allow that to happen. The government has moved to both reduce premiums and improve benefits in a responsible, sustainable way.

[Translation]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, when he was a member of the official opposition, the current Minister of Human Resources and Social Development rightfully accused the Liberal government of pocketing the money of the unemployed and using the employment insurance surplus to pay down the debt. Now that he is in power, he is adopting the same attitude that the Liberals had when they formed the government.

Should the minister not be using the fund surplus to help the unemployed rather than using it for other purposes, as he pointed out when he was in opposition?

[English]

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, the member is simply wrong. This government has moved to reduce premiums. In fact, we have cut taxes of all kinds including the GST, which certainly benefits everyone.

We have also moved to improve benefits. In areas of chronically high unemployment, we have extended benefits. We have also improved benefits for people who are looking after terminally ill family members. This government has acted, whereas the previous government for 13 years did nothing except rhetoric.

\* \* \*

[Translation]

#### JUSTICE

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, the Minister of Justice knows very well that a

#### Oral Questions

Charter case costs millions of dollars, which most Canadians do not have. Unless there is proper access to legal aid and to the court challenges program, only the rich will have equal rights, which is unacceptable.

If the Minister of Justice refuses to budge and does not save the court challenges program, will he at least improve access to legal aid to provide Canadians with the justice they are guaranteed in the Canadian Charter of Rights and Freedoms?

[English]

**Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, we do not need any lessons from the Liberal Party with respect to defending people's rights. This party has acted on the Chinese head tax. We have extended the rights of all Canadians to vote. We were able to get the full franchise under Conservative administrations. We have stable funding now for legal aid. We have a victims ombudsman which is long overdue in this country. Members should be applauding these actions.

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#### WILDLIFE TRAFFICKING

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, international wildlife trafficking is a serious problem around the world. The threats to wildlife from poaching and the illegal trade in animal parts from endangered species is a very important fight which Canada must be a part of.

Could the Minister of the Environment tell the House what action our government is taking to fight wildlife trafficking?

• (1455)

**Hon. John Baird (Minister of the Environment, CPC):** Mr. Speaker, I want to thank the hon. member for Prince Albert who obviously shares a strong interest in this issue as the Prince Albert National Park is so close to his constituency.

We are very pleased to join the Coalition Against Wildlife Trafficking. This international trade around the globe is some \$10 billion and we want to take real, substantive action.

While the Leader of the Opposition and Elizabeth May were cooking up backroom deals, we were getting the job done for the environment.

\* \* \*

#### FINANCIAL INSTITUTIONS

**Ms. Judy Wasylcia-Leis (Winnipeg North, NDP):** Mr. Speaker, ordinary Canadians are tired of waiting for the finance minister to make up his mind about ATM fees. One day he pretends he is ready to ban them, and the next day he says the banks need to compete and it is really up to them.

Well now we know that public pressure is working. Some banks are announcing limited fee free accounts for some consumers, but most ordinary Canadians continue to pay these outrageous fees.

### Oral Questions

The question for the minister is simple. Will he take a stand? Does he support ATM fees and the banks, or will he support ordinary Canadians who are getting nicked-and-dimed?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, when the member raised this question in the House some time ago now, I indicated that I would speak to the banks about it.

I am very pleased that having spoken with them and having met with them, at least three of the banks now have extended their services with respect to various issues that are quite important, including services for students on our campuses across Canada, both colleges and universities, and including seniors across Canada and persons with disabilities. These are important steps in the right direction by these banks.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, just as we expected, a lot of nonsense from the minister and more stalling. It almost sounds like he is getting as good as the member for LaSalle—Émard.

Goodness gracious, when are we going to get a position from this minister? It is simple. Canadians want an end to ATM fees and he is in a position to make a decision.

So will he stop this gouging? Will he ensure that when regular folks take their own money out of the bank, they are not charged for it? The solution is simple. What side is he on? Is he on the side of ordinary Canadians or is he on the side of big banks and ATM fees? Will he take a position?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, I am on the side, as our government is, of competition and choice in financial services in Canada. We have competition between the credit unions, for example, and the banks, and between the banks themselves.

When I spoke to the banks and said we have three specific challenges with respect to the rights of persons with disabilities, with respect to access for students on campuses, and with respect to seniors, at least three of them have reacted positively. These are steps in the right direction.

\* \* \*

### COURT CHALLENGES PROGRAM

**Hon. Maria Minna (Beaches—East York, Lib.):** Mr. Speaker, tomorrow marks the 25th anniversary of the Charter of Rights and Freedoms. The charter protects minorities and women's rights. Indeed, it protects all Canadians.

Will the Minister of Justice celebrate the 25th anniversary by relenting and giving reprieve to the court challenges program, restore its funding and protect the rights of all Canadians. After all, the charter is very important to every single Canadian. Will he show courage and is he prepared to allow Canadians to criticize government programs?

**Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, indeed, I will be commemorating the anniversary of the charter tomorrow with 600 students in Ottawa. I look forward to that.

This party has had a longstanding commitment to human rights, and has this government and previous Conservative administrations.

An hon. member says an impressive record and I agree with him on that. It goes back many years in this country. We did the things that the Liberal Party was never able to get done.

\* \* \*

### HEALTH

**Mr. Blaine Calkins (Wetaskiwin, CPC):** Mr. Speaker, in early February the Minister of Health launched a revised food guide to help Canadians make healthier food choices. Last week another important step was made by the health minister when he and the Minister of Indian Affairs launched the first ever published food guide for first nations, Inuit and Métis in order to assist aboriginal communities in making informed decisions while respecting their traditions.

Can the Minister of Health please inform the members of the House on the status of this new initiative?

**Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC):** Mr. Speaker, indeed, after extensive consultation with over 400 aboriginal leaders, as well as dieticians and others, last Wednesday in Yellowknife I was proud to launch the first ever, in Canada, aboriginal food guide with specific recommendations for first nations, Inuit and Métis people.

This is culturally sensitive. It will also help individuals in those groups make the right choices when it comes to their food preferences. Just two days before the red-green coalition was announced, we got the job done when it came to the food guide.

\* \* \*

● (1500)

[Translation]

### PAILLÉ REVIEW

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, the government has just appointed Daniel Paillé to review contracts for polls and their alleged use for partisan purposes.

How can the Conservative government, which claims to be transparent, explain that the review stops at 2003? Why has the government excluded itself from this review? Does it have something to hide?

**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, we have nothing to hide. During the election campaign, we made a promise to Canadians that we are keeping. Furthermore, Mr. Paillé is qualified to review this matter.

*Routine Proceedings*

[English]

**HEALTH**

**Ms. Penny Priddy (Surrey North, NDP):** Mr. Speaker, the False Creek Urgent Care Centre in B.C. is back in business, charging patients hundreds of dollars for basic medical services that should be free. This American style clinic is the exact opposite of what Canadians expect from our health care system. It should be illegal, but the clinic has found a loophole that allows it to stay in business.

Every Canadian has the right to free, universal health care when they need it most, regardless of whether or not they are carrying their chequebooks. Will the Conservatives take action today and put an end to clinics that charge patients for medically necessary urgent care services?

**Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC):** Mr. Speaker, nothing could be further from the truth. Indeed, we are reviewing the situation of this clinic, but upon first blush by the minister of health of British Columbia, it is violating no laws in British Columbia, violating no principles of the Canada Health Act, and indeed it operates in a very similar way to the clinic which the leader of the NDP visited when he needed certain medical care. I see no double standard in that.

\* \* \*

[Translation]

**COMMEMORATION OF THE HOLOCAUST**

**The Speaker:** Order. Following discussions with the representatives of all parties of the House, I believe there is consent to observe a moment of silence in commemoration of the Holocaust.

[English]

I now invite all hon. members to rise.

[A moment of silence observed]

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**POINTS OF ORDER**

COMMENTS BY MEMBER FOR EDMONTON—MILL WOODS—BEAUMONT

**Hon. Maria Minna (Beaches—East York, Lib.):** Mr. Speaker, on Wednesday, March 28, the member for Edmonton—Mill Woods—Beaumont delivered a statement to the House of Commons that attacked Monica Lysack, the executive director of the Child Care Advocacy Association of Canada.

This act, in and of itself, appears to have been a violation of the rules of Marleau and Montpetit which prohibit personal attacks against non-members during statements. I would ask, Mr. Speaker, that you look into this matter.

During her appearance before committee, Ms. Lysack pointed out that the government had not delivered on its promise to create child care spaces after two budgets with not a single child care space for Canadian families.

Then, one week after Ms. Monica Lysack appeared before the Commons committee as a witness, she was attacked for speaking out about the need for early learning and child care. The member for

Edmonton—Mill Woods—Beaumont treated Ms. Lysack atrociously at committee, even going so far as to ask her about her salary.

What is worse is that the member used his parliamentary privilege to attack a civilian after a committee appearance knowing she would have no opportunity to defend herself against this statement.

I would hate to think that all potential witnesses before a parliamentary committee could be subject to such retribution. This shocking disrespect for Canadians who disagree with the government's policy shows why the charter is gone.

Mr. Speaker, I respectfully ask that you make a ruling on this matter.

• (1505)

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Mr. Speaker, I want to clarify that no such attack was made. Perhaps the member was not listening very carefully or has not reviewed what I said.

Obviously my attack was directed toward the Liberal Party of Canada for giving \$2.2 million of taxpayers' hard-earned money to an organization that created absolutely zero child care spaces.

**Hon. Maria Minna:** Mr. Speaker, I am sorry but I would ask you to check the blues. The member actually named Ms. Lysack. In fact, she e-mailed me immediately after and is asking the House for some recognition because she feels extremely bad done by.

**The Speaker:** The Chair will review the matter. I thank both hon. members for their intervention on this point. If necessary, I will come back to the House with a ruling.

**ROUTINE PROCEEDINGS**

[English]

**RCMP PENSION PLAN**

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, I have the honour to table, in both official languages, the 2005-06 annual report of the Royal Canadian Mounted Police pension plan.

The Auditor General has issued a clean audit report on the financial statements for the pension plan.

The RCMP superannuation account reported an \$834 million earning, which is a 7.7% rate of return, and the investments managed by the public sector Pension Investment Board earned \$300.2 million, which is a 19.1% rate of return.

The net assets and the benefits available for members of the fund are \$13.2 billion. The members' pensions are safe and sound.

*Routine Proceedings***DEFENCE CONSTRUCTION CANADA**

**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, I will be tabling two documents: the attached Defence Construction Canada's annual report to Parliament, pursuant to section 8 of the Alternative Fuels Act, must be tabled in the House of Commons today; and the attached Defence Construction Canada's corporate plan summary for 2007-08 to 2011-12 which is also to be tabled today

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**COMMITTEES OF THE HOUSE**

## AGRICULTURE AND AGRI-FOOD

**Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, in accordance with Standing Order 109, I would like to present, in both official languages, the government's response to the fifth report of the Standing Committee on Agriculture and Agri-Food on the review of the Canada Grain Act and the Canadian Grain Commission conducted by COMPAS Inc. which was tabled in the House of Commons on December 5, 2006.

\* \* \*

**GOVERNMENT RESPONSE TO PETITIONS**

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 47 petitions.

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**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, I have the honour today to present the 42nd report of the Standing Committee on Procedure and House Affairs concerning membership of committees of the House.

If the House gives its consent, I will ask for concurrence in this report later this day.

## HUMAN RESOURCES, SOCIAL DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the 13th report of the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities.

## CITIZENSHIP AND IMMIGRATION

**Mr. Norman Doyle (St. John's East, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the 12th report of the Standing Committee on Citizenship and Immigration entitled "Detention Centres and Security Certificates".

● (1510)

**YOUTH CRIMINAL JUSTICE ACT**

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC)** moved for leave to introduce Bill C-423, An Act to amend the Youth Criminal Justice Act (treatment for substance abuse).

He said: Mr. Speaker, this private member's bill would amend the Youth Criminal Justice Act to offer police officers an option to refer a young person alleged to have committed an offence to a substance abuse treatment program with the possible consequence of that young offender facing judicial proceedings if the program is not completed.

The purpose of the bill is to help our young people get the help they need, sometimes when they have not yet come to a place where they realize they need it.

I encourage all members to carefully consider and support this important bill.

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

\* \* \*

**CRIMINAL CODE**

**Mr. Dean Allison (Niagara West—Glanbrook, CPC)** moved for leave to introduce Bill C-424, An Act to amend the Criminal Code (judicial review).

He said: Mr. Speaker, I am pleased to introduce in the Chamber today a bill to amend the Criminal Code. This bill, both prospectively and retrospectively, would amend those sections of the Criminal Code that provide for a judicial review of the parole ineligibility period with respect to certain life sentences.

Currently in Canada, prisoners serving the maximum sentence of life in prison without the possibility of parole for 25 years, may apply for early parole after 15 years have been served. In 1997, this section of the Criminal Code was amended such that applications for early parole made under this section are not now reviewed by a judge who determines whether or not the application should be submitted to a jury for consideration.

I trust that parliamentarians of this House will agree that applications made under this section unnecessarily traumatize the families of victims. I trust that members of this House will see the value of supporting this bill.

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

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**COMMITTEES OF THE HOUSE**

## NATURAL RESOURCES

**Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC):** Mr. Speaker, there have been discussions between all parties and I think you would find unanimous consent for the following motion. I move:

That, in relation to its study on the greening of electricity consumption in Canada, 12 members of the Standing Committee on Natural Resources be authorized to travel to Churchill Falls, Newfoundland and Labrador, on Monday, April 30, 2007 and that the necessary staff accompany the committee.

*Routine Proceedings*

(Motion agreed to)

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, if the House gives it consent, I move that the 42nd report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to)

\* \* \*

## PETITIONS

## CRUELTY TO ANIMALS

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, given that the Criminal Code provisions on animal cruelty have not changed much since 1892, given that Parliament debated some bills in 1999 that passed the House but not the Senate in 2002 and 2003, given that Bill C-373, which takes a comprehensive look at animal cruelty, was tabled in 2006 and given that in 2006 Bill S-213 was introduced in the Senate, which raised the penalties but in other respects failed to modernize the law, several hundred of my constituents in Yukon would like the Minister of Justice to introduce legislation amending the Criminal Code provisions on animal cruelty based on Bill C-373 and to recommend against Bill S-213.

● (1515)

## MARRIAGE

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I have the privilege of tabling a petition on the matter of marriage in the French language from Quebec petitioners.

These petitioners simply ask Parliament to reopen the question of marriage in Parliament and abrogate or amend the law in civil marriage and defence and promote marriage as the union between a man and a woman to the exclusion of all other persons.

It is an honour to represent these French-speaking Quebec petitioners on this important subject of marriage.

## CHINESE HEAD TAX

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I have two petitions to present. The first one concerns a just and honourable redress for Chinese head tax families and presses the case that all Chinese head tax families without a surviving head tax payer or spouse deserve appropriate redress based on one certificate and one claim and calls upon Parliament and the government to negotiate in good faith.

## CO-OP HOUSING

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the second petition concerns the lost subsidy for the section 95 housing co-ops. It calls upon the government to restore all of the lost subsidy and to provide new assistance to help section 95 co-ops remain with low income residents.

The petition also calls upon the government to build 200,000 affordable and co-op housing units, renovate 100,000 existing units and provide rental supplements to help with the housing crisis in the country.

[Translation]

## SUMMER CAREER PLACEMENT PROGRAM

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, I am pleased to table a petition signed by 586 people from the riding of Montmorency—Charlevoix—Haute-Côte-Nord.

In it we see that the petitioners are asking the House of Commons to maintain and even to enhance the summer career placement program. We know that this program allows a great number of students to find jobs, that it meets the financial needs of young people and that it also helps organizations that benefit from these summer career grant programs. We should not forget one aspect, which is that the money earned by students also helps to financially support their families.

Consequently, we are asking that the summer career placement program be maintained and even enhanced.

## LITERACY

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, I have the honour this afternoon to introduce a petition signed by many citizens from the riding of Madawaska—Restigouche, who are outraged by the cuts the Conservative government has made in the literacy program. One of the things that these citizens are saying is that it is important to support the literacy program because it allows young people and older people to learn to read and write and thus be able to take part in Canadian society and also to improve their quality of life.

These people are always trying to improve their quality of life. However, they are outraged to see that the Conservative government is showing no support towards the literacy program. Consequently, the petitioners are asking Parliament to restore 100% of the amounts that were cut from the literacy program.

[English]

## AGE OF CONSENT

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, I have a petition to present on behalf of some folks who believe that because our 14 and 15 year olds are most vulnerable to sexual exploitation they would like the government to take all measures necessary to immediately raise the age of consent from 14 to 16 years of age.

## CANADIAN WHEAT BOARD

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, I have a second petition from a group of people who want to support the Canadian Wheat Board monopoly.

*Routine Proceedings*

[Translation]

## CANADA POST CORPORATION

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I wish to table a petition signed by more than 120 persons who add their voices to the 5,000 others who asked that the post office of Noranda, in Rouyn-Noranda, remains open. That post office is essential for the older citizens of that area of the city.

[English]

## CHILD CARE

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Mr. Speaker, I rise today to present a petition from people in the lower mainland of British Columbia, from New Westminster, Coquitlam and Port Moody, who say that child care is a benefit to all children, that it enhances health and school readiness and that it reduces family poverty.

The petitioners say that the \$1,200 the government has designed is poorly designed and discriminates against single parent families.

They call upon the government to provide multi-year funding to ensure that publicly operated child care programs are sustainable and that it protect child care by enshrining it in legislation with a national child care act.

• (1520)

[Translation]

## RIGHTS OF THE UNBORN

**Mr. Steven Blaney (Lévis—Bellechasse, CPC):** Mr. Speaker, I recently met at my Levis office with Jocelyne Gagnon, Émilienne Morrissette, Berthe Fradette and Chantal Bélanger, from Bellechasse, who asked me to table their petition in the House.

According to the parliamentary tradition, I table that petition signed by more than 500 persons who ask the government to give a social status to the unborn child.

## IMMIGRATION

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, it is my pleasure to table a petition on behalf of the Canadian Council for Refugees and the Civil Liberties Union. Both organizations have clearly demonstrated the limits of granting the permanent residency to all persons from countries under moratorium, such as Afghanistan, Burundi, the Democratic Republic of the Congo, Liberia, Rwanda and Zimbabwe.

The petitioners say that it is totally inhuman to keep people in legal limbo for years, considering the results obtained when humanitarian criteria are applied.

[English]

## VISITOR VISAS

**Mrs. Irene Mathysen (London—Fanshawe, NDP):** Mr. Speaker, I have a petition signed by several hundred citizens of the London and southwestern Ontario region. They wish to draw the attention of the House to the fact that the Republic of Poland successfully joined the European Union as of May 1, 2004, that Canada and Poland are both active members of NATO promoting peace and security

globally, and that Poland is using biometric passport technology, which is a secure passport identification system.

The signators request that the Government of Canada lift the visitor visa requirements for Poland to increase family visitation, tourism, cultural exchanges and trade missions. The newly elected head executive board of the Canadian Polish Congress, representing 800,000 Canadians of Polish heritage, strongly recommend the lifting of such visa requirements for Poland so that Canadian citizens will no longer require visitors visas to visit Poland.

[Translation]

## SUMMER CAREER PLACEMENT PROGRAM

**Mr. Luc Malo (Verchères—Les Patriotes, BQ):** Mr. Speaker, pursuant to the Standing Orders of this House, I am pleased to table this afternoon a petition signed by more than 600 inhabitants of Verchères—Les Patriotes and the surrounding area who ask for the maintenance and even for the improvement of the summer career placement program.

I can say right now that I will be tabling a second petition on the same subject in the next few days.

[English]

## VISITOR VISAS

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I also have a petition pertaining to visa requirements for the Republic of Poland. This petition is signed by a significant number of people from my constituency of Winnipeg North where there is a very vibrant Polish community that has been playing a very important part in our community's cultural and economic life.

The petitioners point out to Parliament that there is a double standard. Canadians do not need a visa to go to Poland, yet Polish people need a visa to come to Canada. They think this is unjust and unfair for good relations and trading patterns. They call upon Parliament to lift the visa requirements for the Republic of Poland.

\* \* \*

## 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, the following questions will be answered today: Nos. 173, 174, 175, 176, 177, 178 and 182.

[Text]

Question No. 173—**Ms. Olivia Chow:**

What projects, grants, contributions and any other funding support has Human Resources and Social Development Canada funded for the riding of Trinity-Spadina since January 1, 2006?

*Routine Proceedings*

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, government information on funds, grants, loans and loan guarantees issued by departments and agencies is based on parliamentary authorities for departmental or agency programs and activities. This information is listed by department and government organization in the public accounts and disclosed on the web sites of government organizations. However, government organizations do not compile or analyze expenditure information by electoral district. Consequently, at present, it would not be possible to provide the information in the form requested.

Over the course of the 39th Parliament, a number of government organizations have undertaken efforts to identify federal expenditures by postal codes which could then be summarized by electoral districts using a tool developed by Statistics Canada. While there is some promise in this approach, there remains a significant potential for error since over 5,000 postal codes straddle two or more electoral districts. Moreover, the government would have significant concerns about the quality of the financial data derived by this approach because there is no way to track the geographic area in which federal funding is actually spent. For example, federal funding could be provided to the head office of a firm situated in one electoral district, while the funding was actually spent by a subsidiary located in another electoral district. This may also be the case for payments to individuals, organizations or foundations. For these reasons, and the fact that fewer than half of government organizations have acquired the Statistics Canada tool, it is not possible to produce an accurate and comprehensive answer to this question at the present time.

That said, Statistics Canada has initiated a process to enhance the accuracy of the tool that provides the link between postal codes and electoral districts. The process will allow departments to better approximate by electoral district data gathered on a postal code basis. The improved tool should be available in the fall of 2007. In the interim, the Privy Council Office will also launch an interdepartmental process to determine whether this tool can be extended to all government organizations as well as the means to ensure that it is used in a consistent manner across the whole of government.

**Question No. 174—Ms. Dawn Black:**

With regard to new Canadians who arrived from the Democratic People's Republic of Korea (DPRK) over the last five years: (a) what is the number of recent arrivals who are natives or citizens of the DPRK; (b) what is the number of people who are natives or citizens of the DPRK and have been granted refugee status; (c) what is the number of people who are natives or citizens of the DPRK that were not granted refugee status; and (d) what is the number of people currently being processed through the refugee system?

**Hon. Diane Finley (Minister of Citizenship and Immigration, CPC):** Mr. Speaker, insofar as Citizenship and Immigration Canada is concerned, with regard to foreign nationals who arrived from the Democratic People's Republic of Korea, DPRK, over the last five years:

a) We have interpreted "recent arrivals" to mean persons who were granted permanent residence by applying from outside of Canada. This would include permanent residents in all of the immigration categories. We have also interpreted "natives or citizens of the DPRK" to mean persons who were born in the DPRK. Our systems do not enable us to reliably disaggregate natives from

citizens. The 127 persons who were born in the DPRK were granted permanent residence in Canada in the last five years;

b) two persons born in the DPRK were determined in Canada to be convention refugees or persons in need of protection;

c) two persons born in the DPRK were determined in Canada to be neither convention refugees nor persons in need of protection; and

d) as of December 31, 2006, 26 persons born in the DPRK were awaiting a decision by the Immigration and Refugee Board with respect to their claims for refugee protection.

**Question No. 175—Ms. Catherine Bell:**

With regard to the 1992 decision of the government to seize fishermen's assets to pay for loans offered under the Fisheries Improvement Loans Act, will the government take action on the following requests from the Fishermen's Redress Committee to: (a) appoint a representative of the Prime Minister to enter negotiations with the Fishermen's Redress Committee; (b) compensate the fishermen in their loss; and (c) offer an apology for the many years of suffering they have endured?

**Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC):** Mr. Speaker, the government is not considering at this time any actions related to past loan guarantees and debt recovery that occurred under FILA. The government did not seize the assets of fishers to pay for loans that were guaranteed under FILA. Through FILA, the Department of Fisheries and Oceans provided loan guarantees so that fishers could receive loans at favorable rates from lending institutions. In the unfortunate case of defaulted loans, the lending institution followed through with a collection process, and in some cases assets were seized. DFO was not involved in those decisions; indeed, the Department paid the difference on any remaining amounts, relieving fishers of any further obligations to the lenders. After the government paid a claim to a lender for a loss incurred on a FILA guarantee, the debtor (the fisher) was still expected to repay the government for the loss paid on his or her behalf.

However, collection action by the government was only implemented when the financial circumstances of the debtor (fisher) improved to where a repayment plan was possible. For those who were unable to pay in the foreseeable future, borrowers were asked to submit documentary evidence such as a statement of affairs, employment record, health conditions, etc. The debt was then written-off, pursuant to Treasury Board guidelines, if it was deemed uncollectible (e.g. the debtor was bankrupt) or otherwise did not merit further action. No claims paid under FILA are outstanding and no collection action is being pursued. The government has written-off \$13.5 million in paid claims, almost 85% of all defaulted FILA debts covered by DFO. With respect to programs established under FILA, government actions were consistent with FILA and Treasury Board guidelines. The government's position is that it would be inappropriate to provide compensation and/or an apology for the actions of private financial institutions.

*Routine Proceedings***Question No. 176—Mr. Paul Dewar:**

What funds, grants, loans and loan guarantees has the government issued in the constituency of Ottawa Centre since February 6, 2006, that are available in an electronic capacity, including the 2006-2007 Budget and up to today, and, in each case where applicable: (a) the department or agency responsible; (b) the program under which the payment was made; (c) the names of the recipients, if they were groups or organizations; (d) the monetary value of the payment made; and (e) the percentage of program funding covered by the payment received?

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, government information on funds, grants, loans and loan guarantees issued by departments and agencies is based on parliamentary authorities for departmental or agency programs and activities. This information is listed by department and government organization in the public accounts and disclosed on the web sites of government organizations. However, government organizations do not compile or analyze expenditure information by electoral district. Consequently, at present, it would not be possible to provide the information in the form requested.

Over the course of the 39th Parliament, a number of government organizations have undertaken efforts to identify federal expenditures by postal codes which could then be summarized by electoral districts using a tool developed by Statistics Canada. While there is some promise in this approach, there remains a significant potential for error since over 5,000 postal codes straddle two or more electoral districts. Moreover, the government would have significant concerns about the quality of the financial data derived by this approach because there is no way to track the geographic area in which federal funding is actually spent. For example, federal funding could be provided to the head office of a firm situated in one electoral district, while the funding was actually spent by a subsidiary located in another electoral district. This may also be the case for payments to individuals, organizations or foundations. For these reasons, and the fact that fewer than half of government organizations have acquired the Statistics Canada tool, it is not possible to produce an accurate and comprehensive answer to this question at the present time.

That said, Statistics Canada has initiated a process to enhance the accuracy of the tool that provides the link between postal codes and electoral districts. The process will allow departments to better approximate by electoral district data gathered on a postal code basis. The improved tool should be available in the fall of 2007. In the interim, the Privy Council Office will also launch an interdepartmental process to determine whether this tool can be extended to all government organizations as well as the means to ensure that it is used in a consistent manner across the whole of government.

**Question No. 177 —Mr. Paul Dewar:**

Can the Minister of Transport confirm what criteria are being used in the audit plan for the special examination of the National Capital Commission now being conducted by the Auditor General?

**Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, in accordance with section 138 of the Financial Administration Act, parent crown corporations shall cause a special examination to be carried out at least once every five years. A special examination of the National Capital Commission, NCC, is scheduled for 2007. The Office of the

Auditor General, OAG, will be conducting the examination and it is responsible for developing the audit criteria.

The OAG is in the very early stages of the audit process. As part of its standard process, the OAG presents the special examination plan, i.e. audit plan, which normally includes the audit criteria, to the crown corporation's audit committee. In the case of the NCC, the OAG expects to present this plan to the corporation in early spring 2007.

**Question No. 178 —Mr. Alex Atamanenko:**

With respect to agriculture programs are there any bilateral initiatives between Canada and Afghanistan such as farmer exchange programs, agriculture student exchanges, reduced tariffs on imports such as pistachios, almonds, apricots as incentive to curb poppy production, technology transfer, or any government agency linkages between Canada and Afghanistan?

**Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC):**

Mr. Speaker, Canada's approach is to help Afghans help themselves and to strengthen the presence of the national government across the country. Support focuses on Afghan national programs that ensure local ownership, accountability and community-based engagement.

The Canadian International Development Agency's, CIDA, Afghanistan program's assistance framework has evolved over the years. Its current priorities have been created to support those identified in the Afghan government's interim national development strategy and have been identified by Afghanistan as key to extending the reach of the government and allowing development and economic growth to combat poverty.

CIDA's three thematic priorities across the country, including Kandahar Province, are as follows: sustainable rural livelihoods and community-based development, improving democratic development and effective governance, and supporting the role of women and girls in society, including education. Canada's funding is delivered through trusted and well-managed partner organizations including the World Bank, UN organizations as well as reputable international and Canadian non-governmental organizations, NGOs.

Afghanistan, along with all other least developed countries, LDC, benefits from the 2003 Government of Canada market access initiative, which allows for tariff and quota-free access for virtually all products, excluding certain dairy and poultry products, imported from LDCs. Agricultural products such as pistachios and almonds fall under the market access initiative.

Technology transfer for agriculture occurs directly and indirectly through certain projects of CIDA. CIDA has implemented a community renewal project in northeast Afghanistan through the Aga Khan Foundation Canada's, AKFC, community renewal program, providing alternative livelihood options in the context of concerted anti-narcotics efforts. Most of these efforts have been related to agricultural development, including livestock development centres, animal vaccination, livestock technologies training, rangeland rehabilitation and the establishment of forestry nurseries, horticulture nurseries, trial farms and farmer schools.

Canada has also contributed to the mine action national development budget which has focused on clearing areas affected by land mines and other ordnance freeing up key arable land for agriculture. Additionally, CIDA has been involved in a number of quick impact projects that have provided seeds and fertilizers to 70,000 farmers.

Indirectly, other CIDA projects such as the national solidarity program, NSP, have supported technology transfer. The NSP gives rural Afghans a voice in their country's development through the election of community leaders to community development councils, CDCs. The program supports the CDCs to lead their communities through processes to identify, plan, manage, and monitor their own development projects. Under NSP, more than half of the community projects involve productive infrastructure such as irrigation, roads, and village electrification, thereby promoting productivity and stimulating local economies.

Question No. 182—**Mrs. Irene Mathysen:**

What Human Resources and Social Development Canada funds, grants, loans and loan guarantees has the government issued in the constituency of London—Fanshawe since February 6, 2006, including the 2006-2007 Budget and up to today, and, in each case where applicable: (a) the department or agency responsible; (b) the program under which the payment was made; (c) the names of the recipients, if they were groups or organizations; (d) the monetary value of the payment made; and (e) the percentage of program funding covered by the payment received?

**Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC):** Mr. Speaker, government information on funds, grants, loans and loan guarantees issued by departments and agencies is based on parliamentary authorities for departmental or agency programs and activities. This information is listed by department and government organization in the public accounts and disclosed on the web sites of government organizations. However, government organizations do not compile or analyze expenditure information by electoral district. Consequently, at present, it would not be possible to provide the information in the form requested.

Over the course of the 39th Parliament, a number of government organizations have undertaken efforts to identify federal expenditures by postal codes which could then be summarized by electoral districts using a tool developed by Statistics Canada. While there is some promise in this approach, there remains a significant potential for error since over 5,000 postal codes straddle two or more electoral districts. Moreover, the government would have significant concerns about the quality of the financial data derived by this approach because there is no way to track the geographic area in which federal funding is actually spent. For example, federal funding could be provided to the head office of a firm situated in one electoral district, while the funding was actually spent by a subsidiary located in another electoral district. This may also be the case for payments to

individuals, organizations or foundations. For these reasons, and the fact that fewer than half of government organizations have acquired the Statistics Canada tool, it is not possible to produce an accurate and comprehensive answer to this question at the present time.

That said, Statistics Canada has initiated a process to enhance the accuracy of the tool that provides the link between postal codes and electoral districts. The process will allow departments to better approximate by electoral district data gathered on a postal code basis. The improved tool should be available in the fall of 2007. In the interim, the Privy Council Office will also launch an interdepartmental process to determine whether this tool can be extended to all government organizations as well as the means to ensure that it is used in a consistent manner across the whole of government.

[English]

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## REQUEST FOR EMERGENCY DEBATE

### NATIONAL DEFENCE

**The Speaker:** The Chair has received an application for an emergency debate from the hon. member for New Westminster—Coquitlam. I now call upon her to make her representations on this matter.

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Mr. Speaker, I am asking for this emergency debate so that the House can discuss comments that were made by the Minister of National Defence yesterday. The comments effectively announced a new defence policy for the Government of Canada that would result in larger expenditures of public funds and basically a change in Canadian foreign policy.

I believe that the announcement made by the Minister of National Defence that Canada should expect to be involved in heavy combat with armour for the next 10 to 15 years in different parts of the world is actually momentous, historically significant and without precedent. The minister was talking about an undertaking three times longer than the great war or than World War II. This is something which clearly falls within the administrative responsibilities of government.

*Government Orders*

I cannot foresee, nor has the government proposed, a time for this issue to be debated in any other way. I felt it was my duty to raise this as quickly as possible with you, Mr. Speaker. I believe that Parliament should speak to this issue which affects the lives of tens of thousands of members of the Canadian Forces. Parliament must have a debate on this issue before the government makes commitments to conflicts over the next 15 years.

For Parliament not to debate this issue today would send the signal to the executive branch of government that it can pursue whatever policies it wishes and that Parliament is unconcerned with its plans or with its expenditures in the conduct of war.

I therefore believe that this matter meets the test of Standing Order 52(6).

• (1525)

SPEAKER'S RULING

**The Speaker:** The Chair appreciates the interest the hon. member for New Westminster—Coquitlam has shown in bringing this matter to the attention of the House today, but having reviewed the letter that she forwarded to me, the notice that she is required to give pursuant to the Standing Order, together with a copy of the interview, and having heard her remarks today, I must say that I am not satisfied that this request for an emergency debate meets the exigencies of the Standing Orders at this time. Accordingly, I am going to decline her request today.

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## GOVERNMENT ORDERS

[English]

### BUDGET IMPLEMENTATION ACT, 2007

The House resumed consideration of the motion that Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, be read the second time and referred to a committee, and of the motion that this question be now put.

**The Speaker:** When the matter was last before the House the hon. member for Yukon had the floor for questions and comments arising out of his remarks. I therefore call for questions or comments. The hon. member for Mississauga South.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I want to thank the member for his intervention in the debate on the budget implementation bill, Bill C-52. He is a member from the Yukon and travels a great deal to participate in this place. In fact, he is here as often as anyone doing his job. His constituents should be very pleased with that.

He spoke very eloquently about the impact of the budget on his constituency, about the impact on the needs for aboriginals and maybe the lack of support for the needs of the aboriginal community. His speech was so full of insight that I want the member to elaborate on the consequences of not having the kind of funding that would have been prescribed under the Kelowna accord but which the Conservative government has totally rejected and voted against. What would it mean to our first nations, Inuit and Métis to have the kind of supports that were proposed in the Kelowna accord represented in the budget?

**Hon. Larry Bagnell:** Mr. Speaker, before I answer the question, I want to mention two things I am in support of, but which I forgot to mention. One is the \$300 million for cervical cancer immunization. That is excellent. The other is the registered disability savings plan. At least it gets disabled people on the agenda again.

With regard to the member's question, as I said in my speech, just over \$400 million was added to the regular budget of \$9 billion or \$10 billion a year for aboriginal people, which is a totally insignificant amount in a very few areas and would not address the major issues. Fortunately we had the recent experience that the major issues were identified by the aboriginal people themselves in the historic Kelowna agreement. All the premiers, aboriginal leaders from across the country and the federal government got together to make this historic accord with the bottom up itemization of those issues. Instead of \$400 million there was \$5 billion that would have dealt with those issues, such as housing, economic opportunities, education and health care.

This morning the teachers' association visited me and talked about how aboriginal people in Nunavut actually sleep in shifts because there are so many people living in a house. How can people survive in school when they have to sleep in shifts in the bedroom because there are so many people living in a house?

There is an obvious need for economic opportunities in rural areas where aboriginal people are found. Compared with the rest of Canadians, the statistics in all these areas for aboriginal people are much lower. Canadians are generous people. They want to narrow the gap in educational achievements so aboriginal people can achieve more. In certain cases, special assistance is needed in the classroom and in health care. Why do more aboriginal mothers and babies die in childbirth than the average Canadian? These are critical issues. I imagine there are very few Canadians who would not want to reduce that disparity. The \$5 billion in the Kelowna accord would have done that. Instead, we did not even get enough money in this budget to deal with inflation and the large increases in aboriginal people and other types of problems.

• (1530)

**Mr. Paul Szabo:** Mr. Speaker, one of the broken promises of the government is that it has failed to deliver on the health care wait times guarantee. There were five priority areas. As we know now, the government is working out deals with each province individually saying that if a province satisfies the wait times criteria in any one of the five areas, it will get the money. That makes it interesting considering the health difficulties and the challenges faced by aboriginal people in Canada.

*Government Orders*

What exactly does that mean in terms of providing the same kind of benefit to the Canadians in Yukon and the other territories? What negotiations are taking place? Where is the money going to go? Is Yukon going to get any money under the so-called broken promise of wait times guarantees?

**Hon. Larry Bagnell:** Mr. Speaker, that is a very interesting question because the government has, to its credit, seen that the issue is different in the north. The fact is that a lot of those surgeries do not occur in the north. In a lot of cases, people have to go south for them. The access is to primary health care, actually getting in at the primary stage, because of the long distances people have to travel. We have half of the area of Canada and only three full scale hospitals. People sometimes have to travel hundreds of miles. Primary health care access is a huge issue.

The government's energies in this area are going to be concentrated on reducing the wait times for that primary access and making sure that primary access occurs for all people in the north. That is good and I will certainly be watching to make sure that is implemented.

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, it is my pleasure to rise in debate on the budget implementation bill, Bill C-52. As you know, from the moment the Minister of Finance delivered his budget speech, the Bloc Québécois has supported this budget, even though it is not perfect. This has to be made very clear. It does, however, have enough good stuff in it for us to be comfortable voting for it and, consequently, voting for Bill C-52.

Obviously, in the budget implementation bill, not all budget items are implemented. But the bill does contain items such as measures concerning corporate and personal income tax, fiscal arrangements with the provinces, particularly with respect to equalization, the Canada social transfer, and the Canada health transfer. This budget implementation bill also deals with trusts and new funds, the amount of such trusts, and direct payments to the provinces, territories and other entities. It also provides the legislative framework for using money saved in debt service from paying down the debt to lower taxes, and it contains a number of other measures I do not intend to get into in any great detail, except perhaps for one, and I will start with that one.

As I was saying, this bill has many items, some more interesting than others. I will primarily focus on the measures affecting fiscal arrangements with provinces and environmental issues.

Moreover, I want to start by bringing up an extremely sensitive point concerning income trusts. Obviously, the Bloc Québécois has supported the principle of preventing corporations from converting into income trusts as of the Minister of Finance's announcement on October 31, for a number of reasons based on various factors. Tax leakage was obviously brought up. While the committee was working on this issue, I realized that there were some revenue losses because of income trusts, but the department was unable to pinpoint to what extent. We were given an absolutely unbelievable figure, which included tax deferrals, since some shares in trusts are in registered retirement savings plans. This represented at least half of the figure presented, and, though I will not go as far as to call it dishonest, I think this method was completely biased.

There was tax leakage for the federal government and the Government of Quebec, but certainly not to the extent that the minister was talking about. Moreover, Minister Audet, who, up until the last election, was the Quebec finance minister—we will soon know who will replace him since, as you probably know, he decided not to run again—told me that the Government of Quebec was currently losing approximately \$40 million a year because of income trusts. This is rather far from the figure provided by the Minister of Finance, which was in the billions of dollars over the next few years.

I believe that the government decided to put the brakes on income trust conversions primarily because they would have put pressure on a number of businesses. Take BCE, which did not necessarily want to convert to an income trust but was under pressure because a competitor, Telus, had announced that it intended to do so. It was therefore conceivable that in the future, some immature sectors needing investment would convert to income trusts, thereby causing problems for all of Canada and Quebec. I find this argument more convincing than the tax evasion argument.

Moreover, as I said, on October 31 we were in favour of no longer allowing corporations to convert to income trusts. However, that did not address the problem of existing income trusts. We would have been comfortable with changes to existing trusts that had taken advantage of the established rules for years. The Prime Minister's announcement during the election campaign that the rules were set in stone was irresponsible. It is clear that he promised not to change the rules for income trusts. He broke his promise, but as I said, it was an irresponsible promise anyway. I explained why a few minutes ago.

• (1535)

Nonetheless, the people who invested in existing income trusts did so in good faith, thinking they could trust the Prime Minister, who, as I said, promised not to touch income trusts.

We studied ways to minimize the impact on existing trusts. We would have been comfortable with keeping the 250 or so existing trusts and preventing more from being created. We could have agreed to that.

The government, however, decided to force them to convert back to corporations within four years or to pay the equivalent of the taxes paid by people who invest in regular stocks—which is not entirely true, as the committee found during its work.

As I said, the government decided to allow just four years for the transition. We think the government could easily have extended that period to eight or ten years to mitigate the impact of the October 31 announcement.

*Government Orders*

As I mentioned earlier, we are going to support the budget. However, when election time comes, the government, that is the Conservative Party, will have to explain to us why it did not heed the recommendations of the Standing Committee on Finance. The Liberals, like the Bloc Québécois, gave suggestions for minimizing the negative impact on the 2.5 million Canadians, including Quebecers, who invested in good faith in these income trusts and who have since been swindled, despite the Prime Minister's promise during the election campaign.

These 2.5 million Canadians, including many Quebecers, are not all millionaires or wealthy people. Many of them are even retired individuals who are now having a hard time making ends meet, because they have had a good portion of their income cut off. I understand why they are angry. The Standing Committee on Finance, the Bloc Québécois and the Liberal Party have made suggestions to the Minister of Finance. He did not consider those suggestions. Thus, it is up to the Conservatives, the Prime Minister and the Minister of Finance to explain, in an election campaign, why they did not consider the suggestions made to them, for example, by the Bloc Québécois.

That said, as I mentioned, we agreed with the approach in principle. We believe that the Conservative government, the Minister of Finance and the Prime Minister failed to show compassion for hundreds, if not hundreds of thousands of people who invested in good faith in income trusts.

I therefore wanted to send out this caveat—or update—because, clearly, many people who followed the work of the Standing Committee on Finance concerning income trusts are having a hard time understanding that, even though we disagree with how this measure is being implemented, we are nevertheless going to vote in favour of the budget.

We are going to support the budget because—as I have said many times—it represents a significant, yet largely insufficient, step towards correcting the fiscal imbalance. We are talking about money that Quebec desperately needs.

As we all know, the Prime Minister promised on December 19, 2005, to correct the fiscal imbalance. Thus, the Bloc Québécois supported the previous budget primarily, although not exclusively, because it promised to correct the fiscal imbalance in this budget.

The Bloc Québécois looked at what an appropriate solution would mean for Quebec and made a certain number of conditions. They may not have been met in their entirety but some have been partly met by this budget. In any event, the conditions have been met to the extent that the Bloc Québécois feels it can support Bill C-52 at this stage. However, this is not an indication of what will happen in future, especially when the next budget is tabled. If no other significant steps are taken towards the definitive resolution of the fiscal imbalance, we reserve judgment on future budgets.

I would like to say one thing. What was extremely important to the Bloc Québécois was that there first be an increase in transfers to Quebec and a change in the equalization formula to take some of Quebec's claims into account. When the amounts were announced, the financial imbalance caused by the Liberal government, the former Prime Minister and the former Minister of Finance in 1994-

95 and 1995-96—when draconian cuts were made to provincial transfers to deal with the deficit—had to be corrected. At that time, the problem was simply dumped on the provinces.

• (1540)

What is very serious is that, beginning in 1997-98, large surpluses were routinely recorded and the situation was not resolved. The imbalance has yet to be corrected.

We calculated that \$3.9 billion was needed to correct the fiscal imbalance. Because we are realistic, understanding and moderate in our approach, we proposed that this amount be disbursed over three years. Therefore, in this year's budget, there is the equivalent of an additional \$1.7 billion in equalization payments, the Canada social transfer and the Canada health transfer.

Unfortunately, I must subtract \$270 million from this amount because the Conservative government unilaterally tore up the child care agreements it had with the provinces. Therefore, this year there is an additional \$1.723 billion for Quebec, which is not bad in view of the fact that two years ago the Government of Quebec had to sell \$800 million of its own assets in order to balance its budget. This money was needed.

For the next year, according to the 2007-08 budget, the government is already announcing an additional increase of \$888 million and of \$330 million for 2008-09. I know that this is very far from now, but this wish has been expressed and put down on paper. This comes to a total of \$2.9 billion, or almost \$3 billion. Adding a number of other things, we reach \$3.3 billion, which is not far from the financial target of \$3.9 billion that we had established.

This is a financial adjustment. The former Liberal prime minister said that the provinces were under financial pressure and this would have to be corrected at some point. That had never been done systematically. Some money was put into health and some into infrastructure programs, but, as a whole, the government had no approach and was unable to put a figure on the adjustment that had to be made to reach a fiscal balance.

However, the current Prime Minister promised us to redress the fiscal imbalance, not the financial imbalance. Now, all he has done is partially redressing the financial imbalance. As I was mentioning, the increases that would be necessary to correct the situation that was created in the middle of the 1990s were estimated at \$3.9 billion in the third year, and he is at \$3.3 billion. Let us say that, in the next few years, we force him to put in a little more, if we are all still here, of course. As we know, this Conservative government is in a minority position, and I hope it will keep that in mind.

*Government Orders*

So, we are currently at \$3.3 billion. A little extra effort will be necessary to get closer to \$4 billion. Still, that does not correct the fiscal imbalance because, as indicated by the word fiscal, this is a fiscal matter, something having to do with the level of fiscal autonomy that can be achieved by the provinces and Quebec. This means that the tax base will have to be renegotiated. But there is no indication in Bill C-52, or in the budget for that matter, that the federal government is prepared to open negotiations with the provinces to transfer the part of the tax base corresponding to the transfers for health, education and social programs. It makes absolutely no sense for Quebecers to send money to Ottawa and then be forced to grovel on their knees to try and get their tax money back for programs that fall under the jurisdiction of the provinces, Quebec in this instance. We are talking about health, post-secondary education and social solidarity.

It is another ball game where equalization is concerned, because equalization is entrenched in the Canadian Constitution. As long as we are a part of Canada, the Constitution should continue to apply to us. Incidentally, I often like to joke about the Bloc Québécois being the only party in this House that really cares about enforcing the Constitution of 1867 and respecting the areas of responsibility of the provinces and the central government, which is much more than a federal government. That is what we will be working on in the coming months. My colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, who will be taking over as our finance critic, will therefore bring pressure to bear so that negotiations are opened with respect to transferring to those provinces that so desire the part of the tax base corresponding to the transfers for health, post-secondary education and social programs. Quebec so desires, and the Séguin commission was very clear in that regard.

• (1545)

As I have already mentioned, equalization will continue to be implemented. This program is not only enshrined in the Constitution, but it is a program that transfers revenues with no strings attached for the Government of Quebec to use as it sees fit, which is not the case with dedicated transfers. This is the first thing that is missing from Bill C-52 that we are working on.

The second thing is federal spending power. The government has not been silent about this, but it talks about it in a roundabout way and it simply pays lip service. The federal government and the Conservative Party are committed to limiting spending power. We do not want to limit it; we want it to be controlled. We are waiting for a very clear bill from the Minister of Finance to explain how he intends to control the federal government's power to spend in the jurisdictions of Quebec and the provinces. How can federal spending power be controlled in Quebec's jurisdictions? There is just one way: by giving the provinces who so desire the unconditional right to opt out with full financial compensation of a program implemented by the federal government in a shared jurisdiction or an exclusive jurisdiction of the provinces; and the province should be compensated.

Unfortunately, that is not exactly where things are headed. I will read a number of paragraphs from the 2007 *Budget Plan* for budget 2007-08. For example, I will read from page 120. In the objectives stated by the government, by the Minister of Finance, for renewing and strengthening the Canada Social Transfer, they talk about

jurisdictions belonging to Quebec and the provinces. Among the concerns are: "The accountability and transparency of the CST—".

As far as the accountability of the Canada Social Transfer is concerned, what are the Conservatives talking about? The provinces and Quebec are accountable to the federal government when it transfers their money to them.

We are far from the true approach to controlling or even limiting the federal government's spending power. The following sentence is smooth, "—Canadians are not informed of how much federal support is being provided to each of the three priority areas that the CST supports (post-secondary education, social assistance and social services, and support for children)".

Not only does the Conservative government not have any intention of limiting or controlling the spending power, but it also wants to ensure that federal support—which is essentially the taxes of all Canadians and Quebecers—will be more visible in the jurisdictions of Quebec and the provinces. It has absolutely no responsibility in this jurisdiction.

However, because of the fiscal imbalance, the federal government has more money than responsibilities. It is looking for responsibilities and is finding them in provincial areas of jurisdiction. So it adds money. Otherwise, what would it do with that money? It could lower taxes and transfer that money in the form of a tax base to the provinces that want it, as I already mentioned. It could also do useful things in its own jurisdiction. For example, what about the RCMP detachments that were closed? The Conservative Party promised to reopen RCMP detachments that had been closed, as was done in the Lanaudière region, where the Saint-Charles-Borromée detachment was closed. What about employment insurance, which falls under federal jurisdiction? It could at least ensure that the program meets the objectives for which it was created.

As we can see, it is a small step that is significant enough for us to be comfortable supporting Bill C-52, but not enough to talk about correcting the fiscal imbalance. I am sure that Quebecers understand this very well. I am also sure that they will send back a majority of Bloc members to the House after the next election, to truly defend them. They will force the government—Liberal or Conservative—to genuinely correct the fiscal imbalance. The government cannot just go part way, as it is doing now, when it comes to restoring federal government transfers in areas of provincial jurisdiction.

• (1550)

[English]

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, how important does the member think it is to pay down the national debt and does he agree with the tax back guarantee that the minister has decided to legislate?

Does he agree that the national debt should be paid down? Does he agree that Quebecers would be quite happy to be a part of the benefits of the tax back legislation and guarantee?

*Government Orders*

[*Translation*]

**Mr. Pierre Paquette:** Mr. Speaker, as far as we are concerned, paying down the federal debt is clearly not a priority. I am not saying it is not a good thing, but until we deal with the fiscal imbalance, the priority should be to transfer the tax base, the federal government's surpluses to the provinces, to help them assume their responsibilities in their jurisdictions.

Let us not forget that paying down the debt is not as effective as promoting economic growth. What will happen if we do not help the provinces assume their responsibilities in post-secondary education? Neither Quebec nor Canada will prosper.

Recently, there was an article in the *Hill Times*, if I am not mistaken, in which it was said that Canadian universities do twice as much research as universities in the other G-7 countries. Therefore, if we do not restore funding for post-secondary education, universities will no longer be able to do research. This is true for Quebec, but it is also true for the rest of Canada and we will shoot ourselves in the foot, because we will jeopardize the conditions that must prevail to ensure economic growth.

This is why I have nothing against paying down the debt when the issue comes up. Over the past eight or nine years, the Liberals have paid down the debt at the expense of conditions that promote economic growth. We are beginning to feel it very clearly considering that, for the month of February alone, 33,000 jobs were lost in Quebec's manufacturing sector. Why? Because research and development are insufficient. This is true in Quebec, but it is also true in the rest of Canada. There is not enough occupational training, because of a lack of funding.

There is nothing in the *Budget Plan 2007* for post-secondary education. The document refers to an amount of \$800 million, but it is for next year. We need the money now.

If we really want to reduce the debt, we must do so based on our collective wealth, which is measured by using the gross domestic product. The GDP increases with economic growth which, in turn, depends on our ability to innovate, be competitive and have adequate infrastructures. Unfortunately, our infrastructures are not only increasingly obsolete, but they also jeopardize our economic prosperity and even people's lives, as we saw with the overpass on Laval's Concorde boulevard, in Quebec.

In this sense, it would be better to correct the fiscal imbalance, to allow Quebec and the other provinces to assume their responsibilities in priority areas that are essential to economic growth.

• (1555)

[*English*]

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, the hon. member from the Bloc has been resonating the myth of the fiscal imbalance. It was ironic that Quebec received a tremendous amount of cash in the last budget and the Premier of Quebec right away offered tax cuts for people, not a program for investments in social, education, health, infrastructure or to help anybody. It was strictly to give tax cuts in order to buy votes.

What we have in Canada is a social and development imbalance, not a fiscal imbalance. Some of the things the hon. member talked

about such as the reinstatement of the RCMP stations and a shipbuilding policy to help out the people of Levy, Quebec would be very important. However, those things are not done on tax cuts. Those things are done on investments.

Would he comment as to why his premier received this tremendous amount of cash and offered tax cuts during a provincial election?

[*Translation*]

**Mr. Pierre Paquette:** Mr. Speaker, that is an excellent question and I thank my colleague for it.

First, I can assure you that I did not vote for the Liberals in the last Quebec election. Quebecers democratically chose to elect a minority Liberal government headed by Jean Charest and an official opposition formed by the Action démocratique headed by Mario Dumont. The Parti Québécois ended up with less members even though its percentage of the votes was practically the same.

There will be a debate. To please voters, Jean Charest wants to use the transfers that were announced by the federal government to cut taxes, which he has a right to do. Once the money is transferred, discussions must take place. The fiscal imbalance is evident in various ways: not only is it difficult to invest in services and infrastructures, but taxes are being raised because the government must assume its responsibilities. As you know, Quebecers are among those who pay the most taxes. In this sense, there is some legitimacy in wanting to cut taxes, but that is not my priority.

With regard to the debate that will take place in Quebec, I am convinced that the Parti Québécois will defend its position, which will be different from that announced by Mr. Charest. Even though Mr. Charest made that announcement, it will result in a good debate in the National Assembly and we shall see what comes of it. However, it is up to Quebecers to debate this matter. It is not up to the federal government or the rest of Canada to tell us what to do with this money.

Having said that, if they are not satisfied with Jean Charest and his decisions, Quebecers will vote for the Parti Québécois the next time and there will be a social democratic government in Quebec.

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I was a little taken aback by the member's suggestion that paying down debt was not a priority. Even the member would understand that not paying down debt and transferring \$3 billion to the provinces would represent an amount of money for which there would be no strings, no accountability and would in fact be a one time distribution because it is an absolute amount of money.

In the alternative, paying down the national debt in an orderly fashion saves interest. That interest is the real fiscal dividend to Canadians. It is ongoing savings year after year. It is there to support, for instance, the Canada health and social transfer, which goes for the benefit of all Canadians through the provincial transfers and has accountability provisions built into it.

*Government Orders*

Would the member like to reconsider his view of paying down debt as opposed to not paying down debt and simply transferring amounts for which there would be no accountability possibilities for the Government of Canada?

• (1600)

[*Translation*]

**Mr. Pierre Paquette:** Mr. Speaker, what matters when we take on a debt is its amount in relation to our wealth. For example, if I have a \$100,000 mortgage on a home worth \$300,000, it is not the same as having a \$100,000 mortgage on a \$100,000 home. Everyone should understand that.

Since the Liberals began paying down the debt, it has decreased by 48% or perhaps 35% of GDP. I do not have the figures on hand, but the debt has been reduced significantly. 80% of this is due to economic growth and only 20% to debt repayment. If you use money to pay down the debt rather than investing in factors that contribute to growth, you shoot yourself in the foot, as I stated earlier. What is even worse is that the provinces are forced to go into debt. At present—with the exception of Alberta—all provinces are on roughly the same footing, with balanced budgets, or slight deficits, or very large deficits in some cases. Provincial debt is more costly for taxpayers. Does it make sense to pay down debt which costs less in terms of interest paid and to make provinces go into debt and then force them to borrow on the markets?

The Quebec debt increased by \$11 billion when the Liberals were in power. I guess that they did try to prevent things from getting worse but they did not succeed, in part because of fiscal imbalance. The interest rate on that \$11 billion is higher than that on the federal debt. As a taxpayer, I would prefer to see the federal debt increased by \$11 billion because the interest rate on it is lower, than in the provinces that have to pay higher taxes. I think that that would be totally logical from an accounting and a financial point of view.

I am not against paying down the debt but I think it is not a priority for the present situation. Our priority should be allowing the provinces to ensure sufficient financing for their public services and their social programs. If there is money remaining after that, we could then lower taxes or make payments on the debt or a combination of both.

Right now, the fiscal imbalance has not been corrected and the dire financial situation of provincial governments is proof of that. I always find it funny to see in the documents on the financial situation of the provinces that there is a surplus of \$X billion. Almost 90% of that surplus comes from Alberta. As for the others, one year things go well, the next they do not go as well. It is not helping the taxpayers to burden them with the debt that is the most expensive for them, when the federal government made a huge surplus of \$13 billion last year. I think that this is simply a question of financial logic. It is not an ideological issue at all.

[*English*]

**Mr. Paul Zed (Saint John, Lib.):** Mr. Speaker, I rise today to talk about the federal budget and the impact of this budget not just on Atlantic Canada but on New Brunswick.

This federal budget, as many colleagues in the House know, is a major disappointment. Over and over again, the Prime Minister

spoke about this budget representing his Canada. As a member of Parliament from New Brunswick, I can tell members that this budget does not look anything like the Canada I know and love.

The Prime Minister promised New Brunswickers and Canadians that he would fix the equalization program and respect the Atlantic accords. He has done just the opposite.

While Quebec received an increase of 29%, or \$698 million in the next fiscal year, New Brunswick's share grew by a meagre 1.8%, and Atlantic Canada receives little more than 4% of this new money. New Brunswick's finance minister, Victor Boudreau, has stated this about the Conservative budget:

If [this budget] was to fix the fiscal imbalance, as far as New Brunswick is concerned, I wouldn't give it a passing mark.

Glaringly, this demonstrates that the Prime Minister does not care about Atlantic Canada and builds on his reputation as a divider pitting one region of the country against another. The Conservative government has squandered a golden opportunity to show Canadians that leadership is representing the rich and the poor, the east and the west, big cities and small towns. It has failed miserably.

Let us ask Premier Danny Williams of Newfoundland and Labrador. What did he have to say about this budget? He said:

Fairness...is about keeping your word. Fairness is about making a commitment and making a promise to the people of Newfoundland and Labrador and Saskatchewan and living up to that promise. If your government doesn't keep this promise to us, then how can the people of Canada in any province rely on any promises or commitments that you make to them in the future? And I would caution the people of Canada on a go-forward basis.

Let us ask Premier Rodney MacDonald of Nova Scotia or perhaps Premier Lorne Calvert of Saskatchewan why they are so outraged that this budget has divided Canadians.

One of the first things the Prime Minister did upon taking office was to increase income taxes for those in the lowest income tax brackets, hurting working New Brunswick families. The lowest income tax rate was raised from 15% in 2005 to 15.5% in 2007, hurting those who need it most.

Despite the spin of the Conservative government, this budget does nothing to fix this situation. The fact remains that tax relief for hard-working New Brunswickers averages a mere \$80 per taxpayer and the tax hikes imposed by the Prime Minister cancel out the benefit of the new child tax credit, which does little for poor parents who pay little or no income tax.

John Williamson is someone whose name should be very familiar to some of the members opposite. He is president of the Canadian Taxpayers Federation and has said this about this Conservative budget:

The fellow working the line or anyone 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.

*Government Orders*

•(1605)

When it comes to child care, the Conservative government has not created one single child care space despite promising to create 125,000 new spaces over the next five years. This promise was not worth the paper it was written on.

What is worse is that the so-called universal child care benefit is fully taxable. This is the Prime Minister's sleight of hand: giving parents \$100 and taking back \$99.

The Liberal government signed an early learning and child care agreement with the previous Liberal social development minister, the member for York Centre, and then premier Bernard Lord. That would have invested \$146 million in our province of New Brunswick for New Brunswick kids. This would have created real and lasting child care spaces.

However, we do not have to ask the politicians about it. We can ask front line workers like the YM-YWCA's child advocate Janet Towers, who promotes child care and early learning to keep our New Brunswick children globally competitive. The Prime Minister killed this deal and took this money away from the province.

Budget 2007 allocates \$6 million in child care funding for New Brunswick, with no money trickling to Saint John, New Brunswick. This will do nothing to create child care spaces.

The Prime Minister's approach to child care is to offer tax credits, not child care, and that is not our Canada. Never has a government done so little, with so much, for average working Canadians.

Just last year the previous Liberal government left a \$13 billion surplus. Yet rather than investing in affordable housing, which was not in this budget, rather than investing in tax breaks for seniors, which was not in this budget, and rather than investing in literacy, which was not in this budget, the Prime Minister chose to make drastic ideological program cuts.

The Conservative government has not allocated any new money for affordable housing. This has huge implications for Saint John, New Brunswick, which has some of the oldest housing stock in Canada.

There is also nothing in the budget that corrects the inequities in the employment insurance program.

This budget does little or nothing to address poverty or child poverty, which is a national disgrace, and it does not stand up for working class families. This budget does nothing for them.

This budget fails to offer new support for students. It does not put a penny in the pockets of Canada's undergraduate students. It gives graduate students a little money while the vast majority get nothing at all. That is the kind of Canada the Prime Minister wants to create with this budget.

The Conservative government's budget fails to help Canadians safeguard their environment or fight climate change. It cuts back on our commitment to renewable energy. It reduces funding to New Brunswick by one-half. Without an overall plan for the environment, we cannot meet our Kyoto commitments. That is not our Canada.

The Prime Minister's budget does not provide the long term, predictable, stable funding for cities and communities that mayors across Canada have been begging for so they can meet their basic infrastructure and transit needs. A massive infrastructure deficit remains in Canada as a result of this budget's lack of support for cities and communities.

•(1610)

While there is some new money in the budget for recreational infrastructure through the Canada building fund, this money is being allocated on a per capita basis, which disadvantages smaller provinces like New Brunswick. While we may have a smaller population in New Brunswick, we still have very pressing recreational infrastructure needs and a smaller tax base to fund them.

I am currently working as part of Team Saint John toward the construction of a new multiplex facility. Letters to my office, conversations with community leaders and recent town hall meetings held throughout Saint John have all confirmed that there is both a pressing need and widespread support for a multiplex project in greater Saint John.

The recreational and health needs of our children are at risk as a result of the lack of current facilities available. As greater Saint John experiences growth, it is imperative that a viable solution to the current shortage in recreational facilities be resolved so that the quality of life in our community continues to advance.

With rising levels of obesity in Canada, the government needs to ensure programs are in place that provide funding to meet the recreational needs of our cities and our communities across Canada.

The feasibility study that has been commissioned by the recreational implementation committee of the city of Saint John recommends a multiplex facility. The cost of this facility is in the neighbourhood of \$34 million. I urge the government to ensure that the allocation of money for recreational infrastructure takes into consideration the unique needs and challenges of smaller provinces.

The lack of infrastructure funding in the budget puts projects like the one-mile interchange in jeopardy. We need to have this interchange in New Brunswick completed by 2010 at the latest in order for our region to better leverage investments and opportunities in our industrial parks.

This interchange will take truck traffic off Saint John streets, which is vital for our tourism industry, and will also reduce the wear and tear on our downtown community. Taking this traffic directly to the industrial areas of our city will also promote growth for the industrial parks and help support new investments in the oil refinery, the LNG project and the proposed green industrial park on Bayside Drive.

*Government Orders*

The importance and significance of this one-mile interchange cannot be overstated. With an expected \$5 billion to \$7 billion reinvestment in a proposed second refinery being considered in the eastern part of our city, the largest single private investment in Atlantic Canada, and an anticipated completion date of 2012, we need to ensure that this key piece of infrastructure is in place.

There is nothing in the budget on forgiving the debt on another important issue in Saint John, the Saint John Harbour bridge. The bridge was built at a cost of \$18 million. It is the only federal bridge in Canada that has a toll on it. The citizens of Saint John have paid approximately \$23 million toward the bridge, yet we still owe \$23 million.

There is something seriously flawed with that model. It is like a mortgage that is impossible to repay, and it keeps growing. Our community has more than paid for this bridge already. We cannot be expected to continue payments in perpetuity. It is just simply not fair. It is time for the government to do the right thing and forgive the debt on the Saint John Harbour bridge.

The Prime Minister's budget breaks more promises than can be counted. He has broken promises on equalization and on child care. He has broken his promise to seniors not to tax their income trusts. He simply cannot be trusted to protect the interests of our province, our region and our country.

• (1615)

A leader unites a country. The Prime Minister is a divider. He has shown his true colours and his colossal and shameful abandonment of New Brunswick and all Atlantic Canada.

We work hard. We pay our taxes. We contribute to the betterment of Canada. A government cannot pick favourites. It cannot pick winners. It cannot pit one region of the country against another. It cannot force the poor to subsidize the rich. It cannot ignore the plight of working families, of children, of aboriginals and of seniors. This may be the Prime Minister's Canada, but it is not ours.

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I listened with interest to the member's statements. I think the member is suffering from a bit of a long term memory loss. I am sure he remembers a time in government when there was a \$60 billion infrastructure deficit presided over by the previous government. The largest growth between rich and poor in Canada's history was presided over by the previous government.

His comments with respect to the budget demonstrate to me that we maybe should have a bit of a tutorial on it so we can explain exactly what is in it. All Canadians benefited from this budget. All Canadians who rely on our health care system will benefit from significant investments into health care. All Canadians who rely on a good education system have to be very proud of the fact that this government saw fit to put an additional 40% into post-secondary education. All Canadians have to be very proud of a government that seeks to fix the infrastructure deficit in which the country unfortunately finds itself.

The fact is this budget puts our country in a good position to step forward to meet the challenge of tomorrow's economy and to succeed. I encourage the member to support it.

• (1620)

**Mr. Paul Zed:** Mr. Speaker, I could quote some very prominent Progressive Conservative leaders in the country, like Premier Danny Williams, who object to the promises that have been broken by this budget. If members do not like Premier Danny Williams, then let me suggest they listen to some of the comments made by Premier Rodney MacDonald. Both are Progressive Conservative premiers who are outraged at the breach of promises that have occurred in the budget.

However, I agree with one premise of the hon. member's point of view. Over the past fiscal imbalance period that they continue to allege exists, why then would the present government and the present Prime Minister not have paid attention to any of the independent reports that were prepared? Why have they turned their backs on New Brunswick, on Atlantic Canada and on the west? Why have they broken their promises to the people of our region?

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, not to belabour the point very much, but the member represents Saint John city, a great city in New Brunswick. He also knows very well what happened to the Saint John shipyard. Under the Liberal watch, that shipyard went down and it gave the Irving company \$55 million of ACOA money to help shut it down.

A shipbuilding policy sat on his minister of industry's desk since 2001 and it was never acted upon. The current government has also failed to act upon it, which is a pox upon both those houses.

However, I want to give him a bit of a break. What was not in the budget was the issue of VIP services for widows of veterans.

We have a letter from the Prime Minister, signed by him when he was opposition, which said that the Conservatives would immediately extend VIP services for all widows and widowers of veterans regardless of time of death or application. He wrote that on June 20, 2005. The Parliamentary Secretary to the Minister of Veterans Affairs from Kamloops, when she was in opposition, said the exact same thing, that when they formed government they would immediately extend that program for all widows and widowers. We have asked since January 2006 when it would it happen.

My hon. colleague from New Brunswick has an awful lot of those widows of veterans living in his riding. Why does he think the government not only ignored a motion passed in the House, but with \$14 billion worth of surplus why could it not come up with \$280 million to help all widows of all veterans?

**Mr. Paul Zed:** Mr. Speaker, the hon. member for Sackville—Eastern Shore well knows that our views on shipbuilding are probably not much different. I regret and wish that the world labour markets would have made shipbuilding more progressive and more competitive for us in Atlantic Canada. I agree with my hon. colleague.

*Government Orders*

I also agree with my hon. colleague on the point he raises on veterans and widows. The minister is from New Brunswick. I believe the hon. minister will be given the opportunity over the course of the next weeks to hopefully fulfill the promise on which he and many members on the opposition side are working. I do not want to be in the position of defending the Minister of Veterans Affairs, but I know the hon. gentleman and I know he is listening to and watching very carefully the interventions today.

Hopefully in view of the tragedies that have occurred in Afghanistan over the last weeks and the media attention that has been paid to the families of these veterans, some of our senior veterans will start to get the attention they deserve. I agree with the hon. member on that very important point.

• (1625)

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, I have to take issue with the member for Saint John and his comments with respect to fiscal federalism. He mentioned both the government's plan in this budget to address equalization and to address other major fiscal federal transfers, and I have to disagree with him on this.

When our government took power in February of last year, the previous government left us with a mess with respect to equalization. Equalization for decades had been run on a principle based approach until the previous government took power. That previous government completely took apart the equalization formula and we were left with the difficult job of trying to put together a new formula that would apply consistently across the country.

The previous government signed the Atlantic accord, with which we agree. It also signed the Canada-Ontario agreement in May 2005. The problem with those agreements is the way in which they were done. They were done in isolation from the rest of the other seven provinces that were not party to those agreements. As a result, the previous government created a situation where equalization was not done on a principle based approach and we were left with the difficult job of trying to disentangle that mess. That is exactly what the Prime Minister and the Minister of Finance have done in the present budget.

**Mr. Paul Zed:** Mr. Speaker, I really do not think we want to start looking too far back in history as to messes that were created by previous governments.

Most members of the House will remember 1993 when the mess was a \$40 billion deficit. When I see the fiscal prudence that occurred with the Liberal government and the difficult choices that had to be made in the 1990s and then when I see the sheer abandonment that has occurred in housing, in literacy, in seniors and when I see a \$13 billion surplus being given to the people of Canada and the equalization formula not being respected or followed in our province of New Brunswick, it is a bit disingenuous for the hon. member to try to allege that there has been a less than fair approach taken by the previous government.

The previous government tried to equalize some very serious inequities that occurred. Equality in the country is not about giving everything to Quebec and Ontario. We need to remember that the Atlantic provinces and Saskatchewan are provinces too.

As you think about inequity, I would appreciate you thinking about New Brunswick and the 1.8% increase that it received.

**The Deputy Speaker:** I would appreciate it if the hon. member would not refer to other members in the second person.

The hon. member for Egmont.

**Hon. Joe McGuire (Egmont, Lib.):** Mr. Speaker, I want to compliment the member for Saint John for an excellent speech.

To follow up on the equalization question that was just posed, once upon a time equalization was based on need where the citizens in all provinces could expect basically the same level of service. Now that formula is based on per capita formula and not on need.

How would small provinces like Saskatchewan, Manitoba and the Atlantic ever have the ability to deliver programs approaching those services given to the richer provinces if this new formula, based on per capita, is followed through?

**Mr. Paul Zed:** Mr. Speaker, the reality is they will be unable to deliver programs. We will end up with a checkerboard. We will end up with region against region, rich provinces and poor provinces. We will end up with Quebec and Ontario doing very well and Atlantic provinces, Saskatchewan and even parts of northern British Columbia in a situation where, I am afraid to say, they would be unable to deliver any national program that looks vaguely like Canada has looked in the past.

**The Deputy Speaker:** Order, please. It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, The Budget; the hon. member for Thunder Bay—Rainy River, The Budget.

• (1630)

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, it is a pleasure to participate in the debate on Bill C-52, the budget implementation act. I want to share my time with the hon. member for Parkdale—High Park.

In this corner of the House, NDP members did not support the budget that was presented by the government at the end of March. The main reason we did not support the budget is that we do not believe that it addresses the growing prosperity gap in Canada. We do not believe that it helps ordinary and working class families meet their expectations, see the advancement they had hoped to find. It does not help immigrant and refugee families find their place in Canada and find that new life in Canada they had hoped for when they came to this country.

We do not see the budget as doing anything to end the growing prosperity gap that Canadians face. We could have made some progress on that. The government has a strong surplus at its disposal which it could have used to bring in the kinds of programs that would reduce the growing prosperity gap in Canada.

The government could have chosen to end some of the huge corporate tax giveaways that it has made since coming to power, \$9 billion worth of corporate tax cuts that could have been used in other ways that would have been of benefit to Canadians from coast to coast to coast.

*Government Orders*

This is pointed out very clearly by some of the work the Canadian Centre for Policy Alternatives has been doing on the prosperity gap in Canada. A recent study it put forward demonstrated that most Canadians are not better off in recent years and that in fact most Canadian families are putting in more work time and 80% of them are getting a smaller share of Canada's growing economy. The Canadian Centre for Policy Alternatives has shown that over the last 20 years Canadians are working longer hours and for fewer benefits. The gap between the rich and the poor is growing largely because, as it points out, the lion's share of benefits of Canada's economic growth are going to the richest 10% of families. It is not going to the majority, the 80% of families whose income is under \$100,000, and that is a huge number of people and a very high threshold.

The income gap is growing. In 2004 the richest 10% of families earned 82 times more than the poorest 10%. That is almost triple the ratio in 1976 when the richest earned only 31 times more; it was significant but it was only 31 times more in 1976. That gap is at a 30 year high.

It is also not just a question of incomes, but people are working longer for those questionable incomes. All but the richest 10% of families are working more weeks and hours in the paid workforce, 200 hours more on average since 1996, and yet only the richest 10% saw any significant increase in their earnings, a 30% increase. Everybody else either stayed the same or actually lost ground. In fact, the poorest Canadians saw their real incomes drop in that period.

We do not see that the budget has done anything to alleviate that situation. That is a pretty hard statistical overview of the situation. It does not look at the real hardships that are caused to families, families who cannot afford the drugs they need when they are ill, families who cannot afford the child care they need, families who cannot afford the education they know will help them realize some of their hopes for life in Canada.

The budget was a huge missed opportunity to address the growing prosperity gap in Canada.

I want to talk specifically about the post-secondary education situation in Canada. There are two major post-secondary institutions in my riding, Simon Fraser University and the British Columbia Institute of Technology, one of Canada's leading polytechnic institutions.

We know in my riding that affordability in education is a huge crisis for most families and for students. Students are graduating with huge debts. Families are struggling to ensure that their children can have a decent post-secondary education and build for their own futures.

Working and middle class families and immigrant and refugee families particularly know the importance of a good education. Many of them are struggling to ensure that their children have a good education here in Canada.

●(1635)

In this budget the Conservatives put students last. The measures that are introduced in the budget do not go any way to help reduce the cost of post-secondary education. The budget directly affects only 1,000 students by the graduate student scholarship. That is one-

tenth of 1% of all students in Canada. There are one million students in Canada and the Conservatives have chosen to only look out for about 1,000 of them.

In fact, the Conservatives have given more money in the budget to attract students from other countries to Canada, \$1 million, than to increase access for prospective Canadians to college, undergraduate, medical or law students. They have tweaked the RESP system, but the benefits disproportionately go to wealthier families. That is something that is completely unfair in this country at a time when ordinary middle class families are struggling to ensure that their children get a decent post-secondary education. With a \$9 billion surplus and \$8 billion in corporate tax cuts, the investment in post-secondary education is less than \$1 billion in the coming years.

There are some marginal increases in core transfers, but the rate is so small that it is going to take years to accomplish anything significant. It is going to take years to even get back to where we were in the 1980s and early 1990s.

In 1983-84 the percentage of GDP for post-secondary education transfers was .56%. That dropped to .41% in 1992-93 and went way down to .19% in 2004-05. It dropped again to .17% in 2007-08 and has come up only very slightly in the projections for 2008-09 to .22%. We are still dramatically behind where things started out before the Liberals made their huge cuts to transfer payments for post-secondary education in Canada. There is nothing that will get us back to the point where there is some real assistance for students to ensure their education in this budget.

Students were explicitly excluded from the working income tax benefit even though hundreds of thousands of students have to work full time to afford their tuition fees and lower their eventual student debt. There is no plan to address student debt in the budget. There is no plan to address the expiry of the Canada Millennium Scholarship Foundation.

That is not where the problems end with this bill for young people. Last week in my riding I attended a conference called Toward Effective Community Practice for High Risk Youth. Youth workers from Burnaby and New Westminster attended. There were many concerns raised about the lack of a coordinated approach to high risk youth and the problems they face in our society. There is no national strategy on youth, no coordinated effort to deal with the problems of high risk youth. There is no attempt to deal with the various boundaries and jurisdictional problems that face young people in difficulty in our country.

*Government Orders*

Programs for 8 to 12 year olds are particularly important, but they are the ones most dramatically lacking. Teens and those reaching the high end of the age limits of these programs are left without any kind of support whatsoever at a huge cost to Canadian society later on. The question of how we support youth in our society is also something that is very significant.

I hope to talk a bit about the situation of new immigrants and refugees in Canada and what this budget has not done for them. Maybe I will get a chance to do that later, but I want to mention three specific things in Burnaby.

There are three important projects for which the city of Burnaby was looking for support from the federal government and which did not appear in this budget. One is for the establishment of an immigration and refugee services hub in the centre of Burnaby. We need money for infrastructure in Burnaby to deal with the growing population of immigrants and refugees in the community. It is a good thing for our community, but the infrastructure is not there. We need a facility to do that. The city has put aside the land for it, but needs help from the other levels of government.

The city of Burnaby and other communities in the Lower Mainland also need support from the federal government for the World Police & Fire Games in 2009. We need to show support for our police and firefighters by supporting them in this project. The games were recently completed in Adelaide, Australia and the premier of the state of South Australia has indicated what a huge boon they were to the economy of that state and how important they were to its communities.

• (1640)

There is also the question of Burnaby Lake. There was money in this budget to help Lake Winnipeg and Lake Simcoe but there was nothing for Burnaby Lake which is quickly deteriorating from an open water lake into a swamp and marshland. We need to preserve this important habitat for all kinds of wildlife to ensure that Burnaby Lake remains an open water lake.

The city of Burnaby has been seeking a commitment from the federal government for years. It was not forthcoming from the previous government even though the Leader of the Opposition when he was minister of the environment visited and promised to look into it. Nothing was forthcoming and there is still nothing forthcoming from the current government even though the city and the province have committed to this important project.

There are many things missing from this budget, many things that do not address the prosperity gap, many things that do not address the particular needs of the community that I represent. The government could have done a better job.

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, I have to disagree with my colleague from the New Democratic Party on one issue, what he calls corporate tax giveaways. I want to bring to his attention two parts of this budget that fly in the face of that assertion.

The first is that the government in this budget has called for the elimination of the accelerated capital cost allowance for the oil sands, something which the leader of the New Democrats has long called for and something which this budget delivers on. Many

economists in Canada have long argued that capital cost allowances should reflect real life usage and not provide a subsidy to businesses that are economically viable and successful. This is a case of an industry that will make close to \$100 billion in new capital investments in the oil sands in the coming years and the reason we as a government decided to eliminate the accelerated capital cost allowance for this sector. That is one item in the budget that counters the member's arguments that it is full of corporate tax giveaways.

The second element in the budget that flies in the face of the member's assertion is our decision to eliminate the tax deductibility of interest on loans that are borrowed by Canadian corporations to invest in operations abroad, a tax loophole that many Canadian corporations use to shelter domestically produced income from domestic corporate taxes in tax havens abroad. Our government in this budget, under the leadership of the Minister of Finance and the Prime Minister, has decided to eliminate the tax deductibility of interest on loans taken to invest in those operations and those tax loopholes abroad.

Those are two things that the budget does that completely contradict the member's assertion that the budget is full of "corporate tax giveaways".

**Mr. Bill Siksay:** Mr. Speaker, if the accelerated capital cost allowance for the oil sands were truly eliminated, it would be done now and not by 2015. This is something that has gone on for years. It is something that is inappropriate when Canadians need the kind of programs that that money could go toward. If the government were truly committed to doing this, why is there such a long timeline for dealing with that particular issue?

There are Canadians who need the kinds of programs that help them flourish, that help their children get an education, that help their children get cared for, that help everyone get the kind of health care they need. That is not happening in many cases. We need those resources to go to those kinds of programs that were so severely cut by the previous Liberal government and which the Conservative government seems to have no intention of addressing in its work.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member talked about the issue of the prosperity gap.

I am pretty sure he has some seniors in his riding and I am pretty sure he had some feedback from his constituents with regard to the announced taxation of income trusts. Some 70% of Canadian seniors do not have defined benefit plans. It meant that a lot of them were relying on income trusts. It meant that the 31.5% proposed tax cost them probably anywhere from 12% to 20% of their nest egg. It created the kind of prosperity gap the member is talking about. I know why the member did not talk about it in his speech, because his party, particularly his party's finance critic, supported the taxation of income trusts at finance committee.

I wonder if the member would comment on whether or not we should look for a more fair and equitable way to address the issues of income trusts, rather than putting the burden on seniors and making them part of the prosperity gap problem.

*Government Orders*

•(1645)

**Mr. Bill Siksay:** Mr. Speaker, I have not been able to listen to the entire debate but I know the member likes to get up and ask that question of people in this corner.

The reality is that if people in his corner of the House had addressed the problems with income trusts when they were first pointed out to them, we would not have had the mess that exists now for so many Canadians.

We in this corner of the House will not take any responsibility for doing something wrong when the responsibility clearly lies in the corner of the House where the member who asked the question sits. Those problems with income trusts should have been addressed years ago. It is too bad it got to the condition that it was in. Something had to be done. Unfortunately, the Liberals had the ability to deal with it long ago and chose not to.

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Mr. Speaker, it is a pleasure to speak to the implementation of the budget but it is not a pleasure to examine this budget. I and my party view it as an incredible missed opportunity for Canadians.

After years of sustained surpluses and the economy doing very well, we are seeing, however, that more and more Canadians are not doing well. The budget had a chance to amend the damage of deep cuts implemented by previous governments to social and physical infrastructures in our country.

It was a chance to bring Canada into the 21st century by investing in children's early education, post-secondary education in a meaningful way and in adult lifelong learning. It was a chance to ensure that no Canadian lives without shelter or goes to bed hungry. It was a chance to ensure that the most vulnerable Canadians, those with mental and physical disabilities, those suffering from addictions, seniors, those facing the barriers of racism, poverty and abuse get a helping hand and firm support. Frankly, the budget failed them.

It is a budget that has failed to close the growing inequality gap in our country. In addition, it has failed to adequately tackle the challenge of climate change.

I will first speak to the growing prosperity gap. With ongoing billions in corporate tax cuts, the budget will further widen, not shrink, the gap between those families at the top end and the rest of us, the middle and working class families.

After years of sustained surpluses, we now see the benefits primarily going to the top 10% of families as opposed to those in the bottom 10%, and this is at a 30 year high.

The budget fails to reinstate a federal minimum wage cancelled by the previous government and set it at \$10 an hour, which would be the poverty level which should at least be the minimum in this country. We need to provide a living wage for people and it is time that our federal government took the lead with this important initiative.

There was nothing in the budget for affordable housing despite a growing crisis of homelessness on the streets of Toronto where I represent the riding of Parkdale—High Park. Parents and their children in my community continue to need a national child care

program, although with the government and with the budget we have seen an ABC approach, which is anything but child care.

There is the money to sustain current spaces but this is not a child care system. It is not a system of early education and development. Parents in my riding tell me repeatedly that this is creating a crisis in their families. Parents are spending up to \$1,500 a month per child for child care. Even at these exorbitant rates, hundreds of children are on waiting lists to get adequate care. It is simply disgraceful in a country with our wealth and where we pretend to be a modern society and a modern economy that we are behind the rest of the developed world in this regard.

I see on the streets of Toronto and in my community the growing signs of poverty. I see people homeless on the streets. I see the distress of families with young children who line up for breakfast programs and free meals on a Sunday evening. More than one million workers in the Toronto area earn less than \$29,800 a year, many of them new Canadians who have been here for generations. Many workers of colour are women but they all share one thing in common: the work they do is often undervalued and under-paid.

In Toronto, over 200,000 children live below the poverty level, which is almost 20%, and this rate is growing.

•(1650)

I must recognize the passing of June Callwood, a journalist and social activist who, increasingly in her later years, became so distressed that as a society we could not marshal the political will to resolve the crisis of child poverty in a country so wealthy and especially with surplus budgets year after year and a growing economy. I am saddened that June Callwood passed without seeing a government that would take the initiative to come up with a plan to tackle this blight on our society today and for the future. We are still waiting for a government to do that but clearly in this budget the government has not.

Immigrants and newcomers make up about half of Toronto's population but 57% of them live in poverty. The child poverty rate among recent immigrants has been growing in every decade since the 1980s. I know an issue that newcomers tell me about repeatedly that is so tragic is that skilled workers, such as engineers, doctors, specialists and professionals of all kinds, who come to Canada cannot work in their field because they cannot get proper accreditation of their credentials.

I know the government said that it would study the situation but for the families that are living in poverty because the parents are driving taxis or working in bagel stops instead of practising in their profession as an engineer, a psychologist or a dentist, a study does not cut it. People want action and results and they want their credentials recognized. They want a system that welcomes them and recognizes their credentials now, not in several years to come.

*Government Orders*

The government did initiate the tax credit for low income people. Tax credits can be beneficial and protect the net incomes of earnings from living wages through compensating workers for income tax assessments and social insurance charges. The tax credits can address fluctuations and deficiencies in labour market hours which we know to be a big problem.

However, the adoption of living wage standards, that is a \$10 an hour minimum wage, and the introduction of work tax credits must take place together. If not, then work tax credits become subsidies to employers for paying poverty wages. These subsidies would then provide unfair market advantages to less responsible employers over employers who pay living wages. The two must go together.

I also want to comment on the issue of infrastructure which is a huge issue in the city of Toronto. The budget has failed to deliver for large urban centres such as Toronto. In fact, I would argue that it is a step back for Toronto. My constituents in Parkdale—High Park tell me that they work hard, they pay their taxes and they want to see more of those taxes invested into our city in the critical social and physical infrastructure that we need.

So much of what we need in Toronto right now is borne by our property taxes. Property taxes are going through the roof. Seniors, especially in their twilight years, who are in their own homes are squeezed because they have fixed incomes and their property taxes keep going up. Property taxes are regressive and disproportionately affect working and middle income people and seniors are especially hard hit. Property taxes also make it hard on small businesses across the city.

Toronto is Canada's largest city and it has the sixth largest government in Canada. It is home to a diverse population of about 2.6 million people. It is the economic engine of Canada and one of the greenest and most creative cities in North America. We need a national transit strategy like the one I have been calling for and the one outlined by the big city mayors. The economy and the environment of Toronto depend on better transit, more buses, streetcars and subways.

I know the government has announced funding to extend the subway to York University and Vaughan, which is a positive step, but we need ongoing, sustained, multi-year funding and a plan to grow transit in the city of Toronto as the city is growing.

• (1655)

Another huge disappointment is that culture has received such short shrift in the budget. It is only a part of a page in the budget. There is nothing for the big six projects in the city of Toronto and there is no new money for CBC which will affect not only the people who work in this sector, but will affect us as a nation because this is so important to our voice and to who we are as a country.

In summary I would like to say that with no urban strategy, with no help for the working poor and with very little in environmental protection, this is a budget that is a step back for Toronto and for Canadians in general.

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, once again I take umbrage with the member for Parkdale—High Park in her criticism of the budget, particularly when she

focuses on the area of early childhood learning and child care and argues that our government is not doing anything in this area.

I have two broad points to make to suggest that is not the case. The first is that this is an area of provincial jurisdiction. Our government has indicated that in certain areas of provincial jurisdiction we will continue to play a leadership role: things like health care through the Canada Health Act, where the Minister of Health recently announced some very good initiatives with respect to patient wait time guarantees; things like national infrastructure projects in which the government will be investing a record \$33 billion over the coming years; and things like post-secondary education and training in which the government is making record investments. In certain areas we will be playing a role but early childhood learning and child care is not one of those areas.

Much in the same way that the Government of Canada, as with most members of Parliament here, would never choose to tell a province how to run its public school system or tell a province that we will set up a federal department of education to run the provincial public school system, similarly, early childhood learning and child care is really an extension of the public school system, an extension of an area of provincial responsibility. To that end, our government has respected provincial jurisdiction in this area because what works in downtown Montreal, in Westmount or in Outremont may not work in the rural wilds of Saskatchewan. What may work in downtown Toronto may not work in rural Ontario. What may work in High Park may not work out in Fergus, Ontario.

We have chosen to allow the provinces to deliver the service. Many provinces are already doing so. Quebec has a system that has been in place for years. Ontario has the early years centres.

We have increased the transfers to the province so that they can better deliver the service. We are increasing it by \$39 billion over the next seven years and this will assist parents and children throughout the country.

**Ms. Peggy Nash:** Mr. Speaker, I do not know how the member can stand in the House with a straight face and turn his back on the children of Canada. I think that is a disgrace.

This country has an obligation to the children of Canada to create a national child care program. To put the falsehood to the member's argument that this is only provincial jurisdiction, why did the government offer tax cuts to corporations to create child care spaces? We told the government that those tax cuts would not create a single child care space and, guess what? We were right.

Our federal government has an obligation to act in the best interests of Canadian children. We need a national child care program and all the fudging by the government will not get it out of that responsibility.

*Government Orders*

• (1700)

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I would like to say that this is the largest spending budget in history. The government has quite upset Conservative people by breaking its promise that it is being more efficient in government, cutting government spending and all of a sudden it has this huge spending spree.

Does the member think that the government should have broken its promise or its philosophy and upset so many Conservatives in the country by spending so much money, the largest spending in history?

**Ms. Peggy Nash:** Mr. Speaker, the government has an obligation to respond to the needs of all Canadians. We are in a period of budget surpluses and the economy is doing well. As I said earlier, it is the people who in many cases are not doing well.

We have an opportunity, that does not come along very often, to take the initiative and make up for the cuts that have happened in past years by investing in housing, children, and investing in a meaningful way in post-secondary education and the arts. We have an opportunity to really invest in nation building. From that perspective, I believe the government has failed.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, we are debating Bill C-52, the budget implementation bill. I did not take the opportunity to participate in the debate on the budget itself. As members know, the implementation bill is a bill which takes the specific provisions of the budget and puts them into the legal language necessary to amend various statutes, and to create new statutes to give effect to them, and that is what the House is dealing with.

One of the things that I thought I would do is rather than try to blanket the budget and the budget implementation bill and give my own personal commentary, I wanted to carve out at least two issues which I think are very important to Canadians. Those two issues happen to be issues for which I believe that the government has broken its promise.

This is a very serious issue, to suggest that the government has broken a promise. In fact, the Prime Minister himself in circulating a document prior to the last election put out this document which said on the cover that there was no greater fraud than a promise not kept.

Let us talk about income trusts because I think this has to be the most significant broken promise in the history of Canadian politics. I am pleased to see that the finance minister is here. He is already upset that I am raising this.

**Hon. Jim Flaherty:** This is hyperbole. Who is going to defeat him?

**Mr. Paul Szabo:** He is already losing it because he knows that he is going to hear all of the details.

Income trust is kind of an interesting one because in the last Parliament the then government had a consultation process. It was a three month consultation process which looked at the taxation of dividend paid corporations as opposed to looking at those that are structured as income trusts in which the income trust organization itself does not pay the tax but rather the recipient.

It is very significant to know that there are only about 30% of Canadians who actually have defined benefit plans. That means that 70% of seniors do not have a defined pension benefit. They have to find another way to get an instrument which is going to give them the same kind of cash flow on a regular basis, on a monthly basis, to pay their bills. That instrument is an income trust. An awful lot of Canadian seniors invested in income trusts and—

**Hon. Jim Flaherty:** Are you going to defend income trusts? Oh, my God, you don't believe a word you are saying.

**Mr. Paul Szabo:** Mr. Speaker, the finance minister continues to be agitated and he is continuing to heckle here, but I am going to continue with the facts.

Maybe I should at this point add that on the minister's own website there is a question that people can answer which asks, "Did you receive a benefit from budget 2007?". What was the answer? These are people who responded to the finance minister's own website. Some 93% of Canadians who responded to his own survey said they did not benefit from the 2007 budget. That is the truth.

Do members know what is even more truthful? The minister had it yanked off his site yesterday. He had it yanked off his site because he did not want anybody else to see it.

**An hon. member:** The truth hurts.

**Mr. Paul Szabo:** It really is an issue of truth.

So, let us get back to income trusts because the minister is going to want to hear this.

The last government, after consultation, decided not to tax income trusts. In fact, there were adjustments made to the taxation of corporate dividends that narrowed the gap. Then, during the last election campaign, what happened? The Conservative Party said it would never tax income trusts.

• (1705)

That was a fatal promise to make because in the first place it was interfering with the capital markets. It was interfering with the financial markets because it gave a confidence level to investors to say that the Liberals did not tax income trusts and the Conservatives said they were not going to tax income trusts. Canadians were saying that now they could invest in income trusts safely because they were not going to be taxed at a usurious level. What happened is that more and more Canadians, particularly seniors, invested in income trusts.

What happened on Halloween? The Halloween massacre occurred. That is what it was. The biggest broken promise in the history of Canada was the announcement for the taxation of income trusts. How much? Canadians—

**Mr. Mike Wallace:** Remember the GST.

**Mr. Paul Szabo:** Mr. Speaker, listen to members of the Conservative Party trying to shout me down because they do not like to hear the truth. Let me carry on with the truth.

How much is the tax on income trusts? There is 31.5% tax on income trusts. Yes, it was not going to kick in until 2011, but because the market value of an investment today has to reflect the long term yields that the—

*Government Orders*

**Hon. Jim Flaherty:** What about tax fairness? What do you have against everybody paying their fair share?

**Mr. Gord Brown:** What about the GST broken promise?

**Hon. Jim Flaherty:** Why do people have to pay more taxes? Why do you favour corporations? You don't care about people.

**Mr. Paul Szabo:** When the finance minister gets so rabid on these issues, it tells me that I am on the right track. The yelling by the finance minister tells me I am on the right track. With a 31.5% tax on seniors, I am on the right track.

I can say that when one gets the market valuation of an investment instrument discounting the future, the long term yields, and it shows there is going to be a 31% tax starting four or five years from now, the present value of that investment is going down.

How far did it go down? Canadians understand how far those investments went down. They went down immediately, the very next day. They went down by \$35 billion of investment value, mostly seniors' investments. Their retirement nest eggs were wiped out. The minister will say that is nonsense.

I have the information and I can tell the House exactly how many seniors were involved in this. About 1.5 million seniors were damaged by this. There is nobody in the House of Commons who did not get more feedback from people on this income trust debacle, this broken promise than any other issue. This was the issue of this Parliament. This is a promise broken that destroyed the retirement nest eggs of a significantly large number of Canadian investors, most of them seniors.

Obviously parliamentarians were concerned. In fact, it was the Liberal caucus that went to the finance committee and made a proposal to look into this. It is not enough to just have rhetoric and yelling and screaming. The Conservative members want to yell and scream. Let us have some debate on this. Let us bring it to committee. Let us get some expert witnesses. Let us find out what the true facts are.

The finance minister came before the finance committee and said it was going to cost \$500 million a year for six years, that \$3 billion was going to be lost in tax revenue to the government and that we could not afford it. What happened? Experts came before the committee and the committee tore the finance minister's arguments to shreds. He said there was \$3 billion of tax leakage. There was not \$3 billion worth of tax leakage.

Don Francis, for example, an economist, said there was no tax leakage. Cameron Renkas said that studies done by BMO capital markets have shown there was not any tax leakage. Yves Fortin, an economist who the minister knows, said the allegation of the existence of tax leakage was unfounded and the tax leakage argument was incorrect and unsubstantiated.

There were others who characterized the methodology used by the Department of Finance in its 2005 consultation paper, which the committee was told has not changed, as faulty.

• (1710)

Gordon Tait suggested that in his view some of the assumptions used by the Department of Finance were flawed.

These were expert witnesses coming before the finance committee.

The Canadian Association of Income Trust Investors described the tax leakage estimate as grossly exaggerated and not supported by fact and indicated that there was no clear, credible data.

I have talked about conclusions that some people reached. How about some facts? I was there and I participated in those debates and hearings. I was there because it was important to my constituents.

The best testimony came from HDR/HLB Decision Economics Inc., which laid out different assumptions with respect to four key factors that might explain the difference in the analysis that it did compared to that of the finance department. They were identical in all respects except for a couple.

Here is one that will blow your socks off, Mr. Speaker. The first one is that the finance minister's calculations over the six years, the \$3 billion calculation, failed to take into account legislative tax changes that this Parliament already had passed. He just left them out and assumed that they were not going to happen even though they were law.

The government made a mistake, but the minister did not agree. He did not defend his position. He did not acknowledge that he made a mistake. Why not?

There was another item. HDR/HLB came back and said it was assumed that persons as income trust investors through an RRSP did not pay taxes because RRSPs do not pay taxes and that the tax would be paid only when money came out of the RRSP. But this analysis assumed that anybody who bought income trusts through registered retirement savings plans would never pay tax, never ever, nobody in Canada, for all time.

Obviously that is not a tax leakage: it comes out. In fact, we can look at the public accounts and see how much tax revenue people pay on deregistering of RRSPs or conversion to RIFFs and taking the money out in the prescribed fashion. That was an error in the computation of the tax leakage by the finance minister and the finance department.

There is also the effective corporate tax rate for energy trusts. History shows what it is. The big charts that the finance minister trundled in before the finance committee were totally wrong. They did not tie in with the actual historical corporate tax rate for the energy trusts.

There were problems with the proportion of income trust units held as tax exempt units. As well, the value of deferred taxes was handled wrong.

I could go on, but the bottom line of the HDR/HLB Decision Economics Inc. analysis, which was applauded by all, was that instead of having an estimated \$500 million tax leakage for 2006 it in fact was \$164 million, and in 2010, instead of being another \$500 million, it was actually only \$32 million. We see quite a difference just by correcting the errors that the finance minister made before the finance committee.

*Government Orders*

Did he or any of his officials in the subsequent hearing days ever challenge any of the testimony of the expert witnesses? The answer is no. There was no rebuttal. There was no explanation of the criticisms of the computation of the tax leakage. That tax leakage calculation was the only reason that they moved forward. They made a mistake. They are not prepared to admit it, but the impact on Canadians is unbelievable.

What did the finance committee do in its 14th report to the House of Commons? It made three recommendations. The first is that the government has to be "as transparent as possible". It recommended that the government "release the data and methodology it used" in estimating the amount of the federal tax leakage.

The committee was satisfied that it did not receive the information and the methodology. In fact, in a response given to an access to information request, all of the rows and columns of the analysis were blacked out. All that was delivered were the titles across the top and down the side. It was effectively a blank piece of paper.

• (1715)

That was the response by the finance minister to a legitimate access to information request. The Standing Committee on Finance of the Parliament of Canada wanted it. Did it get the information it asked for? The answer is no. The finance minister refused.

The second recommendation made by the committee was that rather than dealing with these income trusts together with a few other items in a ways and means motion, maybe the House of Commons ought to handle as a separate item income trusts and this terrible broken promise that destroyed the pension nest eggs of so many seniors across Canada, rather than burying it in a whole bunch of other things. Parliament would have been given an opportunity to express itself in a clear vote on what it thought about the income trust decision.

The third recommendation stated:

Overwhelming evidence indicates that superior and far less damaging alternatives were available to the federal government. The Committee urges the government to consider implementing one of two such alternative strategies....

What were those strategies? I know what one of them was. It was a Bloc Québécois proposal basically saying that instead of deferring the implementation of this 31.5% tax by four years, it should be delayed by 10 years. Certain death would be delayed. I do not agree with that one.

However, there was another one. It was proposed by Liberal members of committee in consultation with the Liberal caucus. That proposal was to change or wipe out the 31.5% tax on income trusts and replace it with a 10% tax, but that 10% tax would apply only to those who were not Canadian residents.

In other words, there would be a rebate to Canadians so that Canadian investors in income trusts would not be hit. That means Canadian seniors would not have lost their nest eggs. Experts have indicated that up to about two-thirds of the lost market value of their investments in income trusts would be recovered by going at it in a less draconian fashion.

Members who have talked on the budget have talked about it being divisive, about it pitting some Canadians against others. This

is an example of where the government has put a lot of seniors at a disadvantage.

There were better ways to do this. If the finance department is not prepared to provide the Standing Committee on Finance with the detailed calculations on which it based its decision, it shows there is something wrong.

In fact, the expert witnesses showed that it was wrong. The government is not prepared to open up to that. It is not prepared to admit it. It is not prepared to defend its position. It is not prepared to show where the analysis of the expert witnesses was wrong. Why? Because it cannot. That is the issue. The government cannot defend the indefensible. It was a bad decision, from the way it was handled right back to the promise not to tax income trusts. Why interfere with the markets?

Now I must tell members that the government decided to offer pension income splitting because it thought that might help to appease Canadians. The fact is that when we look at the numbers one of the things we are going to find on pension income splitting is that after adjusting for the number of people who have no one to split with, and after adjusting for those who are already at the lowest possible rate or who have a partner who is at the lowest rate and bracket, after all those factors, according to Yves Fortin, an economist who appeared before the finance committee, only 12% to 14% of all seniors will benefit at all from pension income splitting.

It is not enough. This is smoke and mirrors, as has been suggested. Even in some of the documents the government has, the government refers to it as income splitting, not pension income splitting. Why? Because again it is part of the strategy of the rhetoric of the government to suggest that something exists which in fact does not. There is somehow this belief that if it is said often enough people will start to believe it and it must be so because it has been heard so many times.

Let them understand one thing. The Prime Minister was right when he put in the document that I referred to earlier that "there is no greater fraud than a promise not kept". The income trust decision was a fraud and a broken promise.

• (1720)

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I was at the finance committee hearings that the member speaks of. He obviously was at a different committee, because the preponderance of witnesses before that committee supported the government's move to change the arrangement whereby Canada's business sector was rushing head-long into the trust mode.

In fact, the finance minister appeared and provided full and complete accounting for the numbers that he based his decision on. In fact, the member will know, because he has been in government before, that departments do not release advice to cabinet. That is why there was a blacked-out document, but the minister did release to the committee the figures that he based his decision on. No one has suggested that those numbers were in any way incomplete.

*Government Orders*

More to the point, the whole decision was taken because something unexpectedly changed very massively in Canada, and that was a huge move to the trust mode by Canada's business sector. We saw the telecommunication sector going that way. We knew one of the major banks was talking about it. The biggest oil and gas company was going that way and others surely would have followed.

We would have had a business sector that effectively was not paying tax, that was becoming disconnected from the whole social construct of our country. This had to be stopped. No other country has allowed this. The member's own finance critic said after the announcement that it was absolutely the right thing to do.

I ask the member, would he want a country where all the corporations, all the businesses, were not paying tax and were disconnected from what has to be done in providing social programs? The member says we could tax them at only 10%, then, not the same as other businesses. That would just mean that trusts, at a much lower tax rate, would swallow up other businesses. It would have the same result. Unfair taxation would take place.

Is that the kind of unfairness the member is talking about? I know he has had fun railing against this decision. The government obviously did not take this decision for political points, because we knew we were going to get this kind of rhetoric in return, but we did it for the good of the country. Will the member not at least admit that we cannot have an entire business sector of a country not paying tax?

• (1725)

**Mr. Paul Szabo:** Mr. Speaker, what I will admit is that the member has totally misled the House.

**An hon. member:** Oh, oh!

**Mr. Paul Szabo:** I did not say deliberately. I said misled.

With regard to the fact that some people came before committee and said they agreed with the government's position, they relied on the government's calculation that the leakage was \$500 million a year. Even the Governor of the Bank of Canada came there and embarrassed himself after the other experts came forward and discredited the computations.

The member asks if we do not want corporations and income trusts to pay the same amount of tax. The member is the Parliamentary Secretary to the Minister of Finance. She is on the finance committee. Surely she must know that taxes are paid by either the corporation and/or the investor and that corporations have some corporate tax elements and some personal dividend tax elements, whereas income trusts have no equivalent corporate, but all of the tax is paid by the individual. Why does she separate it? Why does she try to compare company to company rather than looking at the full loop?

Let me conclude my answer to what the member was asking me about not wanting good things to happen in Canada. I have to tell her that the decision of the government to tax income trusts has made our energy sector vulnerable. There have been no less than 15 takeover attempts in the last five months that could threaten Canadian economic sovereignty. The Conservatives claim that their policies are about main street, but the reality is that the benefits are going to accrue to Wall Street, not main street.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, the member talked about the broken promises of the government. I will start off with the broken promise of not using patronage. The first thing the Conservatives did was bring one of their Conservative bagmen into the public works ministry as the minister and made him a senator. Then they accepted a floor crosser, something they said they would not have done before. Then they broke their promise on the income trusts. Then they broke their promise on the Atlantic offshore accords.

The promise that offends me the most is this. If the Conservatives are going to deliberately mislead the widow of a veteran, this is something that should never be allowed in the House of Commons. When the Prime Minister was in opposition, he wrote a letter dated June 28, 2005, to Joyce Carter of St. Peter's, Cape Breton. He promised her that if the Conservatives formed a government, they would immediately invoke the VIP service for all widows and widowers of all veterans, regardless of application or time of death. The Conservatives even went so far as to put that in their policy platform at their last convention.

The member from Kamloops said, "You are talking to the converted, Mrs. Carter. We will do this immediately upon forming government".

The Conservatives have had two budgets, \$21 billion in surpluses and nothing to extend the VIP services for widows and widowers of veterans.

I just spoke to Elizabeth Hamilton of North Bay, Ontario, who herself is very angry at the Conservatives for breaking their promise to that widow.

If the Conservatives can break a promise and deliberately mislead a widow of our beloved veterans, what makes Canadians think that breaking the income trust and everything else is part of the program? This is what the Conservatives do. They become the vicars of vaseline. They have no time in the House of Commons. The sooner they call the election the better it will be because then we can get rid of them once and for all.

**The Acting Speaker (Mr. Royal Galipeau):** Before I recognize the hon. member for Mississauga South, I am not as experienced in the House as he is or as the hon. member for Sackville—Eastern Shore is. However, they will both know, and all members will know, that the use of judicious language is more conducive to open discourse and more order in the House.

I would appreciate a more judicious choice of language. Thank you very much.

The hon. member for Mississauga South.

**Mr. Paul Szabo:** Mr. Speaker, the member summarized it very nicely at the end of his question. He basically said that this was what we were getting. This is a government that says one thing and does another. The Conservatives make promises that they do not keep, or they do something else and then they tell Canadians that they kept the promise.

*Government Orders*

A perfect example is the health wait times guarantee. That was in the platform of the Conservatives in the last election. They said that in five priority areas there would be a wait times guarantee. If Canadians could not get it in their hospital, then they would pay to transfer people to another hospital, out of province or even to the United States.

What has the health minister said? Initially he said that was all covered in the \$42 billion health care accord, which the previous government had done. Then the health minister admitted that wait—

• (1730)

**Hon. Tony Clement:** Are you against Dalton McGuinty?

**Mr. Paul Szabo:** Mr. Speaker, I will finish. In February 2007 the health minister finally admitted that the wait times guarantee would not be delivered before the next election: promise broken.

**Hon. Tony Clement:** Hogwash. Tell the truth.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, my question for the hon. member is the following. It seems to me that in terms of the government's promise on income trusts one of two possibilities exists. First, at the time when the government made the promise, it fully intended not to keep it. Second, it did not understand the situation that income trusts might be problematic and it woke up to the problem much later. In other words, the government was in fact incompetent.

Therefore, either the government was knowingly misleading the Canadian people or it was incompetent. These are mutually exclusive possibilities, so it has to be one or the other. Could the hon. member comment on that.

**Mr. Paul Szabo:** Mr. Speaker, all I can say is that if standing committees of Parliament do not accept the testimony of expert witnesses, those who had done the work after, unanimously said that the calculation of the finance minister was erroneous and wrong. He relied on information that was incorrect and could not get out of the problem. He went forward using bad information, which was a bad mistake politically and a bad mistake for Canadians.

**The Acting Speaker (Mr. Royal Galipeau):** The hon. member for Peterborough has 30 seconds.

**Mr. Dean Del Mastro (Peterborough, CPC):** I will summarize very quickly, Mr. Speaker. The S&P/TSX income trust today is 151. On October 1, it was 154. The market has rebounded.

I will stand up for a government that stands up for tax fairness and ensures that the corporations pay their fair share of taxes. Why will he not—

**The Acting Speaker (Mr. Royal Galipeau):** The hon. member for Mississauga South.

**Mr. Paul Szabo:** Mr. Speaker, we had the market data come before the finance committee. I do not know where the member gets his numbers, but in fact they have recovered from a 12% loss down to only an 11% loss. It is still over \$25 billion lost to Canadian investors, their nest eggs for retirement. That is shameful.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Mr. Speaker, I appreciate the fact that I can voice my opinion on some very important issues. One is in particular to me and to my home province of Newfoundland and Labrador and it concerns the recent debacle about equalization.

I will quote the Minister of Finance who said in his speech on the budget, “We are keeping our commitments on equalization”. He said:

We are returning Equalization to a principled, formula-based program...As we promised, every province will be better off under the new plan. Under the new plan, provinces will get the greater of...

Notice he said, “As we promised, every province will be better off under the new plan”. Therein lies a very good point. Recently in Newfoundland and Labrador we received the opinion of an independent economist who stated quite clearly that we were not, in Newfoundland and Labrador. I will illustrate those points in a few moments.

Before I do, I want to bring up the issue of equalization and the imposing of a cap. On February 14, 2005, we signed the Atlantic accord agreements, which provides offset payments for Newfoundland and Labrador, allowing it to be the principle beneficiaries of our resources, particularly when it comes to oil and gas. I will quote from November 4, 2004. This is from the then leader of the Conservative Party, now Prime Minister. He stated:

Unfortunately, the solemn word of this Prime Minister turned out to be not good enough. The Prime Minister ignored letters from Premier Williams on June 10, August 5 and August 24 urging him to confirm his promise. Suddenly, the Prime Minister and his Minister of Natural Resources fell silent.

There is an eerie similarity between what was then and what is now. Let me go on to also say what the Prime Minister brought to the House in 2004. He said, “Additional annual payments that will ensure the province effectively retains 100% of its offshore revenues”. Therefore, he endorsed the fact that Newfoundland and Labrador should keep 100% of its royalties. Then he quoted the minister:

—for an eight-year period covering 2004-05 through 2011-12, subject to the provision that no such additional payments result in the fiscal capacity of the province exceeding that of the province of Ontario in any given year.

He goes on to say that the eight year time limit and the Ontario clause, which effectively is the cap, gutted the commitment made to the people of Newfoundland and Labrador during the election campaign. That is very interesting because the then leader of the Conservative Party now Prime Minister stated unequivocally in 2004, he did not agree with the idea of a cap. He goes on to give several examples from his own experiences. He said:

Why should Newfoundland's possibility of achieving levels of prosperity comparable to the rest of Canada be limited to an artificial eight year period? Remember in particular that these are in any case non-renewable resources that will run out. Why is the government so eager to ensure that Newfoundland and Labrador always remain below the economic level of Ontario?

Therefore, he is saying why should Newfoundland and Labrador be subject to a cap, when in fact they should be principle beneficiaries of their own resources?

However, all that I have said in the past little while and all the evidence that has been given here in the House on November 4, 2004, suggests unequivocally that the current Prime Minister did not believe in a cap.

*Government Orders*

Let us fast forward three years later, 2007. The budget states, and the Minister of Finance said this to the House:

A fiscal capacity cap will provide fairness by ensuring that Equalization payments do not result in a receiving province ending up with a fiscal capacity higher than a non-receiving province.

In other words, it is not to go above the level of Ontario currently in that situation.

• (1735)

What happened between 2004 and 2007 to change his mind? A couple of campaigns happened. In that campaign again they stated non-renewals out of the equation, no caps, no hindrances whatsoever, for it is Newfoundland and Labrador and Nova Scotia that should be the principal beneficiaries of their own resources.

I will go on to say what he also said. I am quoting the Prime Minister because I thought he made a good argument on why we should not have a cap, certainly for Nova Scotia, whether it be the natural gas projects, such as Deep Panuke, or in Newfoundland and Labrador, Hibernia, White Rose and Terra Nova. He said:

This is what happened in the case of my province of Alberta. Alberta discovered oil and gas in the 1940s and 1950s. Alberta was a have not province. From 1957 until 1965, Alberta received transfers from the equalization program.

Here is the key. This is good stuff. He went on to say:

Alberta was allowed to keep 100% of its oil royalties and there was no federal clawback.

In other words, Alberta was allowed to punch through any idea of the cap.

What has happened since then? As the Prime Minister pointed out:

This is what allowed Alberta to kick-start its economy, to expand and diversify, to build universities, to advance social services and to become one of the powerhouses of the 21st century Canadian economy.

That is a very good point for being a principal beneficiary of one's own resources.

If we look at the financial circumstances which Alberta is under today, it is quite astonishing and quite successful. Why? Because it was allowed to be the principal beneficiary of its own resources.

Today we find ourselves in this situation where Newfoundland is not allowed to receive that privilege.

The Prime Minister before he was here said that he was president of a company that should have understood. I would think that the current Prime Minister would understand as well given the fact that he speaks so eloquently of it. He said that when the Atlantic provinces rejected the latest federal offers, the caps, the limits and the exclusion, the government engaged in a clumsy divide and conquer tactic, a tactic that gave away its obvious objective of holding back the development of the Atlantic provinces.

The current government set out to fix this fiscal imbalance but it has created a brand new one: a fiscal imbalance between provinces, between those that are rich and those that are poor, but those are relative terms.

Many members in this House perhaps do not realize it but Newfoundland and Labrador, believe it or not, based on a per capita GDP export, has the highest in the country, not particularly poor but particularly in debt.

When we set out to negotiate the Atlantic accords, we knew that by 2020 we would become that economic powerhouse that the current Prime Minister bragged about Alberta being. We would be that place. We would be, as my colleague addressed, the economic jewel of the north Atlantic, but we do that by taking ownership of our own resources and being that principal beneficiary.

I mentioned a while ago that an independent economist had several things to say about the situation going on now in the 2007 budget and the implementation act and he ran some numbers through. He got all his information and he looked at it and originally came out with a number that stated that if Newfoundland and Labrador went to the new equalization formula touted by the Minister of Finance and the Prime Minister, Newfoundland and Labrador would gain \$5 billion into 2020. However, here is the catch. Several days later, after several inquiries, Dr. Wade Locke came to realize that the new formula did not work that way.

• (1740)

Interestingly enough, prior to that, the Minister of Fisheries and Oceans, the regional minister of Newfoundland and Labrador, even praised Dr. Wade Locke by saying that the provinces do gain. However, when new information was brought forward last Friday, Dr. Wade Locke had a look at those numbers again and put out a release talking about what he had to look at. He said:

The Equalization changes contained in the 2007 budget gave the Government of Newfoundland and Labrador an option of which Equalization formula would apply.

However, s.84 of the budget implementation Act (C-52) makes a significant change to the 2005 Implementation Act...

This was the Atlantic accord deal that was reached when we were in government.

Section 84 states:

The definition "fiscal equalization payment" in section 18 of the Act is replaced by the following:

"fiscal equalization payment" means

(a) for the purposes of section 22, the fiscal equalization payment that would be received by the Province for a fiscal year if the amount of that payment were determined in accordance with section 3.2 of the Federal-Provincial Fiscal Arrangements Act, without regard to section 3.4 of that Act...

That is a very key point. That information was not available when he first ran his numbers.

Let us look from now until 2020. We did the Atlantic accord in two sections, until 2012 and then to be renewed, if still in equalization, until 2020. If those accords were left alone today this is what would follow.

Dr. Locke looked at three revenue streams coming into the provincial treasury of Newfoundland and Labrador. Oil revenue was one, the accord payments or offsets was the other and equalization. The total number came to \$18.53 billion in that period over the Atlantic accord. I congratulate some of my colleagues who made that happen, particularly the member for Halifax West.

Dr. Locke took the \$18.53 billion and the three revenue streams and put them into the new formula under the old assumptions. He came out with \$22.76 billion. Yes, there were over \$5 billion extra with this new formula. However, after talking to finance officials, Dr. Locke brought forward several questions and put them in his release. He asked them the following:

*Government Orders*

In calculating the accord under the new arrangement, it is my interpretation that the province is entitled to receive the accord [payments] so long as it qualifies for equalization before the cap is imposed, rather than after. Is that correct?

Just last week federal officials said that the legislation before the House proposes that under the new arrangement the test for determining whether Newfoundland and Labrador qualifies for the 2005 accord is whether or not it would receive equalization payments under the base O'Brien formula, that is 50% of inclusion plus the cap—it is bad—effectively the cap on our accords.

If it received equalization under that formula, then the next steps would be taken to determine how much, in this case the offsets would be determined before the cap was applied. The cap is applied when equalization is calculated. This is a pre-cap issue.

Lo and behold, there is a new twist. Instead of \$22.76 billion, after clarifying with federal finance what this is all about, the provinces will actually receive \$17.5 billion. That is \$1 billion less than what we would have received under the Atlantic accord.

Let me remind the House what was said by the Minister of Finance during his budget speech. He said:

As we promised, every province will be better off under the new plan. Under the new plan, provinces will get the greater of—

However, the provinces were not. They are actually losing money under the new—

**Mr. Dean Del Mastro:** No, that is not true.

**Mr. Scott Simms:** Do not say no. The member for Peterborough would like to say no but he does not understand it.

• (1745)

I would suggest that the member go to downtown Peterborough, talk to the people at Haaseltons Coffee & Sweets and find out just how the budget is not selling to the people of southern Ontario as well as Newfoundland and Labrador.

Every province is supposed to be better off and yet an independent assessment by Dr. Wade Locke proves that is not true.

It seems to me that in this run up right now we also had a quote from the Minister of Finance during his budget speech. He said that the era of bickering between provinces is now over.

I would not say that our premier, Danny Williams, is bickering or that he is troubled. He is downright angry. As I have just pointed out, he has every right to be angry. He was promised in two campaigns that there would be a total exclusion of non-renewable resources, no caps, nothing of that sort, no hindrances.

If he had followed through on his promise, he would have given the province of Newfoundland \$11 billion more than what it was to receive under the accord.

Let me illustrate just how angry the province of Newfoundland and Labrador is in light of us now being in an era of no bickering. Danny Williams is not the only premier. He just happens to be mine.

In a recent release on April 13 entitled “Federal Government Mised Province on Impact of New Equalization Program”, the minister of finance, Tom Marshall, said:

We identified this problem more than a week ago and immediately wrote the federal government seeking clarification. We have yet to hear back from them.

It is funny because they seemed to be quite chatty back in 2004 and 2005.

The fact that they don't bother to respond to us, but manage to find the time to speak with and offer clarification to independent economists, is insulting to the elected government and people of Newfoundland and Labrador. The Government of Canada has an obligation to explain themselves.

It tried to but it did not work out.

The federal budget legislation contradicts everything we have been told by Ottawa.

The minister said it is increasingly clear that the cost of the Prime Minister's broken promise is significant. Dr. Locke's numbers suggest that the shortfall from the Prime Minister's commitment is now \$11 billion. What's more, it appears to be more financially advantageous for the province to opt to stay with the existing equalization program as it provides approximately \$1 billion more than the new equalization program.

But for all, the Minister of Fisheries and Oceans has said unequivocally that Newfoundland and Labrador would not be worse off. As a matter of fact, the Minister of Fisheries and Oceans put out a press release complimenting Dr. Locke on his findings before he ran those numbers again, before receiving all the information and clarification from the finance department of the Government of Canada. He was quite pleased that we were getting an additional \$5 billion but yet not much has been said since we truly found out that we would be receiving \$1 billion less.

Did the Minister of Fisheries and Oceans know or did he not know? Was he not properly briefed? It is a question for Newfoundlanders and Labradorians and certainly a question for his own riding of St. John's South—Mount Pearl.

The press release goes on to state:

These numbers contradict everything the federal government and [the] Fisheries and Oceans Minister..., in particular, have said since budget day.

Mr. Marshall also states:

Despite assurances from the Federal Minister of Finance that the accords would be protected, fundamental amendments to the legislation implementing the 2005 Atlantic Accord agreement had been proposed without any consultation with the Government of Newfoundland and Labrador. These amendments can be found in the 'consequential amendments' section of the 2007 Federal Budget Implementation Act. Consequential amendments are normally reserved for house-keeping items to fix technical issues. It is not a place to shroud fundamental changes of this magnitude.

In other words, the second half, up to 2020, is now in jeopardy and hidden somewhere in the back of Bill C-52, this so-called implementation act.

I would like to thank the people of Newfoundland and Labrador for standing behind us 100%.

*S. O. 57*

• (1750)

## RAILWAY OPERATIONS LEGISLATION

### NOTICE OF CLOSURE MOTION

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, I want to give notice at this time with respect to the consideration of Government Business No. 15 being a procedural motion regarding disposition of the bill on resumption of railway operations, that at the next sitting a minister of Crown shall move, pursuant to Standing Order 57, that debate be not further adjourned.

\* \* \*

## BUDGET IMPLEMENTATION ACT, 2007

The House resumed consideration of the motion that Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, be read the second time and referred to a committee, and of the motion that this question be now put.

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I listened to what was quite a technical speech by the member.

Several things keep coming back as being obvious such as, if the Atlantic accord is better, the budget allows the government of Newfoundland and Labrador to keep the Atlantic accord exactly the way it was and we will continue to honour that accord. It also instills some fairness in the equalization program. It is a principled equalization process. Thank God we got back to principles on equalization because it is a redistribution of federal tax dollars. These are not dollars that are taken from any given provincial government. These are federal revenues that are redistributed. Why should any province receive additional money over and above the fiscal capacity of Ontario, my home province? Why should federal tax dollars go to make one region wealthier than another region? It absolutely should not. The federal government has brought forward a principled approach on equalization, one which we can stand behind.

I believe the government of Newfoundland and Labrador should take whatever deal is best for it. If it is the Atlantic accord, wonderful. Take it 100% and we will gladly honour that accord, but we will also stand up for all Canadians in all other parts of the country who deserve a federal government which deals with equalization on the basis of principles.

• (1755)

**The Acting Speaker (Mr. Royal Galipeau):** I would like the attention of all members. We are having a question and comment period and I will recognize all members, but the rule of thumb should be that if I can hear the speaker, then everything is okay, but if I cannot hear the speaker, it is because too many people are speaking.

I recognize the hon. member for Bonavista—Gander—Grand Falls—Windsor.

**Mr. Scott Simms:** Through you, Mr. Speaker, I would like to address this to two members in the House, to the member of Parliament for South Shore—St. Margaret's and to the member of Parliament for Avalon who are present here.

Did they hear what was just said? How dare we actually go beyond the level of prosperity of Ontario. Let us look at the situation we have here. The fiscal capacity cap which the Conservatives illustrated so eloquently during the campaign that this was not an issue and that they would never impose it, yet here we have it right in our laps.

I do not think the member really understands the true nature of the Atlantic accord and the whole nature of being principal beneficiaries of which his leader preached for years, not just Newfoundland and Labrador, not just Nova Scotia, but Saskatchewan as well and British Columbia and the whole country. Yet the Conservatives have created this fiscal imbalance that exists between provinces. That is what they are doing, juxtaposing one province against the other. This is not the way this federation is supposed to work, yet they turn it around.

I would suggest to the hon. member in this situation that the Atlantic accord is not protected. As my hon. colleague pointed out a few weeks back, he probably does not know the difference between the Atlantic accord and a Honda Accord for goodness' sake. He seems to think it is protected but the independent economists says it is not. And there are caps implied within it.

I suggest at this point that the hon. member touch base with his hon. colleagues from Atlantic Canada who do understand what this is about.

**The Acting Speaker (Mr. Royal Galipeau):** Order, please. Before I recognize another member, I would like to point out to the hon. member for Bonavista—Gander—Grand Falls—Windsor page 522 of Marleau and Montpetit on mentioning the presence or absence of other members. I hope this is the last time I have to mention this.

Questions and comments, the hon. member for Scarborough Centre.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I am sure those comments from the member for Peterborough are going to cost a few votes for his colleagues from Newfoundland and Labrador and Nova Scotia.

I listened very carefully to the member for Bonavista—Gander—Grand Falls—Windsor as he eloquently presented the statistics. He knows very well that when the Liberal government brought forward the Atlantic accord, the then opposition Conservative Party voted against it. Why did Premier Danny Williams not stand up and speak then? He knew he had an accord. How did he sell it to the voters of that region to vote against the Liberal government which said that it believed in fairness? Now the premier is saying that the Conservatives cannot be trusted and that they lied. What happened? Could the member elaborate? My constituents in Scarborough Centre are very confused and upset.

I am glad that he mentioned that Alberta and the provinces should have the right to build on their resources and build their economies. The Atlantic region should also have the opportunity to prosper and provide for its people, seniors and youth especially. Could the member elaborate on that for me?

S. O. 57

● (1800)

**Mr. Scott Simms:** Mr. Speaker, I thank you for reminding me of the rules. I would like to extend my apologies to all members in this House.

In response to my hon. colleague's question, indeed it has been a tumultuous event over the last three years to say the least. When the whole idea of being principal beneficiaries started, we talked about the fact that under the Atlantic accords we would be able to prosper much like Alberta did back in the 1950s and the 1960s and become an economic powerhouse. The Prime Minister pointed out, and as a matter of fact the current Minister of Intergovernmental Affairs pointed out the same facts and she was quite right. I would be disappointed if I lived in Saskatchewan which is next door to Alberta because Saskatchewan with its oil resources now faces the cap. It was not faced by Albertans way back when. There is a question of fairness to be resolved.

In the case of Newfoundland and Labrador and Nova Scotia, the deals were signed. The offsets were agreed to right up to 2020 which covers a substantial part of development certainly for the oil and gas sector off Newfoundland and Labrador. The second part of that also helped in the case of Nova Scotia, which would be particularly disconcerting for it given that it is now in jeopardy.

Buried within the details as the economists point out is the implementation of these accords which the government says it is protecting. In fact, even the Minister of Finance said in a CBC interview that after 2012 we are done and that is it. Whatever happened to 2020? As I pointed out, even if it goes to 2020 under the new formula, we are getting \$1 billion less despite the fact that there were no caps, there were no hindrances whatsoever. We were 100% beneficiaries.

The government even said that the province would not be worse off, yet we are getting \$1 billion less. One billion dollars sounds like quite a bit of money. I am sure my colleague from Cape Breton would agree.

**An hon. member:** It is a lot of money.

**Mr. Scott Simms:** It is a lot of money, Mr. Speaker.

Nobody on that side would agree. We have to sell what we put out there, which is perhaps the politics of deception at its best.

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, after the comments from the member for Peterborough I suppose I should meekly get up and say on behalf of Atlantic Canada that we are proud to be part of Canada. We are proud to be part of a Canada social transfer program, CST, that was developed in 1977, that transferred tax points to the provinces, and which has been very favourable to all provinces.

I wonder what my Newfoundland colleague thinks about keeping the Canada social transfer—

**The Acting Speaker (Mr. Royal Galipeau):** The hon. member for Bonavista—Gander—Grand Falls—Windsor has 30 seconds to respond.

**Mr. Scott Simms:** Mr. Speaker, therein lies the crux of one of the problems, equalization and the fair principle of it. The Constitution talks about equal services provided across the country based on a

needs basis. Certainly the measures taken in 1977 with tax points, or as those members called it, back door equalization, was not back door for us. It—

**The Acting Speaker (Mr. Royal Galipeau):** Resuming debate. The hon. member for Argenteuil—Papineau—Mirabel.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I am pleased to rise today to speak to Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007. For the benefit of the Quebecers and Canadians who are watching, this is the budget implementation bill, which must be voted on and passed.

Obviously, once again, the Conservative Party needs the Bloc Québécois to see this bill pass, just as it needed the Bloc for the budget to pass. It always makes me smile when other members call into question the presence of the members of the Bloc Québécois, my colleagues here in this House. Once again, this only proves the importance of our presence today. If the Bloc Québécois had not supported this budget, there would be no debate regarding the budget implementation. Lastly, the most important reason for the Bloc's support of this budget has to do primarily with the partial correction of the fiscal imbalance.

If I may, I would like to go over a bit of history with the House. As we all know, Quebec's motto is "Je me souviens"—I remember. Quebecers certainly remember the Conservatives' excessive spending of the 1980s, which is what drove Canada into debt. I am sure we all recall the cuts in transfer payments to the provinces that the Liberal Party was forced to make, cuts that jeopardized Quebec's entire fiscal balance. I was affected by those cuts—not as a privileged witness, but on the front lines.

My background is in municipal government, so I remember the first deep cuts very clearly because the Government of Quebec had to pass on some of the costs to the municipalities. Those with experience in municipal government will remember the first reform, known as the "Ryan reform". The entire secondary road network was transferred from the Government of Quebec to the municipalities, which had to pay and are still paying the bill for Sûreté du Québec. Quebecers are well aware of this when the time comes to pay their municipal taxes. There is a nice little "Sûreté du Québec" item on the tax bill for people in the regions who have to pay for the Quebec provincial police. Obviously, the big cities were already paying for their municipal police forces.

I would just like to remind my colleagues that the Atlantic Accord and the agreements the federal government signed with the provinces are all well and good, but that since the federal government cut provincial transfer payments in 1993-94, it has begun to reinvest.

Perhaps I will have an opportunity to explain to what extent. However, I would like to paint a picture for you with respect to the 2007-08 budget, which is before us today, and the federal government's provincial transfer payment increases. Since 1993-94, when deep cuts forced municipalities and school boards to shoulder many new responsibilities, Quebec has recuperated 55% of what it lost, while elsewhere in Canada, the other provinces have recuperated 66%.

*S. O. 57*

Today in Quebec, despite the restoration of fiscal balance, the Liberals and the Conservatives are at each other's throats. Nonetheless, many agreements, including the Atlantic accord and other natural resource revenue agreements, have been signed with the other provinces. I hope that my colleagues in this House, whether Conservative, Liberal or New Democrat, will never forget that Quebec has always paid for one quarter of all investment in oil, but that the rest of Canada has never contributed to the development of hydroelectricity in Quebec, which is our trademark and which Quebeckers have paid for through their electricity bills.

We received nothing from the federal government. We developed our own energy with our own money even though we paid for 25% of the cost of developing the energy of other Canadian provinces. In addition, they share the resources and the profits from these energy sources that we do not have. Today, the blame is being placed on the resolution of the fiscal imbalance, which is considered acceptable for the 2008 budget. Once again, there is a long way to go, because Quebec wants its due.

• (1805)

With the drastic cuts of the 80's and 90's, and the accumulation of debt by the Conservatives, who put Canada in the poor house, the provinces were the ones to pay. Quebec made a major contribution to repayment of the federal deficit.

Today, Quebec is asking for what it is owed. There is a reason why the Bloc Québécois has always called for a solution to the fiscal imbalance. It was neither the current Conservative government and its Prime Minister nor the Liberals who invented it. It was Bernard Landry's Parti Québécois government that set up the commission. Those who followed the debate in Quebec will remember the Séguin commission that presented its report in 2001 and declared that there was a large fiscal imbalance in Canada. That is easy to figure out. Ottawa has too much money compared to the provinces.

We must realize that the federal government does not look after health, education and transportation. So what does it do? Health, education and transportation are a large part of a citizen's life. The rest—the water from taps, waste and so forth—are municipal responsibilities. The federal government looks after security.

Here again, when we look at the gaping holes in Canada's security, we see that the government has not always done its job. It is not meeting the real, everyday needs of Canadians. It is only natural that Quebec, which feels it has contributed too much in the past, should want to correct this imbalance and have most or all of the 52.8% of taxes that Quebeckers pay the federal government come back to them. We know that the government keeps a lot for itself, but a portion has to come back to Quebeckers, and not in formulas invented for Quebec. We are not asking for anything new.

What the Bloc Québécois asked for and what the federal government has done in part is to modify the equalization formula. It was clear that the equalization formulas had to take into account the revenue of all 10 Canadian provinces, which was not the case previously.

The balance had to be right, and the revenue of all the provinces had to be calculated so that equalization would be fair. That is part of Canada's constitution, the famous constitution that Quebec never

ratified, whereby the have-not provinces are compensated by the others.

Quebec would like to be a province that contributes more and that gives rather than receives. That is our goal. Quebec would like to stop seeing the aluminum ingots produced in Quebec taken to make cars in Ontario.

The only automotive industry in Quebec was closed and all the jobs associated with it were eliminated. In addition, we often manufacture our products and offer competitive hydro rates paid for out of Quebeckers' pockets. Here again, nothing comes from the federal government. We make products that are then processed in the other Canadian provinces. The people in those provinces have the good jobs. They think it is only natural that they should have the good jobs.

We are seeing this again with the Boeing contracts. Between 55% and 60% of the aerospace industry is in Quebec. Boeing negotiated an agreement for 30%, while the federal government required that just 15% of the spinoffs go to Quebec. But 55% to 60% of the aerospace industry is in Quebec. As the member for Mirabel, I know what I am talking about. Part of the industry is located my riding and elsewhere in Quebec: in Longueuil, Montreal, and in the greater Montreal area.

Once again, when contracts are negotiated, the Conservative ministers from Quebec stand up and say that private companies have to fend for themselves. They are probably glad because the private sector does more than it is asked to do. They are glad to leave private companies to fend for themselves. The Conservatives wanted 15% of the economic spinoffs to go to Quebec, but Boeing wanted 30%.

I am dumbfounded that such things still go on. Quebec will be penalized and 70% of the industry will go elsewhere with the contracts for the C-17s and the Chinooks. Military investment in the aerospace industry will go to other Canadian provinces and will create jobs. It will also create an even bigger imbalance.

There will always be hon. members in this House who will stand up to say that Quebec is always at the mercy of the rest of Canada. That is why the members from the Bloc Québécois would one day like to leave this chamber and for Quebec to become a country so that it can take care of its own affairs and stop being told it is piggybacking on the others.

• (1810)

When we are gone, they will understand that they are the ones who were piggybacking on Quebec, with its natural resources, its raw materials and all they transform outside of Quebec and for which we pay a good part.

S. O. 57

The budget now recognizes the fiscal imbalance the Bloc Québécois had estimated. Indeed, the Léonard committee produced a report ordered by the Bloc and it estimated the fiscal imbalance at \$3.9 billion. Even the former Quebec Liberal finance minister agreed with that estimation. So nobody should be surprised by it. That was the amount we requested to resolve the fiscal imbalance and the amount the government is giving us. We gave the Prime Minister another chance after last year's budget. He had said that he needed one year to review, analyze and study the issue and that he would propose a solution to the fiscal imbalance this year. I will remind the House that he promised to hold a first ministers conference. Finally, that never happened because he was unable to do it.

We ended up with the \$3.3 billion we now see in the budget to resolve the fiscal imbalance. We asked for \$3.3 billion in three years. The Bloc has always been a fair player. It has always showed great openness by acknowledging that this was not easy to do and that there were difficult decisions to make. We gave ourselves a three year deadline to get that issue solved. We got \$3.3 billion when we were asking for \$3.9 billion in 2003 dollars. No need to say that indexation had not been included. We did not want to risk being accused of all sins in the world. But the fact is that we would have considered \$3.9 billion a real solution to the fiscal imbalance. However, the proposed \$3.3 billion remains a useful amount and that is why the Bloc Québécois has given its support to the budget.

This started at the time of Bernard Landry's Parti Québécois government with the Séguin commission, which was followed by the Léonard committee, set up here by the Bloc Québécois. The committee used the federal government's numbers. No other party wanted to do it, and none of the parties in Quebec were able to do it because it meant taking a close look at the federal administration's inner workings. The Léonard committee spent a year studying all of the data to justify that figure, which, as I said, has not been challenged yet. So that resolves the fiscal imbalance in part. Fixing the fiscal imbalance for Quebec fixes it for the other provinces. Fixing equalization for Quebec fixes it for the other provinces too.

Thanks to agreements signed by other prime ministers, including the former Liberal Prime Minister, other provinces have received additional revenue. Those provinces want to keep getting the same equalization payments as before in addition to new money. It is never-ending. That is why I am saying that because it is so complicated to understand how Canada works, Quebec would be better off as its own country, taking care of its own business. That would be the ideal solution. It would save the rest of Canada a lot of trouble, and it would save us the eternal frustration of constant recriminations. Quebec is always wrong, regardless of the fact that its natural resources are taken away to be processed in other Canadian provinces, which rake in the cash and refuse to give any of it back. This has to end sooner or later. One day, the other provinces will understand. When Quebec leaves, they will miss us a lot because they will finally understand to what extent our natural resources prop up their economies.

**An hon. member:** They can come visit us.

**Mr. Mario Laframboise:** They will be more than welcome.

That is why, when we feel progress is being made, the Bloc Québécois is always there to defend the interests of Quebeckers.

Quebeckers have seen this once again. We do not hesitate to support measures that represent a step in the right direction, and one such measure was to correct part of the fiscal imbalance, to the tune of \$3.3 billion.

We also fought for ecotrusts. Quebec demanded \$328 million to meet the Kyoto protocol targets. Once again, this is not a simple matter, yet it is not complicated either. Quebec and Quebeckers are ready to meet the Kyoto targets. This should not be so difficult to understand. Why? Because we have invested the necessary money and effort in hydroelectricity and wind power. We are ready. Quebec is ready to go green, while the rest of Canada is mired in tar sands, oil, coal and nuclear power.

• (1815)

That is their problem. We have been investing in new energy sources for a long time, and it has not cost you a cent. That is the best part. Quebeckers have paid through their hydro bills and their taxes. I am not making this up. Zero minus zero equals zero. It is not hard to understand. The federal government has not invested a penny in developing hydroelectricity in Quebec. However, it has invested a few million dollars in wind power in recent years, because it was embarrassed to stand by and admit that it had never contributed anything. Quebec has provided 25% of the \$600 billion invested in fossil fuels since 1990. We have paid our share. Today, we are ready. Quebec has reason to demand its fair share.

You are willing to spend money in order to reach the Kyoto targets. Quebec must receive its fair share. The Quebec government's demand was for \$328 million. We fought to get it and now it is in the budget. We are pleased to see it. The Bloc Québécois supports this measure. Furthermore, the Bloc has always defended the interests of Quebeckers here in this House. This explains why this file was able to move forward and why this measure is in the budget. Your voices would never have been heard if we had not been here to say that Quebec is prepared to meet the Kyoto targets. Stop all this quarrelling. At least there is one Canadian province that is ready to act. Let it go ahead and act. Watch Quebec. It will lead the way, just as it did in the area of child care. We will also lead the way regarding Kyoto targets, as well as in other areas. We are ready to lead the way and the rest of Canada simply has to follow our lead. It is not hard. This is why we are calling for full control of our taxes and income tax dollars, in order to be able to develop as we see fit. We will be good neighbours and good friends. The only problem is that we are different. We are ready to meet the Kyoto targets, we speak French, we are proud and we remember. I repeat the motto: Je me souviens. We remember the drastic cuts that you made in transfer payments to the provinces. Those cuts were devastating to all municipal administrations and school boards, all health and education networks.

*S. O. 57*

Today we remember that all the times we have asked you for something, to give us part of what we are owed, it is always a big deal, it is always complicated. The federal government always has to make an agreement with another province. It is simple. There are six Canadian provinces with fewer people than the former city of Montreal. It is no more complicated than that to understand. You are good people, we are good neighbours. The problem is that some provinces do not have enough people to provide service networks. I can understand that the provinces would want the federal government to handle child care and education. In Quebec, this has been sorted out for a long time. All we are asking is that when you create a program, that you give use back our money no questions asked, without making us accountable. We want the money. It is as simple as that.

In light of the fiscal imbalance, what we are asking for is fiscal autonomy. We do not want to have to account to anyone anymore. This means that tax fields have to be transferred. Sending transfer payments to the provinces is not enough; Quebec needs its own money. The federal government has to either transfer tax points or offload the GST on Quebec, which would then keep the money. In addition, the time has come to put an end to all the debates and for us to stop looking like beggars coming to you for money all the time, when parts of our economy keep being transferred to other Canadian provinces. That is what has happened in the aerospace sector. We are leaders in that sector, and you are chipping away at it. You want to get your hands on it because, for one reason or another, you are unhappy with the current state of affairs.

One day, you will understand that Quebec should be given free rein. With our natural resources and our own approach, we will grow and we will achieve the Kyoto objectives. We will become the finest francophone land in the Americas, the quickest to comply with the Kyoto objectives. That is the choice Quebeckers have made. It has always been their choice to keep a finger on the pulse of the planet, while the rest of Canada is more in tune with the pockets of multinational companies. That is your choice. One day, you will understand.

• (1820)

[*English*]

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, the member for Argenteuil—Papineau—Mirabel said that he wanted Quebec to get its fair share. I think that is a very wonderful statement that he made.

My question is predicated by his statement. If he believes in that, does he not believe then that the rest of Canada, other Canadians living in Newfoundland and Labrador, for example, other Canadians living in Ontario, and other Canadians living in Saskatchewan should be treated fairly?

What I am referring to are the commitments that were made to my province of Ontario under the Canada-Ontario infrastructure program of \$6.9 billion. Ontario got \$1.4 billion. He said that Quebec asked for \$3.9 billion and received \$3.1 billion.

What happened to the Atlantic accord? What happened to the Kelowna accord? Does the member not believe that Canadians, wherever they live, whether in the beautiful province of Quebec, Ontario or Newfoundland should be treated fairly?

This budget, as we heard earlier heard from the member from Newfoundland and Labrador, was not fair to all Canadians. Does he believe in fairness right across the country? That is my question.

• (1825)

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I have absolutely nothing against the fact that the other Canadian provinces may find fairness where they think it lies. I have no problem with that. However, there is a problem when the Canadian Constitution provides that equalization is the way to deal with unfairness. Then, if we deal with equalization the way we should, that is by taking into consideration all the revenues of each of the ten provinces, the technicalities result in Quebec always being short-changed. If they have a problem with what is provided in the Constitution, then they can review it and amend it. I have no problem with that. The provincial premiers will simply have to sit down together and discuss the issue. In the meantime, we must play with the cards that we were dealt, the cards that were dealt to us under the Constitution.

We are asking whether it is possible to get a fair share through equalization and achieve a balance. Some gifts are given by prime ministers, some agreements were signed, some royalties on natural resources were paid to some provinces. I do not have a problem with that, not at all. We are not jealous, but Quebec is left with the transfers to the provinces. We just want the process to be fair.

Currently, the federal government is enjoying billions of dollars in surpluses, while Quebec is managing a deficit. That is what the fiscal imbalance is all about. There is too much money in Ottawa and not enough in the provinces. In the late eighties and early nineties, the federal government reduced transfers to the provinces in an attempt to pay down the national debt, the debt that was created by the Conservatives. That is the reality. Now, the federal government should give money back, but it does not want to. It is reluctant, it wants to keep that money, it wants to give presents or do something else. Quebec simply wants its share. It is that simple. So much the better if the others are also satisfied with the arrangement. We supported the Kelowna accord and a host of other agreements for the provinces. We just want what is owed to us. It is as simple as that.

*Adjournment Proceedings*

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I know that the Bloc Québécois voted in favour of the Conservative budget. When we look at this budget closely, we see that indeed, some money was given to Quebec as part of the transfers to the provinces. The hon. member says this is not enough and that more money should have been allocated to Quebec. This raises a few questions. Is the Bloc Québécois disappointed? Especially, as my colleague says, since Quebec has a deficit. As far as the problems at the hospitals are concerned, I know that the response will be that this is Quebec's jurisdiction and not the federal government's. However, money is transferred to a province so that it can offer programs that it can manage itself under the Constitution. Under the Constitution, the provinces are responsible for health and education. At the same time, we see that the Charest government is turning around and lowering taxes instead of investing the money in the programs that interest Quebeckers. Tax cuts of some \$700 million have been proposed, even though Quebec's health care system is suffering, the same way health care is suffering across Canada and in New Brunswick. People who are hospitalized end up in hallways instead of hospital rooms. The issue of privatization has come up with the new opposition leader, Mario Dumont, who said there should be more privatization.

Do you not think the money should have been invested in those programs, in accordance with the Constitution, instead of voting for a budget that gives money for lower taxes rather than—

**The Acting Speaker (Mr. Royal Galipeau):** I caution the hon. member for Argenteuil—Papineau—Mirabel that he has less than one minute to answer the question.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I simply want to say that I do recognize that my colleague from the NDP has very centralizing views. When the health care system was established in 1960, the federal government was paying 50% of the costs. Had it continued to pay 50% of the costs, there would not be any problems in the health sector in the Canadian provinces. We are talking about a choice that Quebec made.

Not to pay its share, to siphon money from the provinces to pay the federal debt, to tell the provinces where to invest the money given back to them, that is a choice—

• (1830)

**The Acting Speaker (Mr. Royal Galipeau):** Order, please.

I would just like to say that, when the House resumes debate on this bill, the hon. member for Argenteuil—Papineau—Mirabel will have four minutes remaining.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[Translation]

### THE BUDGET

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I had asked the Minister of Human Resources and Social Development a

question in the House. My question had to do with the fact that, not long ago, representatives of a company in Alberta came to northeastern New Brunswick to recruit employees. They came to see whether people wanted to go to work in Alberta. In northeastern New Brunswick, because the unemployment rate is under 16%, it is fine if people have an opportunity to get a job.

I had asked the government what it was doing to set up programs to help provinces and regions with high unemployment, so that young people are not leaving their home for work elsewhere when jobs can be created locally and retired people are not the only ones who stay in the province. Nothing is being done about this. And I have no qualms about saying this, because retirees themselves are saying that they will be the only ones left in the province.

What is the government doing to either create jobs or help plants get into secondary and tertiary processing? There is nothing happening, absolutely nothing. When we take a close look at the budget, we realize that it does not say anything about the government doing something to create jobs. It was exactly the same thing with the minister's reply. He said that money was given to New Brunswick, but we can see that no program was put in place to create jobs.

Therefore, now that the government has had the opportunity to think about its reply, and to look at what it could do to help rural areas create jobs, I would like to hear what it has to say. I am anxious to hear the government's reply.

[English]

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, the fact of the matter is that the budget has been very helpful to the people of New Brunswick.

Members of the opposition, members of his party, obviously want to vote against the budget. They are trying to find reasons to do that. It is clear they have not actually read the budget.

What the member for Acadie—Bathurst has missed is all that the government has done for working families in New Brunswick. I would point the hon. member to page 226 of the budget plan where it outlines the measures in the government's new working families tax plan.

Budget 2007 proposes several measures that help working families to be better off and more secure. Together, the measures in this plan will benefit over three million taxpayers, removing 230,000 low income Canadians from the tax rolls. More than 75% of the tax relief will go to those with annual incomes below \$75,000.

First, there is a \$2,000 child tax credit that will provide up to \$310 in tax relief for each child under 18 for more than three million Canadian families. More than 90% of families will receive maximum relief and almost 180,000 taxpayers will be removed from the tax rolls.

For New Brunswick parents, this amounts to an estimated \$32 million in tax savings in 2007-08. On top of that, an increase in the basic spousal amount will provide up to \$209 of tax relief to a supporting spouse or single taxpayer supporting a child or relative. This measure will save New Brunswick residents an estimated \$6 million in 2007-08.

*Adjournment Proceedings*

For New Brunswickers saving for their retirement, increasing the age limit to 71 from 69 for registered retirement savings plans and registered pensions will save them an additional \$700,000 in 2007-08.

In light of the hon. member's concern for working families, I would also suggest that he read the section on page 78 of the budget plan that fulfills the government's commitment to introduce the working income tax benefit. This will help people get over what is often referred to as the welfare wall, a situation that discourages many low income Canadians from getting the jobs they and their families need.

This initiative will help make work more rewarding and attractive for an additional 1.2 million Canadians already in the workforce, thereby strengthening their incentive to stay employed. This represents up to \$500 for individuals and \$1,000 for families to reward work and strengthen incentives to work. Benefits for New Brunswick workers are in the order of \$13 million.

So, we have a working families tax plan and a working income tax benefit. It does not get much clearer than that. Contrary to what the member for Acadie—Bathurst seems to think, Canada's new government has taken action to help working families, and that includes significant benefits to his own constituents.

• (1835)

[*Translation*]

**Mr. Yvon Godin:** Mr. Speaker, on page 210 of the budget, they do not explain how this will create jobs. On page 74 of the budget, they do not explain either how this will create jobs. I am talking about people who have lost their job. I am talking about the unemployment rate in my region.

Will the fact that an ordinary worker will get a \$80 annual tax reduction change anything in his life? No.

As for the budget we have here, we had asked that it include changes to employment insurance, since there is a \$51 billion surplus. However, absolutely nothing has been put forward in this budget to bring about changes so that people in my region, men and women who work in fish plants, are able to stay when there is no more work and their job has disappeared. There is no program. I see none. Even ACOA has been cut by the Conservatives. They cannot say otherwise. This was—

**The Acting Speaker (Mr. Royal Galipeau):** I am sorry to interrupt the hon. member. The hon. Parliamentary Secretary to the Minister of Finance.

[*English*]

**Ms. Diane Ablonczy:** Mr. Speaker, I think the member is under a misapprehension about the role of government. The role of government is not to make work. The role of government is to lighten the load for job creators, entrepreneurs, businesspeople and investors, those who are the job creators in this country. That is exactly what our government has done.

It has cut taxes for our investors. It has cut taxes for business. It has cut the red tape for business. It has increased the equalization money that goes to provinces, so that they can create the services that will attract people to a province. We have put \$33 billion into

infrastructure, which again helps the flow of goods and services, and helps create jobs.

We have created enormous opportunities for job creation in this country. The member should be supporting the budgets that do that instead of voting against them because this is exactly what New Brunswickers need, job creation that we have supported with our budget measures.

## THE BUDGET

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Speaker, consultations were held throughout northern Ontario on FedNor in particular and the budget in general.

There was no mention in the budget about this issue and people in Thunder Bay are very worried, not only in my riding but throughout the north. They did not see any mention in the budget of what is of concern to them. They do not need any more worries. They want reassurance.

As we have been holding these hearings, the people have been telling us, in very plain language, that now is the time for government to recognize the needs of the regions. When they do not hear mention of the regional programs, whether it is FedNor or ACOA or the others, then all this talk in government of diversification means that there is a role for government to play. In the regions, a little can go a long way. Government must recognize that FedNor is already under-resourced. Indeed, it needs more money.

Last year's cuts of \$4.6 million must be replaced and indeed upgraded. There is certainly enough demand, as I believe the parliamentary secretary is well aware, when we talk about the components through which FedNor administers the COMRIF program in the province of Ontario.

Just the other day the minister responsible for FedNor sent me a letter that talked of that \$298 million over the next five years. That \$298 million over five years may seem like a lot, but in the province of Ontario that money is for eligible counties, regions and municipalities under 250,000 people. We are talking about almost 375 jurisdictions of the 446 that exist in Ontario.

What happened over the past three intakes for infrastructure was that the engineering and professional fees were not included as part of that allocation. It becomes very costly for small communities and there is no guarantee that they will get in under any of those programs. There is no list. If one is successful the first time, one can apply a second or third time.

These municipalities do not get any advice as to the validity of their cases. They can apply three times and be out of pocket. Essentially it becomes a lottery to them. These become very heavy hits for small communities. What we need is a process to tell them where they are. It should have been in the budget. If they are not going to be successful in the first round, then at least they should know that they are on the list somewhere.

*Adjournment Proceedings*

Also in the province of Ontario there are roads boards, which are composed of volunteers. In the past three intakes, only one has been successful in its COMRIF application. Their question on the budget is that if they are not going to be eligible, why does infrastructure include them? Why make them go through all these hoops, particularly when it is so difficult for them to come up with this money in the first place?

The budget also should have addressed the distribution of the gas tax to these roads boards in Ontario. As the parliamentary secretary is well aware—

• (1840)

**The Acting Speaker (Mr. Royal Galipeau):** The hon. Parliamentary Secretary to the Minister of Finance.

**Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, the important thing to note is that there is a great attempt to support the regions, particularly the smaller municipalities, the rural areas of Canada, because we know the strength in these areas is very important, not just to those areas directly but to all of Canada.

We have delivered a great deal of assistance to these communities. We have the infrastructure program, the new long term plan. That will be \$33 billion over the next seven years to help municipalities meet their infrastructure needs.

We have the other elements of the plan, including the new building Canada fund. That will support large scale projects and also small scale municipal projects such as cultural and recreational facilities and other municipal projects.

As the member mentioned, we have confirmed that the gas tax money will be rebated to the municipalities right until 2012. We have safe funding for these projects that will be going on for the next number years. Municipalities can count on those funds.

For a lot of agricultural communities, we have invested enormously in our agriculture sector, which helps a number of these smaller communities, these regions. We have put into place better programs for savings, for the input costs for agriculture. We have invested a \$1 billion in this budget and that is on top of about \$1.5 billion in the last budget.

In fact, with all the measures that will help agriculture and agricultural communities and municipalities that depend on agriculture, we have made an investment of \$4.5 billion. We have also provided assistance for renewable fuels production and that again will help these communities.

The member mentioned some technical problems in applying for moneys under these programs. Those problems can be worked out. I

wonder if he has worked with the ministers and people involved to try to address these issues.

In just a 30 second question in the House, he will not get to those technical details. These basic supports for the communities he is talking about are hugely in place under the last budget and the latest budget of the government.

I ask the hon. member to read the budget plan again carefully and he would see that those supports are there. If he can suggest anything that needs to be tweaked to ensure that the issues he has brought forward are addressed, then the government is happy to hear and work with that. It is our intention to give strong and ongoing support to the communities and regions with all the programs that the government funds.

• (1845)

**Mr. Ken Boshcoff:** Mr. Speaker, first, there is no mention anywhere in the budget of specific regional support for any of the programs across the country. The north and all regions must be reassured. I ask the parliamentary secretary to convey that.

The second point is the budget clearly does not address the distribution of the gas tax to the roads and local service boards of Ontario. There are \$6 million yet waiting for a mechanism to distribute these funds.

Third, why would the budget not follow the recommendations of the provincial and national municipal organizations such as the Association of Municipalities of Ontario and FCM to make this funding, these supports for municipalities permanent?

**Ms. Diane Ablonczy:** Mr. Speaker, the member will know that people who live in rural communities are proud to live there. They have an enormous commitment to making their communities flourish and prosper and so does the government. We are providing significant funding to help secure economic benefits for Canada's coastal and rural communities, derived from the programs of the government.

The member will also know that the government must negotiate, must have a plan that is agreed to by all of the players, the federal, provincial and municipal governments. Sometimes that takes some time to accomplish, but the commitment is there, the money is there and I know the benefits will follow.

**The Acting Speaker (Mr. Royal Galipeau):** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a. m., pursuant to Standing Order 24(1).

(The House adjourned at 6:47 p.m.)



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