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Monday, June 4, 2007

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, June 4, 2007

The House met at 11 a.m.

Prayers

•(1105)
[English]

The Speaker: It being 11:02 a.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

DNA IDENTIFICATION ACT

The House proceeded to the consideration of Bill C-279, An Act to amend the DNA Identification Act (establishment of indexes), as reported (with amendments) from the committee.

The Speaker: The hon. member for Burlington is not present to move the order as announced in today's notice paper. Accordingly, the motion will be dropped to the bottom of the order of precedence on the order paper.

[Translation]

SUSPENSION OF SITTING

The Speaker: The sitting is therefore suspended until noon.
(The sitting of the House was suspended at 11:03 a.m.)

SITTING RESUMED

(The House resumed at 12 p.m.)

GOVERNMENT ORDERS

BUDGET IMPLEMENTATION ACT, 2007

The House proceeded to the consideration of Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, as reported (with amendment) from the committee.

•(1200)
[English]

SPEAKER'S RULING

The Acting Speaker (Mr. Royal Galipeau): I have a ruling by the Speaker concerning Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007. There are nine motions in amendment standing on the order paper for the report stage of Bill C-52.

[Translation]

Motion No. 2 will not be selected by the Chair, because it requires a royal recommendation.

Motions Nos. 1, 3 and 4 will not be selected by the Chair, because they were defeated in committee.

[English]

All remaining motions have been examined by the Chair and the Chair is satisfied that they meet the guidelines expressed in the note to Standing Order 76.1(5) regarding the selection of motions in amendment at the report stage.

Motions Nos. 5 to 9 will be grouped for debate and voted upon according to the voting pattern available at the table.

[Translation]

I will now put Motions Nos. 5 to 9 to the House.

•(1205)
[English]

MOTIONS IN AMENDMENT

Hon. Monte Solberg (for the Minister of Finance) moved:

Motion No. 5

That Bill C-52 be amended by deleting Clause 45.

Motion No. 6

That Bill C-52, in Clause 46, be amended by replacing lines 1 and 2 on page 51 with the following:

"46. (1) Section 234 of the Excise Tax Act is amended by adding the following after subsection (2):"

Motion No. 7

That Bill C-52, in Clause 48, be amended:

(a) by replacing lines 1 to 4 on page 53 with the following:

"the Minister shall, subject to subsection (8) and section 252.2, pay a rebate to the person equal to the tax paid by the person in respect of the accommodation."

(b) by replacing lines 30 to 34 on page 53 with the following:

"the Minister shall, subject to subsection (8) and section 252.2, pay a rebate to the particular person equal to the tax paid by the particular person in respect of the accommodation."

Government Orders

(c) by deleting lines 37 to 46 on page 53 and lines 1 to 3 on page 54.

(d) by deleting lines 25 to 30 on page 54.

Recommendation

(Pursuant to Standing Order 76.1(3))

Her Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the following amendment to Bill C-52, "An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007". That Bill C-52, in Clause 48, be amended:

(a) by replacing lines 1 to 4 on page 53 with the following:

"the Minister shall, subject to subsection (8) and section 252.2, pay a rebate to the person equal to the tax paid by the person in respect of the accommodation."

(b) by replacing lines 30 to 34 on page 53 with the following:

"the Minister shall, subject to subsection (8) and section 252.2, pay a rebate to the particular person equal to the tax paid by the particular person in respect of the accommodation."

(c) by deleting lines 37 to 46 on page 53 and lines 1 to 3 on page 54.

(d) by deleting lines 25 to 30 on page 54.

Motion No. 8

That Bill C-52 be amended by deleting Clause 50.

Motion No. 9

That Bill C-52, in Clause 51, be amended:

(a) by replacing lines 20 to 32 on page 57 with the following:

"51. (1) Paragraph 252.4(1)(a) of the French version of the Act is replaced by the following:

a) la fourniture de biens ou de services relatifs au congrès, effectué par un inscrit qui est l'organisateur du congrès;"

(b) by deleting lines 33 to 42 on page 57 and lines 1 to 28 on page 58.

(c) by replacing lines 29 to 42 on page 58 and lines 1 to 13 on page 59 with the following:

"(5) Paragraphs 252.4(3)(a) and (b) of the Act are replaced by the following:

(a) the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering, and

(b) 50% of the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to related convention supplies that are food or beverages or are supplied under a contract for catering."

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a) la fourniture de biens ou de services relatifs au congrès, effectué par un inscrit qui est l'organisateur du congrès;"

(b) by deleting lines 33 to 42 on page 57 and lines 1 to 28 on page 58.

(c) by replacing lines 29 to 42 on page 58 and lines 1 to 13 on page 59 with the following:

"(5) Paragraphs 252.4(3)(a) and (b) of the Act are replaced by the following:

(a) the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering, and

(b) 50% of the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to related convention supplies that are food or beverages or are supplied under a contract for catering."

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Markham—Unionville is rising on a point of order.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I rise to contest a ruling by the chair of the finance committee during clause by clause consideration last week. During that consideration, the chair of the committee ruled that an amendment referenced at the committee under the number 2972723 was out of order and could not be moved.

The amendment in question sought to provide a tax reduction to a group of taxpayers who would have otherwise paid 31.5% tax on proceeds from income trusts. Under my amendment, they would pay only 10%. The amendment also provides for a tax refund or credit of this tax for certain taxpayers. Both of these measures are clearly tax reductions.

With respect to the general tax reduction from 31.5% to 10% contained in the amendment, it was in no way questioned by the chair at the meeting. The chair presumably knew that such a tax reduction was in order. However, in committee, the chair ruled out of order another part of the same amendment that I proposed to clause 21 of the bill to reduce the tax on Canadian residents even further by way of a tax refund or credit, in subclause 2.1. Here I will quote the chair of the committee, who said that this "would require government spending".

He then concluded, again erroneously, that this latter tax reduction required a royal recommendation, which if this was the case obviously could not be moved in committee. Therefore, the chairman mistakenly ruled the amendment out of order and the committee did not consider the amendment that I was proposing.

In addition, a number of amendments standing under my name at the committee simply could not proceed because the central amendment, which I have just described, could not be moved. The chair's ruling thus had an adverse effect not only on the amendment itself but on a number of other amendments as well.

I now want to touch briefly on the procedural arguments as to why I think the committee chair's ruling was erroneous. While I accept that increasing a tax or levy as well as increasing a benefit or grant are prerogatives of the Crown, my amendment did no such thing. It dealt with refunding a tax to a group that would otherwise have paid it.

On Monday, October 9, 1957, Speaker Lamoureux ruled in this place that reducing a tax by way of an amendment and without a royal recommendation was in order. This decision can be found in the *Journals* of the House of that day at page 254.

Speaker Lamoureux, in his decision, was basing himself on Erskine May's treatise on parliamentary procedure and form, the 15th edition, which says at page 704 that provisions for the alleviation of taxes are not subject to the rules of financial procedure. At page 572, May also states that a bill diminishing or repealing a tax or other public burden, unless the imposition of a new tax is proposed by way of substitution, needs no royal recommendation.

Government Orders

In our own House in the last Parliament, a number of private members' bills were passed, without royal recommendation, to provide tax alleviation. Two such examples were the bills to provide for a tax deduction for tools for automobile mechanics and a bill to provide similar relief for workers who purchase transit passes.

Only a few weeks ago, we passed private member's Bill C-294 to reduce income taxes for the benefit of lodging and other such allowances to young athletes, mainly hockey players. This bill was sponsored by the Conservative member of Parliament for Prince Albert.

Surely if it is in order to offer an exoneration of taxes for hockey players, which it certainly was and which I supported, it is equally in order to offer an amendment to reduce taxes to Canadian senior citizens who are now the innocent victims of the Prime Minister's broken promise on income trusts.

Finally, I wish to draw to the attention of the House a booklet published by the Procedural Services of the House of Commons under the authority of the Speaker and entitled "Amending Bills at Committee and Report Stages in the House of Commons". At page 5 of this document, under the rubric "Financial Initiative of the Crown", it is stated, "Any amendment to reduce public spending or to reduce a tax is admissible".

Clearly the chair of the Standing Committee on Finance erred when he refused to allow me to move my amendment at committee. Equally clearly, the effect of not being able to move this important amendment was such that other amendments which I was offering either could not be moved because they were subordinate in nature or, in the case where they could be moved, did not carry much support simply because the main subject could not even be debated.

• (1210)

For greater clarity, I note that the Chair of the committee was in error when he suggested that subclause 2.1 was new tax expenditure. It is not. The subclause itself makes this point when it states, "Every individual who is resident in Canada and liable to pay tax under Part I may claim a refund or credit against tax otherwise payable".

This subclause involves no new net tax expenditure by the Crown. It simply allows an individual taxpayer who is a Canadian resident to recover tax already paid on his or her behalf to the Crown.

A taxpayer who is a Canadian resident can recover not one penny more than that which was remitted on his or her behalf already to the Crown. Therefore, there is no new tax expenditure whatsoever.

In short, the withholding in question is then reimbursable to a specific category of investors, namely, Canadian residents, who would get their money back. For example, foreign investors would not qualify because they do not pay sufficient or any Canadian taxes. Pension funds would not qualify either because of their tax exempt status.

Therefore, there is a clear case of tax alleviation as identified by Erskine May, as I mentioned earlier.

That is why I am seeking this remedy in asking the Speaker that my amendment be allowed to be debated and voted on at report stage. The Chair of the committee provided an erroneous ruling

which prevented me from doing my work of representing my constituents and Canadians generally at the committee.

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I have a few comments on my friend's point of order that may prove helpful to the Chair.

First of all, we note that the four motions he brings forward today are, as he mentioned, similar to motions that were already proposed and defeated at committee stage. Further, they are flawed on so many levels that it is difficult to know where to begin, but I will touch on just a few of the many problems with these proposed amendments. Fortunately for all concerned, I believe they are entirely out of order and that the Speaker will find them so, but I do want to add the concerns that the House should be aware of.

It is well recognized that rules of parliamentary procedure preclude the introduction of a motion to amend a bill if the motion exceeds the scope of the notice of ways and means motion on which the bill is based, without the introduction of a new notice of ways and means motion on which the House has concurred. Further, the introduction of a motion is precluded if it increases the amount of an appropriation without having first obtained a royal recommendation.

Contrary to what my friend just said, these motions fail on both of those counts. The hon. member for Markham—Unionville did not obtain the concurrence of this House on these motions before they were moved, nor was a royal recommendation obtained. Thus, these motions should be ruled out of order on this basis alone.

Furthermore, an amendment that would make a clause unintelligible is also out of order. For reasons which I will explain, the proposed amendments are simply incomprehensible. Accordingly, these motions should be ruled out of order. Should they proceed, they should be defeated on the basis of their confusion and questionable policy. I would like to explain briefly.

Motion No. 1 proposed by the hon. member for Markham—Unionville is a prime example of an amendment that renders a clause unintelligible. In particular, the draft purports to apply a 10% tax on certain distributions made by trusts described in subsection 197(1). The difficulty here is that there are no trusts described in subsection 197(1), either as proposed in the bill or as amended by any other motions put forward by the hon. member. Accordingly, the motion is totally ineffectual and should on that basis alone be ruled out of order.

However, if one were to give the hon. member the benefit of the doubt and accept that the amendment proposed is actually meant to reference a trust described elsewhere, then there is another problem. I suspect the hon. member thinks he is reducing the trust distribution tax proposed by this bill to 10%. However, the text of the motion actually adds the proposed 10% tax to the existing 29% tax applicable to trusts.

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Hence, the motion would, if one could make sense of it, expose trusts to a 39% tax on distributions of non-portfolio earnings. This compares with the 31.5% tax proposed in the bill for 2011 and therefore clearly represents a tax increase. This tax increase is not within the scope of the notice of ways and means motion on which the bill is based and the motion should therefore be ruled out of order.

Motion No. 2 appears to be another attempt to impose a 10% tax on SIFT trusts, curiously in a part of the act that is under the title "Tax on SIFT Partnerships". Further, this 10% tax purports to apply to all distributions by SIFT trusts and not just distributions on non-portfolio earnings. The text of the motion also again adds the proposed 10% tax to the existing 29% tax applicable to trusts.

Hence, if we ignore Motion No. 1, Motion No. 2 would expose trusts to a 39% tax on distributions by SIFT trusts.

On the other hand, the hon. member who tabled these motions has given no indication that the motions are to be alternatives. Accordingly, Motions No. 1 and 2, read together, would increase the tax on distributions by trusts of non-portfolio earnings to 49%.

Both of these scenarios would clearly be a tax increase, which exceeds the scope of the notice of ways and means motion on which the bill is based, and should, therefore, again, be ruled out of order. Indeed, by proposing such tax increases, one has to wonder what the hon. member has against income trusts.

●(1215)

Motion No. 2 also expresses a very strange policy. It subjects existing income trusts to the new Liberal tax but does not apply this tax to new trusts created after October 2006. Motion No. 2 goes on to allow individual Canadian residents to claim a refund of an amount designated by an issuer of the security in prescribed form. The member talked about that.

Further, the motion goes on to allow a beneficiary of an RRSP to claim a refundable tax credit equal to the amount of the tax paid by a SIFT trust or partnership. This would create a right for any beneficiary of an RRSP, whether or not liable to pay tax, to receive an amount to be taken out of the consolidated revenue fund.

Given that this motion would require that money be taken out of the consolidation revenue fund, it should be ruled out of order on the basis that it was not accompanied by a royal recommendation.

Again, the motion shows the difficulty that the hon. member's party has with developing tax policy.

The bill before us today already allows for a dividend tax credit claimable by Canadian resident individuals and respective trust distributions that are subject to the SIFT tax.

The dividend tax credit is intended to provide an offset against tax payable by an individual up to the amount of tax payable on the distribution of the trust. This distribution is deemed to be a dividend eligible for a dividend tax credit.

This motion would allow an individual to claim a refund for the trust tax paid but would also allow a dividend tax credit to be claimed on the same income. Perhaps the double credit for the individual investors has some connection with the Liberal proposal

to tax trusts at 39% or 49%, but I suspect it is just another example of the flaws in the thinking behind these motions.

As well, the refund for individuals is in an amount designated by the trust in prescribed form, but no guidance is provided for the calculation of the amount that can actually be refunded. Could it actually exceed the tax paid by the trust on the distribution?

Just briefly again, let me say a few things about Motion No. 3. Motion No. 3 adds yet another 10% tax to trusts that fail to comply with the provisions of the part of the bill that apply to SIFT partnerships. Now we have an amendment in the partnership provisions that purports to add yet another 10% tax not only on SIFT partnerships but also on SIFT trusts. This time bringing the tax up to what, 59%?

There is precious little in the partnership provisions that a trust could be non-compliant with. Or, it is just an attempt to confuse. Again, this motion clearly purports to effect an increase in a tax that would exceed the scope of the notice of ways and means motion on which the bill is based and should therefore again be ruled out of order.

Finally, Motion No. 4 is consequential to the other motions. Since those earlier motions should be ruled out of order so, too, should Motion No. 4.

I trust you will find that of assistance, Mr. Speaker.

●(1220)

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): Are there any other points of order? The hon. member for Markham—Unionville on the same point of order.

[*English*]

Hon. John McCallum: Yes, Mr. Speaker. I thank my hon. member for her help. However, her error is not limited to referring to my riding as Markham—Unionvale rather than Markham—Unionville.

I am afraid she is complicating the matters in an effort to sow confusion because my point is a very simple one. I believe that her allegations about us raising the taxes are due to the fact she forgot that we proposed to delete certain provisions which are part of the government's plan. However, that has nothing to do with my appeal to the Speaker.

My appeal to the Speaker is on one particular amendment which we presented to the committee regarding the refundable payments to residents. That was the only thing ruled out of order. Our arguments, as I have just presented, and she did not counter them at all, are for the various reasons I have described.

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The amendment that we proposed and that was ruled out of order by the chair should indeed be in order. That is my sole request to the Speaker, apart from the fact that once the Speaker admits that amendment has been in order, then the associated amendments, which we presented before committee, should also be voted upon as a group.

The Acting Speaker (Mr. Royal Galipeau): Is the hon. member for Mississauga South also rising on the same point of order?

Mr. Paul Szabo: Yes, Mr. Speaker. That indeed was the gist of my comments, that the matter raised by the hon. member has to do with the decision of the chair, which based on the evidence that was presented in the presentation of the point of order by the hon. member would tend to bring into question whether or not the chair had erred in its ruling and therefore there were consequential amendments.

With regard to the report stage motions that were proposed, Motions Nos 1 to 4, Motion No. 2 was with regard to a royal recommendation requirement. The other three were, according to the Speaker's ruling, on questions that were already defeated at committee. As a consequence, it is very clear that the items in question are not the ones in fact on the report stage listing in the order paper today but rather with regard to another matter on which the chair ruled and which has consequential amendments.

Accordingly, I believe it would be appropriate, Mr. Speaker, to review the basis for the decision by the chair. Should there be a clarification or correction of that decision, it then would appear that there may be other consequential amendments that would be necessary to make to the bill at committee stage which would also obviously impact possibly further report stage motions.

• (1225)

Ms. Diane Ablonczy: Mr. Speaker, first of all, let me sincerely apologize to my friend, the hon. member for Markham—Unionville for misspeaking the name of his excellent riding.

I would just point out that the information I provided to the Chair I think should assure all members of the House that the chair of the finance committee in fact made a correct ruling and that the ruling should not be tampered with by the House because that was an entirely defensible and proper ruling.

I hope, Mr. Speaker, that this matter will be put to rest and we can get on with debating the bill.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): Does anyone else wish to speak to the point of order?

[*English*]

I thank the hon. members for Markham—Unionville, Mississauga South and also the Parliamentary Secretary to the Minister of Finance for their submissions. They will be reviewed by the Speaker who will return to the House with a ruling in due course.

Resuming debate, the hon. Parliamentary Secretary to the Minister of Finance.

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I see everyone is very happy that I am getting up on debate and I too am very pleased to rise today to

speak to Bill C-52 at report stage. It has been a long road but here we are at report stage.

The bill proposes to implement certain measures from budget 2007 along with other tax initiatives along with other tax initiatives that were announced prior to the budget.

I would like to start today by giving a quick tour of the key themes and messages of budget 2007. I will then outline the key measures in Bill C-52 and illustrate how they fit into the big picture.

Today, Canada is strong. Canada's new government has a plan to make it even better for tomorrow. The measures in budget 2007 will help up achieve that goal. It will do so by delivering on the commitments made in "Advantage Canada", the government's long term economic plan for Canada.

It takes historic action to restore fiscal balance with the provinces and territories by investing an additional \$39 billion over the next seven years. These important investments are made in things that matter to Canadians: a modern health care system, a strengthened post-secondary education system, new child care spaces, a clean environment, an approach to labour market training that is more responsive to the needs of Canadians, and infrastructure like roads, bridges and public transit.

Budget 2007 builds on action from budget 2006 by further reducing the tax burden in Canada to make it easier for working families to get ahead and stay ahead through initiatives such as the tax back guarantee and our working families tax plan.

This year's budget cracks down on corporate tax avoiders to restore fairness to Canada's tax system. It invests in the social priorities that have come to define Canada as one of the truly great and caring nations of the world. In short, budget 2007 is an ambitious catalyst for action that builds upon the tremendous progress we made in our government's first budget.

This budget is about making our strong economy even stronger. We know that by creating a climate of hope and opportunity, and providing the necessary tools so Canadians from all walks of life can reach their full potential, Canada can be an example to the rest of the world, an example of a truly great and prosperous nation, an example of a compassionate and benevolent nation.

Canada's new government aspires to a stronger, safer and better Canada. Budget 2007 is a path to those ends.

Bill C-52 gives effect to the policies and programs that will get us there. A key element of budget 2007 is the restoration of fiscal balance with the provinces and territories and Canadian taxpayers.

Bill C-52 proposes to legislate key budget measures on fiscal balance, delivering on the specific commitments made in budget 2006 regarding fiscal balance and going even further. Through these measures fiscal balance is restored in a principled way, in a national context, and by respecting existing agreements and commitments.

To begin, the fiscal balance is being restored with the provinces and territories by putting transfers on a long term principles-based footing.

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Bill C-52 proposes to legislate renewed and strengthened equalization and territorial formula financing programs that will provide more money over the next two years to eligible provinces and the three territories.

It also proposes to renew and strengthen the Canada social transfer making it fair by providing the same support to all Canadians regardless of where they reside and by making significant new investments in support of post-secondary education and children.

The budget also takes another step toward restoring fiscal balance with Canadian taxpayers through major tax reductions and the tax back guarantee. I will come back to the tax reduction point in a moment.

● (1230)

Moreover, we are making governments more accountable to Canadians by clarifying roles and responsibilities, and we have strengthened the economic union based on the plans set out in "Advantage Canada".

Canada's new government has said all along that Canadians pay too much tax. We have not just talked about doing something about it, we have done something about it in our very first budget last year and again this year in budget 2007.

Since coming to office, Canada's new government has taken action that provides almost \$38 billion in tax relief for individual Canadians. Over this year and the next two years, there will be \$38 billion in additional tax relief. This kind of action illustrates our commitment to deliver on our promise to reduce taxes for Canadians.

Budget 2007 not only takes historic action to restore fiscal balance in Canada, but provides significant tax relief for individuals, with a focus on supporting working families with children. For example, budget 2007, through Bill C-52, would introduce the working income tax benefit and the working families tax plan. The working income tax benefit would build on the recent progress made in lowering the so-called welfare wall, notably for families with children, through the federal, provincial, territorial national child benefit initiative.

For some Canadians, the working income tax benefit could represent the difference between being better off and worse off as a result of taking a job. For example, a single parent who takes a job, before the bill is passed, can lose almost 80¢ of each dollar earned to taxes and reduced income support, and that is not accounting for additional work related expenses or the loss of in kind benefits.

The working income tax benefit would reward work and strengthen incentives to work for more than \$1.2 million low income Canadians by providing up to \$1,000 for families and \$500 for individuals. To help Canadian families get ahead, the working families tax plan would also introduce a new \$2,000 per child tax credit for children under 18. The new child tax credit would benefit about three million taxpayers. What is more, it would take up to 180,000 low income Canadians off the tax rolls and would provide more than 90% of taxpaying families with the maximum benefit of \$310 per child.

● (1235)

We also propose to increase the spousal amount to the same level as the basic personal amount. We also, in the bill, enact the tax fairness plan, which delivers over \$1 billion in additional tax savings annually for Canadian pensioners and seniors, including income splitting.

We also, as I mentioned earlier, in this bill have the tax back guarantee. This means that the government guarantees that it will use the interest savings from national debt repayments to reduce personal income taxes.

We also have invested in the health care system, the 10 year plan to strengthen health care, which provides \$41.3 billion over 10 years to provinces and territories. In this budget we built on that commitment with Canada Health Infoway and with other measures. We also have invested in a cleaner, healthier and safer environment.

I urge the House to support the bill and the measures in it, which would take our country forward in a better and stronger way, and will be helpful for all Canadians, whatever their situation.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I think the parliamentary secretary's comments were notable for what they did not say more than for what they did say.

The biggest problem with the budget, especially in her own province, is the government's broken promise on income trusts. She has personal experience on that because her riding meeting was flooded with angry income trust people. Therefore, I do not know why she did not even mention it.

It is clear that this was a huge broken promise made by the government. It is clear that it was a badly executed broken promise. It was not necessary to drop a nuclear bomb on that industry. It is clear that tax fairness has become tax unfairness and that tax leakage will be worse because the companies buying up these income trusts are likely to pay no tax at all. It is clear this is a comedy of unintended consequences. It is clear that the income trust holders are deprived of a very useful instrument, especially for seniors who have to use their savings to pay their bills.

Why did she not say a single word about the most disastrous element in this overall disastrous budget?

Ms. Diane Ablonczy: Mr. Speaker, I know my hon. friend is having the time of his life bashing the government on the income trust decision.

This was a difficult decision. As the member rightly points out, when we took office, we did not think this move would be necessary. However, the hon. member knows that the landscape changed rapidly with sectors either moving to the trust model or saying that they would move to the trust model and planning to do so. This means we would have most of our businesses in Canada paying no tax. That could not happen because then the tax burden would shift entirely on to the shoulders of individuals.

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As I have said before in the House, it would have been easy for the government simply to save its political capital, not take any criticism, especially the criticism the hon. member is enjoying levelling at us, and do nothing about this. However, we have a duty to our country and we have a duty to the future of individual Canadians who need tax revenue for these services, and we moved to do what was right for Canada.

I hope Canadians will appreciate that and support it. I note that the government has kept its promise in every instance where it is able. The hon. member knows this and I think he should applaud that, instead of being so mischievous about something he knew had to be done and he himself said that it was absolutely the right thing to do.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup. Please keep the question short, since other members would also like to ask questions.

• (1240)

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, at the report stage, we are studying an amendment that would make it easier for tourists attending conventions to get GST rebates. I would like my colleague to tell us whether the government intends to give further thought to reaching a similar conclusion for duty-free shops. A program that was a great incentive for tourism was scrapped. Now, the newspapers show just how important it is.

Could the parliamentary secretary assure me that in the coming months, the government will give further consideration to restoring this incentive to what had been planned, in order to attract tourists to Quebec and Canada?

[*English*]

Ms. Diane Ablonczy: Mr. Speaker, as the member pointed out, this program was not working previously. We have introduced it in a form which we believe and which the industry believes will help our foreign visitors and tourism in a very big way. In fact, it ensures that the goods and services tax do not apply in certain circumstances to the supply of a convention admission to a non-resident person. It also will help bring tour groups and other activities to Canada.

It has been applauded by the industry and by the provinces. We are very proud of it.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, what plans and what in the budget responds to the very desperate situation that exists today in the manufacturing sector? We had the Canadian Labour Congress here last week, speaking very passionately and emotionally about the job loss in the country in that sector.

Could the parliamentary secretary please let us know what we might look forward to in the budget which will deal with that?

Ms. Diane Ablonczy: Briefly, Mr. Speaker, there is the accelerated capital cost allowance for the purchase of machinery and equipment that will help the sector. There are also job training measures in the budget and lower taxes for everyone involved in the sector. We have a strong economy that we believe will help everyone in whatever sector they are in to succeed.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I will focus my 10 minutes on a single theme, which is that the finance minister, through his actions, has demonstrated himself to be more out of his depth than any finance minister in living history. As if honest incompetence was not enough, in some instances there was less than total candour involved as well.

I will make my argument through five exhibits.

Exhibit one goes back a bit in history when the minister was a very senior member of the Ontario government. It ran an election campaign on a balanced budget, which turned out to be a \$5.8 billion deficit. Therefore, it was incompetent to have a \$5.8 billion deficit, but it was less than candid to claim to be running on a balanced budget.

Exhibit two is he raised the income tax and cut the GST. He paid for the GST cut by raising income tax. Not only is such a move denounced by every economist on the planet, but I think most Canadians would rather have more money in their wallets through an income tax cut than an extra penny on the price of a cup of coffee. To compound this economic incompetence with the lack of candour, he keeps referring to a cut in income tax when all Canadians know that he raised the lowest rate of income tax.

Exhibit three is the feebate structure in the auto sector. This is an incredible design where 75% of the money goes to one model, which is not particularly better than others environmentally speaking and it is made outside Canada.

Mr. Dennis DesRosiers, who I know the gentleman and who usually speaks very mildly, was so moved to say the following:

(Honda) felt so slighted by this stupid 'feebate' that they have...come out guns ablazing. The feds now not only have a policy in place that does not work, they have also turned the company most willing to work...to address the auto issues of the day into an advertising juggernaut criticizing the federal government's policies.

That is another piece of evidence suggesting he is out of his depth.

Exhibit four is interest deductibility. Here again we have people who do not usually use such strong language in respect to a minister of finance. Allan Lanthier, retired senior partner of Ernst & Young, has said it is "the single most misguided policy I've seen out of Ottawa in 35 years".

Claude Lamoureux, chief executive of the Ontario Teachers Pension Plan, has said, "This is unbelievable. I don't know who in finance looked at this. I can't believe any sensible person would do this".

At the end of the day those people and the Liberal Party plan got to the minister because he did a flip-flop on interest deductibility, but it was even an incompetently executed flip-flop. The solution that he has gone to is not the right solution.

Government Orders

The abuse in this area is related to debt dumping, not double-dipping. To paraphrase former President Bill Clinton, it is debt dumping stupid, it is not double-dipping that is the problem.

Last but by no means least, there is the issue of income trusts. Here again we have people who normally use moderate language. I will quote two international experts, who make me somewhat embarrassed to be a Canadian in the face of this incompetence.

We have the *Gartner Letter*, a well-known London expert who sends his letter to people in the financial world all over the world. He said the Canadian finance minister's "idiotic 'trust' taxation decision rendered last October 31st, which we still believe ranks as one of the worst decisions ever rendered by a person in a position of monetary authority". That is from a British expert in the financial markets and it goes out all over the world.

If that is not enough, here is what an American expert said.

It is interesting that a program which was originally designed to enhance 'tax fairness' may end up not only costing the government revenue but ownership is passing from Canadians to foreign entities. I doubt this was the plan.

● (1245)

The question now is, how much of this can the government take? Will they admit this was an ill-conceived idea, revise it, drop it or dig in their heels and in the face of the evidence which is starting to build, stay the course and let the foreigners buy up Canadian assets on the cheap?

That is from a U.S. income fund report.

We in the Liberal Party have fought the government's income trust plan from the beginning. We have sought allies from our colleagues in the other opposition parties.

[*Translation*]

I should add that at the beginning of the debate, the Bloc was with us on this. Together, we tabled a report in the House and we presented two options: the Liberal option and the Bloc option. Naturally, I found the Liberal option to be the better of the two, although the Bloc option was much better than the status quo.

Last week, in committee, I was astonished to see the Bloc vote against its very own proposal. The Bloc, which claims to stand up for the interests of Quebecers, failed to stand up for the interests of Quebecers; instead, it voted against its own proposal.

[*English*]

If the Bloc's problem is a lack of courage, the NDP is beyond the pale. Let me quote Don Francis, a 63-year-old individual who has lost \$70,000 and who said the following before committee:

The NDP needs to rethink its position. This proposal targets hard-working Canadians for the benefit of all those fat cats. This is as clear a case of those fat cats eating the mice as this country has ever seen. Tommy Douglas is spinning in his grave to see NDPers like you acting like fat cats.

I would like to conclude by addressing all those hundreds of thousands of Canadians who lost millions and billions of dollars because of the government's broken promise on income trusts. I would like to tell those people that the fight is not over. We are at the beginning of the end of the battle and the battle will continue.

Even if this bill should pass the House, as it probably will, there is still the Senate. Even if that does not work, we will fight the income trust issue across the country. We have had many town halls before.

Thousands of Canadians have attended. The Liberal Party will be holding one in the finance minister's riding soon. We will fight this proposal in the Senate and in town halls across the country throughout the summer. Last but not least, we will fight this in the next election.

The Liberal policy is clear. We are standing by our policy. It is better for the country. It provides help for all those income trust holders who lost thousands, millions, or billions because of the Conservative government's broken promise. We will get re-elected and we will bring back our own income trust policy, which will be a fine replacement to the terrible disastrous broken promise that has been imposed by the government, aided and abetted by the NDP, on hard-working Canadians.

● (1250)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, that is quite the panacea the member is living in over there, I suppose, by his closing comments and I will start with that. I find it remarkable that the Liberal Party, with the support of nobody else in the House and nobody who came before committee, has made the proposal on income trusts that it has made. I really want to get to something that is more important.

The member is from Ontario. He should know that the government of Ontario specifically talked about what a great budget this is for Ontario. It is great for all of the country because it gives more to all regions and provinces but specifically Ontario. This budget will give Ontario \$12.8 billion in 2007-08. There is \$8.1 billion for health transfers and \$3.8 billion for Canada's social transfer, including a 40% increase in post-secondary spending alone.

How could the member stand in the House and oppose this budget? Does he stand up for his constituents or not? This budget works for his constituents. Dalton McGuinty loves this budget. I cannot understand why the member does not. He can take the fight wherever he wants, but hard-working Canadian families and Canadian small businesses know this budget works for them. That member is not down with them at all.

Hon. John McCallum: Mr. Speaker, it is noteworthy what the member did not say. He did not refute any of my five pieces of evidence pointing to the desperate incompetence of the Minister of Finance, so I can only assume he agrees with me on the essential point.

It is a bit much to suggest that the Conservative government supports Ontario when it gutted the Canada-Ontario agreement that had been passed by the previous government. The Conservatives took billions out of the pockets of Ontarians by gutting that agreement, not to mention that their environment policy was slammed by the premier and the environment minister. The Conservative government is not standing up for Ontario. Ontarians are not fooled.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with interest to my colleague's speech. I would like to correct some of the information he provided.

Government Orders

In a report of the Standing Committee on Finance, the Bloc Québécois put forward a proposal to mitigate the negative impact of the income trust issue.

However, had we amended the budget implementation bill, we would have prevented it from going through and prevented implementation of the budget, which, financially at least, made it possible to partially correct the fiscal imbalance for Quebec. Quebeckers would never have forgiven us. As to income trusts, a basic issue had to be resolved. However, as to implementing the bill, further consideration may be required. We could not continue in that direction.

Does my colleague agree that in light of the situation, the Bloc did the right thing by choosing Quebec, by working toward eliminating the fiscal imbalance and by asking for more discussion on this matter?

Hon. John McCallum: Mr. Speaker, the facts are very straightforward. The Bloc itself recommended a 10-year period. Yet, in the end, the Bloc voted against its own proposal. The Bloc abandoned Quebeckers and Canadians who had bought into income trusts. That is what I said: the Bloc abandoned Quebeckers on this issue.

[*English*]

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I am having a hard time this morning sorting out the Conservatives from the Liberals on some of this debate. The Conservatives have moved to a position now where they are beginning to close some of the loopholes that we as New Democrats have always complained about. The Liberals at one point agreed with that, although when they were in government they certainly did not move to resolve that issue.

The member is aggressively and passionately opposed to closing some of these loopholes. How does he propose that we get the taxes that Canada needs to continue to provide health care, housing and drug coverage, et cetera, to the many seniors whom he purports to be the champion of here this morning when we that kind of money is taken away from the public purse?

• (1255)

Hon. John McCallum: Mr. Speaker, what the hon. member does not seem to realize is that there is no such thing as a tax leakage. The government is losing revenue from its income trust policy. I return to my earlier point that Tommy Douglas would be spinning in his grave when that party that purports to be social democrats abandons hundreds of thousands of Canadians of—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate. The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, we are debating report stage of Bill C-52, the budget implementation act.

Of course, it is very important for the Bloc Québécois to see this struggle through to the end. We are the ones who raised the fiscal imbalance issue in this House. We feel that this government has taken some steps, thanks to the Bloc Québécois' support—because without this support, Parliament would not have passed this budget.

In order to at least improve the fiscal, financial, monetary imbalance, it was to our advantage to support the government on this.

We continue to believe this, and we know that Quebeckers support our position. The Bloc Québécois has led other parties in this House to adopt the same position. Only the Liberal Party does not support this position. Furthermore, it is voting against this budget, when all is said and done.

Today's debate at report stage allows for an amendment that results from an ill-considered decision on the part of the Conservatives, who decided to eliminate the GST-HST visitor rebate, thereby reducing Canada's appeal as a tourist destination. As evidence that this step had a negative impact, the Canadian Tourism Commission has had to shift some of its budgeted funds intended for Canadian tourism within Canada and use them to attract tourists from outside our borders, because we are losing ground to the tourism appeal of other countries.

Given the criticism and arguments received, particularly from the Bloc, in order to allow outfitters and conferences, for example, to continue to benefit from such a program, the Conservative government decided to propose an amendment in the context of budget implementation. This will help correct the situation, at least for outfitters and conferences.

This does not address the issue of duty-free shops, which remain victims of the government's decision. Initially, in the fall of 2006, the government made a series of rather drastic cuts to various sectors without really analyzing the situation, and it got rid of this program—which cost something to administer but attracted tourists—instead of modifying it and finding other solutions. In response to representations from various organizations, supported by the Bloc, the government made a partial correction.

What has still not been corrected is the situation of duty-free shops, which also play an important role in promoting tourism. Previously, when tourists visited duty-free shops, they obtained a credit that they could spend in the shop right away. As a result, the money quickly went back into the system.

In my opinion, no one, not even the Conservatives, is denying the aim of this program. The problem lay in the cost of administering the program. Instead of throwing the baby out with the bathwater, the government should have let the program keep on attracting tourists and found other ways of funding it. I hope that discussions will continue and that a satisfactory result can be reached.

Today, at the report stage, adopting this amendment will correct the situation with regard to outfitters and conventions. Representations were made by groups including the association of Quebec outfitters. When a convention is being planned and organizers want people to hunt and fish with the help of our outfitters, we have to make this prospect as attractive as possible so that people will choose to come here instead of going to other countries.

Government Orders

One of the benefits of coming here had been removed. Now, thanks to the amendment that is before us, we can maintain that benefit. It will therefore be important to adopt this bill at the report stage. The Bloc Québécois will support the bill at this stage, as it has done at all the other stages, so that the bill reaches third reading as soon as possible and the government can finally finish putting in place the measures to correct the fiscal imbalance.

It is clear how much Quebec needs this money. An important debate was held in the National Assembly of Quebec last week and for good cause; in the end, additional money from Ottawa became available. However, that is a monetary solution. A complete, legislative, fiscal solution is needed, which would transfer tax points to Quebec in order for it to no longer be dependent on the federal government's decisions, the vitality of the Canadian economy and other such factors. As of today, this is a three-year program that will have a significant financial impact and that is why the Bloc supports this bill. However, it will not resolve the matter permanently.

● (1300)

In fact, the Conservative government itself, which says that the fiscal imbalance is solved, has run attack ads against the Liberal Party and its leader stating that, if the Liberal Party were to return to power, it could overturn the decision on the fiscal imbalance. The Conservative Party has contradicted itself. On the one hand, it says it has solved the fiscal imbalance and, on the other, in ads taken out to denounce the Liberals, it says that the decision could be overturned. The solution is to ensure that permanent arrangements are made and that the transfer of tax points is put in place.

The starting point remains the same: the needs are found in the provinces and Quebec, but it is the federal government that holds the money. The announcement last week that last year's surplus is about \$13 billion illustrates this reality better than any explanation. The federal government still collects a great deal more money than it needs and allocates most of it to paying down Canada's debt.

It makes sense that some of the funds should be allocated to that, but in the meantime, the provinces need money. They need money to pay for their own services. They have to be able to develop multi-year programming and plans. The Bloc will continue to work toward eliminating the fiscal imbalance once and for all through tax point transfers. Then, when Quebec wants to implement social programs and programs to support business, it will be able to do so within its jurisdiction because it will have the necessary financial means.

After the report stage, the bill will come back to the House for third reading. It also includes measures that will affect the manufacturing sector. We followed a number of recommendations from the Standing Committee on Industry, Science and Technology. However, the Conservative government will have to do better than the positions it has put forward on this issue. For example, the committee recommended accelerated capital cost allowance over five years for businesses to buy equipment to improve their productivity. The government is only offering this over two years.

Nor is it giving refundable tax credits to businesses that do not make much profit, which is now the case in several sectors that are in trouble because of global competition. The government should be even more creative, and it should follow the 22 recommendations of the Standing Committee on Industry, Science and Technology

instead of barely touching on them or following the ones that suit it best. That is the next step, to come with the fall economic update.

In the meantime, I think that Quebeckers have made their views known: they agree with the Bloc Québécois, which supports the Conservative budget because it delivers considerably more money to Quebec. Quebeckers want to truly correct the fiscal imbalance. Thus, the Bloc Québécois is representing the will of Quebeckers, and wants the budget implementation bill to be passed as quickly as possible. We have made a significant and positive contribution towards achieving that, and we want the money to be available this year and in years to come based on what was announced in the budget. So no matter what government is in power in Quebec, the necessary funds will be invested, the proper political debates held and the money spent on the right things.

But there is a big problem: we have no guarantee that these funds will be available. This is a weakness of the Canadian confederation and Canada's federal system, which must be permanently corrected by the transfer of tax points. Let us hope that the Conservative government will move in that direction as soon as possible so that we achieve this permanent and long fought for correction. For four years, the Bloc has been arguing for this. I remember the member for Saint-Hyacinthe—Bagot and the member for Joliette, who preceded me as finance critic. We hammered away at this repeatedly. The parties in the National Assembly did the same thing, and today we are taking another step towards putting this in place. Let us hope that it will come about as soon as possible.

● (1305)

[English]

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I appreciate the member's particular focus on the tax rebate for tourists who come into the country. In my own community, an area where tourism is very important, that hit very hard. From what I am gathering from people in that industry, what the government has brought forward by way of replacement is very narrow and will not benefit everyone. It will benefit a few, mostly in larger centres, but it will not benefit in a significant way or attract tourists to my area.

I also want to ask the member about the fiscal imbalance. This weekend I was listening to some of the conversations in the media, particularly by the Federation of Canadian Municipalities, stating that the fiscal balance has probably hurt municipalities and communities more than any group or government in this country. How does he see this response working its way down so that municipalities now get the money they need to provide the services they are asked to provide?

Government Orders

[Translation]

Mr. Paul Crête: Mr. Speaker, I would remind my hon. colleague that the current situation with respect to the GST visitor rebate program comes as a result of the rather drastic cuts made by the Conservative government, which did so without really thinking it through.

After hearing some arguments, it partially corrected the situation in the case of outfitters and conference organizers.

I agree with my hon. colleague. A large part of the problem still needs to be addressed. Duty-free shops, for example, need a similar solution.

This program helped draw tourists. Eliminating the program and giving up its advantages simply because of problems with administrative costs was, I believe, a bad decision on the part of the Conservatives. This comes at a very bad time, because tourism to Canada is currently at its lowest, compared to other countries.

We have seen the figures and we recently received a letter confirming that the Canadian Tourism Commission had to reallocate its budgets from promoting Canada within Canada to promoting Canada abroad, although it should have the funds it needs to fulfil both objectives. We must therefore continue our efforts in this area.

With respect to the fiscal imbalance, I would like to complete my colleague's response. I think it is important that this debate continue, in order to ensure that Quebec and the provinces receive the money they need to fulfil their obligations. We must never forget that the municipalities are creatures of the provinces and they must set their priorities in line with what Quebec, for instance, wants to develop. There have been some initiatives in the past, such as the Canada infrastructure program. There could be others that we would be willing to examine, which would respect jurisdictions, but that—

[English]

The Deputy Speaker: The hon. member for Mississauga South.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member will know, from the parliamentary secretary's discussion about the income trusts, that there was an offset. She referred to it as "income splitting for seniors".

The member may want to comment, but the budget in fact does not provide for income splitting for seniors. However, it does provide for pension income splitting for seniors but 70% of seniors do not have pensions. After we take out those, they are already at the lowest possible rate. In fact, only about 14% of seniors are eligible for any benefit under there. It seems to be a very weak response in terms of the damage that was done to Canadians who lost \$25 billion in the value of their hard-earned retirement savings.

I wonder if the member would care to comment or to reaffirm that the budget provision relating to pension splitting only benefits about 14% of all seniors.

• (1310)

[Translation]

Mr. Paul Crête: Mr. Speaker, I will respond quickly to my colleague. The measure taken is a step in the right direction. Further thought is needed. Let us hope that in the future, the Conservative government will ensure that the measures it puts forward are as fine-

tuned as possible. One of the characteristics of the last budget concerns the fiscal imbalance and is a big victory for Quebec. Also, the Conservative government must work on its presentation and the details of its initiatives. This merits further thought. Let us hope that we will be able to pass other amendments that will ensure greater fairness for seniors and people who have reached retirement age.

[English]

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I appreciate the opportunity to offer a few thoughts in this important discussion about the budget.

I find it interesting and somewhat passing strange that at a time when we should be discussing matters that affect the lives of all Canadians, which is the delivery of programs that support working families, their children and communities in some very challenging times, particularly in northern Ontario where the forest industry has struggled, continues to struggle and is collapsing in front of us, that we would be debating the importance of closing or not closing loopholes for people at the higher end of the income scale, for the most part. I will talk about income trusts in a couple of minutes.

In this debate it is hard to figure out who is Conservative and who is Liberal. Over the years, the Liberals, when in opposition, tended to talk from the left and speak a language that was compassionate and caring. They seemed to understand social justice. However, when they were in government, which we saw for 13 years, they became the most aggressive cutters and slashers of money going to provinces for programs that move us forward in a way that speaks to justice, caring, compassion and believing in community.

We are here today having this debate, listening to the two sides banter and bicker back and forth about who will or will not close the loophole and how that might happen, when what they should be talking about, in my view, is the very integrity of the taxation system so we have the resources at our disposal to provide for the programs that people out there know, understand and have come to accept that federal and provincial governments need to deliver.

I would like to be here listening to people speak about the imbalance that exists between the rich and the poor and the growing poverty in our communities because we are no longer providing the kind of national leadership and vision that the people I speak to want from this level of government. Many people are no more than a paycheque or two away from poverty themselves as they look at the way the economy is evolving and the insecurity that seems to have taken hold.

In my part of Canada, that wonderful forestry laden area of northern Ontario, community after community are losing their mills, their source of income, losing the place where people got up in the morning and went to work so they could bring a paycheque home in order to look after themselves, their children and their families. These are people who went to work weekdays and then on the weekends and evenings ran the soccer club, worked in the arena, organized the volunteer sector and volunteered at the hospital.

Government Orders

Because the government is not giving the kind of leadership that is required, where the economy and particularly this budget are concerned, people are finding themselves without jobs and without much alternative but to leave town and head to other places where there are possibilities of jobs, leaving their families behind, all of the stress that brings with it and all the difficulties it creates.

I have travelled across the country over the last nine months to a year looking at that sort of soft underbelly of many of our communities, particularly the areas where the economy is supposed to be booming and there are jobs. There is encouragement from government. We hear it here on a regular basis day after day that if people do not have jobs and are struggling financially that they should move to Alberta or British Columbia where the economy is doing well.

In some cases that is a good thing to do but for many people who actually hear that clarion call and respond to it because they have lost their jobs at home, their own community is suffering and they must leave, they find when they get there it is not the greener grass that they had anticipated or thought would be there for them.

•(1315)

There are all kinds of challenges that the government has not thought through or worked cooperatively with other provinces and communities to make sure that the fundamentals are in place, the foundational structure that needs to be there to support these people and their families when they come looking for work.

Over and over again, in communities that I visited, we have a housing crisis. We have people living on the streets. Calgary, for example, is a bastion of free enterprise, the place that everybody points to as the mecca. It is where oil and gas, and the benefits come from. While on one hand we as a government provide literally billions of dollars every year in subsidies to the oil and gas industry, we find that communities like Calgary are having a very hard time providing housing for their own people, never mind the new people who are coming in response to the invitation to come and work in Alberta.

When I was there, a study had just been done on the homelessness that exists in that city and it was wavering around the 3,500 level every night. I was there in the winter and I showed up at a shelter where in fact somewhere around 1,200 people were housed a night. The people drive up with city buses, load those two buses up and send about another 100 homeless out into the suburbs, where they bed them down in warehouses on mats on the floor.

These are people who are struggling in some cases, people with drug addictions, people with alcoholism, people with mental health issues, but mixed in among that group is a significant number of people who came to Calgary looking for work, who got work, but then discovered that there was no place to live.

The reason that we have so many of the poor now out on the streets in places like Calgary and Victoria is because these new people coming and getting work, who can afford to pay for housing, are pushing the poor out onto the street, and many of them are finding that even if they have the money, they cannot get the housing that they need anyway.

Therefore, we have this terrible evolution of difficulty and challenge happening out there for people who really do want to work, who want to work full time to support their families, but we have not, as a country, responded to some of the challenges and some of the difficulties that come with the way our economy is evolving and changing.

I guess I am a little disappointed here this morning that there is not much debate about that, not much discussion coming from the Liberals particularly about that nor the Conservatives. There is nothing in this budget that I can see, and maybe some of the Conservatives who are here, and there are a few who are participating in this discussion, can tell me what is in this budget that is going to respond in an immediate and constructive way to some of these real challenges that exist out there now.

As long as we do not do anything about them or respond to them, or in some instances ignore them or pretend that they do not exist, they will grow, and we as a country will pay the price for that. It will cost us more in the end because we will then have all of the social and health problems that come with not looking after the basic needs of people who need to look after themselves and their families.

That is one issue that I was hoping that I would hear addressed by the government members and hear some contribution to from the Liberals.

The other is an issue that was brought very forcefully, aggressively and passionately, to this place last week by the Canadian Labour Congress. It brought people here, literally thousands of them from across the country, who are struggling with the demise, the falling apart, and the difficulty that is being experienced by our manufacturing sector.

I have to look no farther than my own area of the country, wonderful northern Ontario, and particularly northwestern Ontario, where community after community over the last couple of years has awoken in the morning to find that their mills were closing. There is no alternative. There is no response. There is no coming to the table by the federal government to say, "We are having difficulty in the manufacturing sector. Here is a strategy that we are trying to bring in and roll out. Why do we all not get together on this and see if we can make something happen?"

The doom and gloom, the black cloud, that hangs over that part of the country and down into southern Ontario and across into southeastern Ontario is very alarming.

•(1320)

We had workers here telling their stories to members of Parliament, who chose to come, that were heart-rending, that were gripping in their honesty and intensity. Workers told us that with the loss of their jobs go the losses of any benefit packages they had to look after themselves and their children in terms of health, dental needs, loss of any support for glasses, all of the things that those who are working at good jobs with benefits and pension packages often take for granted.

Government Orders

Yet, here we are today with an opportunity to respond very directly and clearly to that challenge and not doing that. Instead, we are bantering back and forth, and arguing over whether a tax loophole should exist or not exist, and whether there should be fairness in the taxation system.

Well we all know that there should be fairness and that we as a federal government need to be looking after the integrity of the tax system, so that we can provide support and services to communities, working families and the manufacturing sector.

We need to get the country back on the rails, and ensure that everyone has a chance and an opportunity to participate and do well.

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, the member had asked me earlier about the manufacturing sector. I had a very brief time to answer, but I would like to address that again because he talked about that so much in his speech.

The member will know, because he has been involved in this, that the industry committee of the House issued a unanimous report on how to assist our manufacturing sector in meeting the challenges it faces in the new global economy.

The member will know that there were 22 recommendations to the government from the industry committee. He will know that these recommendations were unanimously put forward by all parties on the committee. This was a rare unanimous report.

The member will also know that the government accepted all 22 of those recommendations including \$1.3 billion for this two year writeoff for manufacturers to buy equipment and technology that I reminded him about. There was \$.5 billion for worker training that I spoke about, \$33 billion for infrastructure renewal to help with our trade routes and our commerce, and \$9.2 billion for research and development including a new science and technology strategy. The list goes on.

In addition to that there is our balanced approach to tackling climate change which gives industry ambitious but realistic targets to help it with transition to the new green economy.

What did this member's party do when the government accepted all 22 of those unanimous recommendations? It voted against these measures for equipment and technology, worker training and infrastructure—

The Deputy Speaker: The hon. member for Sault Ste. Marie.

Mr. Tony Martin: Mr. Speaker, it is easy for the member to stand up and spout off all of these wonderful things that the government is looking at perhaps proposing to do somewhere down the line that might help or might not help.

What the people who were here last week were saying to us was that there is really nothing in their experience and in their understanding of what is happening in their industry and their community. There is no leadership. There is nothing in the budget that gives them any hope, for example, in the auto sector there is no strategy coming forward.

We are watching the demise of industries, forestry, the auto sector, going down the river in this country with each day that goes by. Yet,

we have a government that is experiencing record high surpluses in its budget and there is nothing there to respond to the very real and heartfelt needs of those workers who were here last week telling us that they need answers. They want leadership. They want a vision for this country and they are not getting it.

● (1325)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I think my colleague from Sault Ste. Marie touches on several very important points.

I would like to ask him something specific. It has to do with the performance of the government over the last number of weeks and what we have seen with its approach to funding student summer jobs.

We have seen the mess that has been made in restructuring that program with the students who have been hurt and the community groups that have been devastated. The government has tried to keep the company line saying that this was the right thing to do, but it knows that it has jugged up. It has gone back to try to straighten it out and it is going back to try to support some of these very worthy groups. I commend the groups for being vigilant and trying to stay on this message and fight for what they have been doing over the years.

My question for the member is this. Where is this money coming from? There is no new pot of money. Will the government be stealing from other sources, perhaps from programs that could benefit the workers whom he represents? Is this going to be another excuse that, "We had to take the money to straighten out the mess that we made for the students"? Is this going to be another excuse to walk away from the workers who need that money now?

Mr. Tony Martin: Mr. Speaker, the member raises a very good point. Yes, the student summer job program was a disaster. As the Conservatives rolled it out, they tried to bring in a new formula, but did not think it out very effectively, so when it hit the ground, it did not provide the kind of support and jobs that we thought it should.

I would like to say to the member, though, it was in the last Parliament that those of us on the HUMA committee detected that the program under the Liberal stewardship was not working very well either and was not delivering the kind of results, particularly to economically depressed areas of the country, that it needed to deliver. In fact, it needed more money then.

The hon. member is correct that this program needs to be reviewed and implemented in a way that responds to the real needs of communities and students, and it needs more money.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, as the Conservatives go to their riding meetings and open houses their constituents are yelling and screaming them down. People across the country are furious. I want to use my time today to talk about the 10 reasons this budget and the government have so upset and betrayed Conservatives across the country.

Government Orders

The first reason is that when the Conservatives were elected to government people thought that they would get a cut in government spending. For years the Conservatives, especially the Reform Party, talked about how the government was overburdened, how the socialists were spending too much money on all sorts of things. They talked about how the government was getting way out of size and was overrunning the country. Then what did the Conservatives do? They brought in the biggest spending budget in history. It is no wonder that Conservatives were shocked. They could not believe what they saw.

The second reason Conservatives are shocked is they expected another thing from their government and they were jubilant when they were elected because they expected to see tax reductions. Much to their shock and surprise they saw their income tax rates go up. This occurred mostly at the lower level for the most vulnerable people.

I have with me the revised income tax schedule one. In the last year of the Liberal government the tax rate was 15%. On the tax form that everyone filled out this year that tax rate was 15.25%. People across the country will get a shock next year when they see it is 15.5%. The tax rate will be going up again.

The third reason a number of Conservatives across the country are so angry and feel betrayed is income trusts. The Prime Minister made a promise during the 2006 election campaign that income trusts would never be taxed. On October 31, 2006 the finance minister announced a 31.5% tax. This took \$25 billion from the personal savings of Canadians. The *Toronto Sun* reported on February 21:

This is not fair to hard working seniors who have saved all their lives and depend on the income trusts' high yields to pay their bills.

Whether or not it was the right decision, the fact is that the Prime Minister said he would not tax income trusts. People invested in that mechanism based on the word of the Prime Minister. Canadians expect that the one person's word that they can believe for sure would be the Prime Minister's. This was a tremendous shock and disappointment and betrayal to Conservatives across the country.

The fourth reason that Conservatives are upset with the government is the broken promise on equalization. I quote from the May 8 edition of the *Leader-Post* of Regina, Saskatchewan:

Premier Lorne Calvert has reason to be peeved by Saskatchewan's 12 Conservative MPs and their lack of backbone in fighting for the equalization deal they promised the province.... Instead these MPs have demonstrated far more loyalty to the [Prime Minister] than to the voters.

It is not the voters' fault. They had no choice. It was the Prime Minister and the finance minister.

What about Nova Scotia? There is the unheralded example of a province talking about taking the federal government to court over the budget. Was it an NDP or Liberal premier? No. It is a Conservative premier.

What about Newfoundland? Everyone knows about the huge expenditure of taxpayers' money to run full page ads in newspapers across the country. People in Newfoundland and Labrador are so furious at the broken promise. Once again it is not a Liberal premier, not an NDP premier, but a Conservative premier.

The fifth reason that Conservatives across the country are shocked and dismayed by this budget and the government is regulatory reform. Canadians thought that they would get reduced government spending, but they did not. They thought they would get a reduced tax rate, but they did not. They thought that at least they might get some regulatory reform so that the government would get out of interfering with their lives and businesses.

The pipeline minister responsible for northern affairs talked about how the regulatory regime in the Northwest Territories was stopping development and it needed to be fixed. What has happened? Nothing. There has been no change. We heard recently from Exxon Imperial Oil that the biggest project in the history of the north may not go ahead partly due to regulatory problems.

● (1330)

What about their boondoggles related to the environment? This is from the *National Post*, a quite Conservative oriented paper with Terence Corcoran:

After last week producing a sound and lucid report on how Canada's Kyoto carbon emission targets were unworkable and economically dangerous, the Conservatives yesterday set course for even greater lunacy than Kyoto, led by...the Environment Minister. In a speech that even Sheila Copps in full discombobulated flight could not have delivered, [the environment minister] invented, distorted, misrepresented and fabricated his way to a potential regulatory nightmare.

The fifth reason is this lack of regulatory reform the people hoped they would see when they elected Conservatives.

The sixth reason, of course, is the elected Senate that the Conservatives when in opposition talked about and talked about. A few hours into government, the Conservatives appointed a senator as opposed waiting for one to be elected. It was not just any senator. He was made a minister of the Crown. And he is not just any minister. He is responsible for the largest spending department relating to contracts in government. A party which talked about the importance of accountability put the minister with all that spending power in the Senate where he cannot be asked questions.

Some members of the public who are watching may think that a minister could be asked questions in the Senate. Question period in the Senate is not like the one in the House of Commons where the ministers answer all the questions. It is the leader in the Senate who answers. The unelected senator appointed by the Conservatives for all that spending power cannot be asked questions.

Lack of accountability once again is upsetting Conservative members. The Prime Minister will not declare his 2002 leadership donors. He refused to make time for the Ethics Commissioner in the Gurmant Grewal affair. They are complaining that they are the laughingstock of the country related to accountability because they put out a manual on how to block and stonewall parliamentary committees, where the business of parliament is done. Once again, I cannot actually blame the backbenchers because they probably did not have a lot to do with that.

Government Orders

The ninth reason is related to gas prices. Another big area the Conservatives when in opposition talked about at length was the problem of gas prices and what they would do about it. What they have done about it is close the gas monitoring office that was recommended in the last Parliament that would let Canadians know whether there was any collusion in the setting of gas prices. It would provide all the information and details in this very complex field and let Canadians know. The man in the street would have felt much more comfortable knowing the background to these huge recent increases in gas prices.

Then of course there was the promise the Conservatives were really looking forward to regarding addressing the double taxation, taking the GST off gas prices, which the Conservatives promised as soon as prices were over 85¢ a litre. A couple of weeks ago in my riding the price was \$1.40 a litre which is a lot more than 85¢ and yet the GST has not been removed. That promise has not been kept.

The tenth reason they are upset is that unlike the old Reform philosophy, the Conservative backbenchers and even the ministers are not allowed to talk against the government or to vote against the government.

According to the April 20 edition of the *Whitehorse Star* in the story about the hijab, “One government member said an order not to comment came directly from the Prime Minister’s Office”.

Now they have even cancelled the November policy convention where ordinary members could talk and complain about these things.

Those are the 10 top reasons the Conservatives across the country are upset by their government, the one they were originally excited about getting elected. If those are not enough, in case someone disagrees with one of those reasons, I will give a spare reason, the elimination of interest deductibility which the past chairman of the Canadian Tax Foundation said is the single most misguided policy he has seen in Ottawa in many years.

Those are just what members of Parliament from all parties in the House of Commons have seen as reasons that Conservatives are upset.

There are Conservatives who are talking about starting a new party. According to the May 12 issue of the *Globe and Mail* May 12:

“This new party will never be infiltrated by Red Tories, special interest groups”....“Has the Prime Minister been ‘Otta-washed?’” Mr. Byfield, a strong voice for small-c conservative Alberta—

The article goes on about being deluged with e-mails and calls from people who are frustrated with the direction the Prime Minister is taking.

•(1335)

I share the disappointment of Conservative voters across the country. They are getting all these things that they did not expect from the government. If the Conservatives have a philosophy, they should at least be true to that philosophy and the promises they made to voters. The Conservative government should not disappoint Canadians by breaking so many promises.

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I listened with interest to my hon. friend from Yukon. As a

Conservative member for the province of Alberta, I have not been deluged with e-mails and faxes and so on about disappointment.

We have been given credit for making tough decisions on things that had to be done. Notwithstanding, we do not have to go back over the past 13 years as that has been done enough.

My hon. friend talked about \$25 billion having been lost in the income trust market. Would he look beyond November 1 and perhaps look to May 31—

An hon. member: Maybe June.

Mr. Laurie Hawn: —or maybe June and see what the difference is. I think he would find that the difference is negligible for those who did not panic in the face of the Liberals’ and other people’s rhetoric which was so over the top that it in fact induced people to make rash decisions and is what caused anybody to actually lose money, not those who stayed with it and had the common sense to sit tight.

Hon. Larry Bagnell: Mr. Speaker, I am glad that particular member was not deluged with e-mails and calls like others are receiving, as I quoted from the paper.

Some people may have stuck with it and did not lose as much, but let me give the member an example of a single mother who contacted me with respect to this issue. Based on the Prime Minister’s promise, she invested all her money from her child’s registered education savings plan into income trusts and lost about 30% on the first day. A single mother who is scraping up money for her child’s education cannot necessarily hold on through bad times in the hope that it might come back and she might have money for her child’s education.

•(1340)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, the member outlined the fact that this budget does have a significant amount of new spending and the government has not been shy in pointing that out to people. I would like to point out to the member a bit about the spending.

First of all, the overwhelming amount of new spending addresses the fiscal imbalance that was created under the former government. This government promised to address the fiscal imbalance in order to provide the provinces with a lot more capacity to provide the social services we all rely on.

If the member looked at the monitor of federal government spending, he would find that the three areas where the government has increased spending in a very significant way outside the fiscal imbalance is agriculture, defence and child care, in that order.

I would like to know if the member would like the government to take any money out of those three portfolios. Perhaps he would like us to spend less money on assisting farmers, or perhaps less on defence. We know that was the Liberal way. Perhaps he would like us to take away money that is assisting hard-working families in Canada. Which of the three would he like us to take away?

Hon. Larry Bagnell: Mr. Speaker, that is an excellent question.

Government Orders

My colleague said that the biggest expenditure was on equalization. Then I do not why there is chaos in Saskatchewan and Nova Scotia and the other maritime provinces. People are saying that the Conservatives broke their promise. If what they did on equalization is the greatest thing the Conservatives have done, then they are really in trouble.

I am glad he raised defence. Several years ago the Liberal government's biggest priority was to replace the search and rescue planes. For the first time in history we would have put four of them north of 60 so Canadians could be protected. I do not know what the Conservative government has done with its defence expenditures, but this has been ignored. There is no tender out to replace those aging planes. The defence department did not purchase the planes that were planned for years ago. When one of those old planes crashes or cannot get to a rescue situation people are certainly going to hold the Conservative government to account.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, it is my duty and pleasure to speak again on the budget and try to reveal to Canadians the truth in regard to some of these allegations that have been thrown around over the course of this debate taking place this morning and throughout the rest of the day.

Certainly we have heard ad nauseam from the Liberals about the role of the New Democratic Party in the income trust fiasco. I want to go back through it for members and give a little history lesson. Income trusts have been in place for a while. The previous finance minister, in September 2005, gave indications of his sense that they were not going quite right. That caused a great disruption in finance fields in this country and eventually led the Liberals, over the course of the next few months, to come up with a different position, such that they kept income trust legislation intact through the federal election of 2006.

I think it is pretty clear that when the Conservatives got in they had supported the income trust legislation as well. The Prime Minister, in his comments during the election, certainly indicated that he was fully supportive of income trusts and the people who were engaged in them. He made some very valiant and self-serving statements during the election campaign about how he was going to continue to do this.

However, once the Conservatives assumed power, had full access to the finance department and understood the nature of what was going on with income trusts, their mood began to change. This change in mood took a while to build as a political entity, because of course we could not have this happening overnight. However, over the course of time and over the last year, the Conservatives came to the realization they had to move on income trusts, so they did, and in this budget they made those moves.

We in the NDP, who of course have been opposed to the concept of income trusts from the very beginning, were fine with what was happening here. We recognized its importance for fairness in the tax system and for the real need to ensure that we were going to collect full revenue from the variety of sources investing in our country, including people within the country.

Today we have the Liberals trying to make time on this issue. They are trying to work harder on this issue to make it appear as though there is a groundswell of bitterness and discontent over this

issue across the country. We have all received emails that are very similar in nature and scope. They come to us over and over again in our email boxes from purported hordes of people who are concerned about the income trusts, and quite rightly, because many Canadians took a hit over the income trusts.

Really, these Canadians trusted those two other parties to fully represent the issues to them in a clear and precise manner. They thought the truth was there for them and they invested, but really it was not there and the nature of the income trusts was such that they could not proceed forever.

That is the historical nature of the income trust debate here in Canada. I certainly would like all in this House, and whoever may be listening, to understand that the only party that has had a consistent position on this is the New Democratic Party. We take some pride in that.

● (1345)

It is important that there is consistency in what we do. If we make a mistake, we have to acknowledge it. That is certainly something that the party to my left here needs to do. It is probably a little more to my right, but it sits on my left, and it certainly needs to do a little soul-searching in terms of its apologies to the people of this country for some of the obvious mistakes it made during the election campaign. That does not take away from the importance of what had to be done and now has been done.

As a new MP I have been quite interested in listening to the argument and debate over tax loopholes that has gone on in this Parliament. It is certainly encouraging to see that the budget contains elements that may actually address some of these issues. What the Conservatives were talking about was not very well outlined in the budget, but we certainly got the sense that they would like to pursue reducing the tax loopholes that are available in this country. That is something with which the Liberals had a great degree of difficulty for many, many years, even though, as we have seen, many, many reports told them to do exactly that, to reduce those loopholes, and they did not do it.

Once again, perhaps out of this will come a sense of more fairness in the tax system. We will wait and see what the Conservatives do with what they said in the budget they would do.

After I listened to the debate this morning, those are the tax issues that I thought needed some clarification.

The issue on which I tend to focus as energy critic is the need for an energy strategy in Canada. This budget clearly demonstrates that. We are spending money in areas such as renewable fuels, with \$2.2 billion over seven years. It is not really about renewable energy, because by and large the program is about providing some further future methods of subsidy for farmers and for that approach. That is fine, but in terms of greenhouse gas reduction it really represents a very small amount of greenhouse gas reduction for a very large expenditure of government funds. As well, as we have seen lately in some of the reports and in the scientific information that has come out, even in terms of air emissions the move toward renewable fuels does very little to reduce smog.

Government Orders

We have seen a large expenditure of government funds for a purpose that I think we all sort of support, but really it is not tied to what arguably in the first effort of any energy strategy is energy efficiency and conservation.

Leading that back to our auto industry, an investment of some of that money, some of those large capital sums, in retooling our auto industry would mean that it could start to compete for the small scale automotive highly efficient vehicle market that will develop over the next number of years, and that would probably achieve much more return for the economy and for greenhouse gas reductions and the reduction of smog and air pollution.

In the absence of this energy strategy, which looks at all the issues and puts them together in a fashion such that we can see the logical progression forward of our economy and society, the budget, in its dealings with energy issues and climate related issues linked to energy, has not really accomplished what I think all of us are looking for in the expenditure of public funds. I will not go into a lot of other examples of that.

• (1350)

I will wrap up by saying that the NDP clearly did not support this budget. It was supported by the Bloc and has moved forward. It has a more regional aspect, while I think that most of us in the NDP would have liked to see more directed programs. That did not happen. We will continue not to support the budget, but in the spirit of working together in Parliament we will try to find solutions that can be put forward in the future.

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, the member for Western Arctic spoke about the energy component. I realize that he is the critic for energy, but he speaks in defence of the Conservatives' position on income trusts. He would know that the governor of the Bank of Canada indicated at committee that income trusts were a completely reasonable and preferable vehicle for managing mature oil fields and depleting access, and in the absence of having these income trusts in that field, the beneficiaries would be offshore owners, American owners, and, mostly, multinational big oil companies that now have no competition in buying and operating those fields.

In light of the words of the governor of the Bank of Canada, how can the member, in the spirit of energy independence for our country, maintain the position that all income trusts are inherently bad?

Mr. Dennis Bevington: Mr. Speaker, quite clearly there is concern about the mature nature of our oil and gas fields in the western Canada sedimentary basin. We should all be very concerned about them, because as those resources move to depletion, we are going to be taking on much more difficult energy solutions, much more carbon intensive energy solutions, and solutions that are not always going to work to Canada's benefit.

The ability to develop those mature fields certainly has some interest for me, but once again, in terms of an energy strategy for Canada, one where we bring the industry to the table so that we can understand what it sees as the proper vehicle for ensuring that the mature fields are completely run out, which is what I suppose most of us would like to see, I would wait until we have that kind of debate where all the options are put on the table.

To say that the vehicle that was designed for this is working pretty well on this road does not suggest there are not other things that would be more appropriate to do and to put on the road to carry forward.

• (1355)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I would like to begin by pointing out that of course the governor of the Bank of Canada said no such thing. In fact, he said that the significant tax advantage that existed in the income trust model would lead to less investment, lower productivity and less economic growth for all Canadians. Perhaps the Liberal Party wants to see that for Canadians. The Conservative government does not. We appreciate the NDP's support in that regard.

I would like to ask the member specifically about the budget. There are a couple of quotes that I thought I would run by him to see whether he is supportive of them.

The Canadian Federation of Independent Business said that budget 2007 is "a big budget for small business". The Conservative government, it said, "met and exceeded our expectations".

On forestry products, to which an NDP member spoke briefly, it was stated that the Conservative government "has sent a strong signal that it understands the need to encourage investment and innovation to keep jobs in Canada".

The Canadian Home Builders' Association said that budget 2007 "will benefit a large number of businesses across the country".

They have been very clear that this is a good budget. It is a good budget for industry, for manufacturing, for families, for health care and for post-secondary education. What is the NDP looking for? What would it support? I would love to know that. If not this budget, what? This budget is good for a lot of people.

Mr. Dennis Bevington: Mr. Speaker, perhaps I will touch on the forestry issue, because the NDP was not in favour of the softwood lumber deal. We saw that as a job losing proposition, which is exactly what it was. The investments that forest companies are making now are in sawmills across the border in the United States. Raw log exports are on the way up. The Canadian worker is going to suffer as a result.

We did not see anything in the budget that could change that rather alarming state of affairs in the forest industry in terms of employment. There was nothing in the budget that could possibly curtail that, other than perhaps a quota on raw log exports or offering up incentives such as making these raw log exports tariff free and putting them under the same tariff as lumber. That might have changed the nature of the softwood lumber deal. It might have made it one that was more in favour of keeping production in Canada.

Hon. Larry Bagnell: Mr. Speaker, I rise on a point of order. I would just like to ask the member if we could move on to S. O. 31s so that we get the timing good and we do not get too far behind today because there is a lot of important stuff happening this afternoon.

The Deputy Speaker: I thank the hon. member for that point of order. It was indeed a very useful intervention from the point of view of the Chair.

Statements by Members

Statements by members, the hon. member for Sarnia—Lambton.

STATEMENTS BY MEMBERS

[English]

TOURISM WEEK

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, as Canadian Tourism Week begins, my community has developed an innovative solution to border security concerns for tourists.

My riding of Sarnia—Lambton holds tourism especially important. The Blue Water Bridge between Port Huron and Sarnia carries nearly 3.2 million visitors into my riding annually.

The GoBorder program is a regional program from Sarnia—Lambton that actively promotes cross-border travel and the use of NEXUS cards through a website, brochure, merchant discount program and a billboard ad campaign. GoBorder addresses the new documentation requirements under the WHTI to provide incentives for travellers on both sides of the border to apply for passports or NEXUS cards.

The “Show and Save” program provides cumulative savings from merchant discounts to more than cover the cost of purchasing a passport or NEXUS card. This program pushes border residents to GoBorder and get home faster.

* * *

• (1400)

MARY COUSINS

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, it is with great sadness that I inform this House of the passing of Mary Cousins, daughter of the late Special Constable Lazaroosie Kyak and his wife, Letia, from Pond Inlet, Nunavut.

Mary was an extraordinary Inuk. She travelled with Henry Larsen in the *St. Roch* across the Northwest Passage when she was only six. As a young woman, Mary worked as an interpreter on the *C.D. Howe* medical ship. I remember seeing her picture as a young girl travelling in Africa and was amazed.

Mary was a pioneer in advocating Inuit rights and was one of the original seven who created Inuit Tapirisat of Canada, which represents Inuit at a national level. Mary wrote, edited and illustrated *Inuktitut Magazine* and taught *Inuktitut to generations of Inuit*.

Mary Cousins Panigusiq, author, artist, mother and advocate, will be missed. My sincere sympathies go to her family on behalf of myself and everyone in my riding.

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[Translation]

QUEBEC CITY AND CHAUDIÈRE-APPALACHES REGION

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Quebec City and Chaudière-Appalaches information and referral centre is working to make a 2-1-1 line available in the region. This would enable people to quickly access information on community organizations that provide services directly to the public. Similar

lines exist elsewhere in North America. Unfortunately, the project has been delayed, primarily for want of a financial commitment from the federal government.

For over a year now, the project organizers have been trying unsuccessfully to present the project to Conservative members from the Quebec region with a view to receiving federal funding like that provided to 2-1-1 services in Toronto, Edmonton and Calgary.

Their inertia and unwillingness to help are deplorable and harmful to the region's interests. I therefore invite them to acknowledge their responsibilities, to meet with their constituents and to move projects like this one forward, projects that contribute to the development of the Quebec region.

* * *

[English]

CONCESSION STREET BUSINESS IMPROVEMENT ASSOCIATION

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, in my riding there is an eclectic group of 120 shops and services located on the top of the Niagara Escarpment above the centre of Hamilton. Together, they are the Concession Street Business Improvement Association, the oldest business community on the Mountain.

At its physical centre are the Henderson Hospital and the Juravinski Cancer Centre, whose amazing health care professionals, staff and volunteers make a profound contribution to the quality of life in our city.

However, at the heart of the street are the small business owners and their employees who have created a strong commercial district with a very special touch that gives it a small town feel and makes it a place where neighbours meet.

One cannot live on the Mountain and not know about Streetfest and Cornfest. This year marks Concession Street's 100th anniversary and, thanks to the BIA and the Hamilton Mountain Heritage Society, the centennial was marked with a historically based theatrical production by Ronald MacDonald.

I had the privilege of seeing the play and loved it. Based on a book by Robert Williamson, we took a trip down memory lane that connected our past to the present and reconfirmed our commitment to build Concession Street for generations yet to come.

I thank the board, members of the BIA and all the family and friends of the Concession Street community for creating this memorable centenary celebration. Everyone knows that small businesses are the engine of our economy but on the Mountain they define our very sense of community.

* * *

TIANANMEN SQUARE

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, today, June 4, marks the 18th anniversary of the tragedy that took place on Tiananmen Square in Beijing, China.

On this sad anniversary, we would like to renew our sympathies for the families of those who lost their lives fighting for openness, accountability and freedom in Tiananmen Square.

While there has been some improvement in the human rights situation in China since that time, Canada remains seriously concerned about continued restrictions on civil and political rights, including freedom of expression, association and spiritual belief. The treatment of ethnic minorities, poor respect for the rule of law, the lack of transparency of legal proceedings in China and the continued detention of prisoners based on their political beliefs remain a concern for this government.

Working to achieve human rights improvements in China is among Canada's central foreign policy goals. The Minister of Foreign Affairs and the Minister of International Trade both recently raised Canada's human rights concerns with their Chinese counterparts. The Canadian government will continue to call on the Chinese government to ensure that international standards of human rights are available to all Chinese citizens.

On behalf of my constituents, let it be known that Canadians from coast to coast remember the bravery and the courage of those Chinese students who stood up for the most powerful idea known to humankind: freedom.

* * *

[Translation]

NEW BRUNSWICK PROVINCIAL JUDO CHAMPIONSHIP

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, New Brunswick's provincial judo championship took place in Clair on June 2 and 3.

Today, I would like to highlight the performance of the athletes and coaches who participated in the championship. I was very pleased to be in Clair for the medal ceremony.

I would also like to highlight the athletes' sportsmanship and the hard work they had to put in to get to the provincial judo championship. Sport is often synonymous with competition, but we must remember that, for today's athletes and those of tomorrow, friendship, cooperation and compassion are valued even beyond competition.

Lastly, I would like to thank the organizing committee and all of the volunteers who helped make this event happen. Without these people, the championship would not have been the success it was.

On behalf of the people of Madawaska—Restigouche, I would like to thank them sincerely and to congratulate the athletes, the coaches and the organizing committee.

* * *

• (1405)

FESTIVALS AND SPECIAL EVENTS

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, the government promised \$60 million over two years for festivals and special events.

Last week, however, we learned that the minister was rejecting the unanimous request from Quebec's National Assembly to transfer the

Statements by Members

funding earmarked for Quebec. The minister also informed us that festivals would not be receiving any money before they were held this summer. This is yet more proof that, to the Conservatives, the nation of Quebec is a nice idea on paper, but should not mean more money or power.

Is the minister aware that her stubbornness could threaten events this summer in Quebec? In my riding, the third Festival international de théâtre de Mont-Laurier is in danger.

After neglecting our forest industry, now the Conservative government is attacking our cultural and tourist events. What a fine mess, minister.

* * *

[English]

CANADIAN FORCES DAY

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, the nation saluted our brave military men and women on Canadian Forces Day.

Every day, Canadian Forces members carry out their duties with valour and bravery, often in the face of great adversity. We should be particularly proud of our mission in Afghanistan where our soldiers are putting their lives at risk to help rebuild a country that has been devastated by decades of war and terror.

This year the theme for Canadian Forces Day was "The Canadian Forces Family—Celebrating those supporting us". Canada's military families provide vital support to our sailors, soldiers, airmen and airwomen, sustaining them while they carry out their important duties. Military families are also making many personal sacrifices so that their forces member can serve other Canadians.

On behalf of all Canadians, I want to thank our forces and their families for their commitment, their sacrifices and their defence of our freedoms.

* * *

TUBERCULOSIS

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, reports of an airline passenger with a case of extremely drug resistant TB have blanketed the media this past week.

XDR TB, as it is known, is a health emergency that demands attention.

Instead of singling out this one case, it is important that we remember the most meaningful way to curb drug resistant TB is to stop TB before it reaches this more dangerous form.

There are 1.6 million people who die every year from basic TB, a third of those in Africa. TB is the leading killer of people with HIV.

Statements by Members

I was able to witness the extent of this tragedy firsthand during my visit to Kenya in January with RESULTS Canada and other parliamentarians. I met TB patients in overcrowded hospitals lying head to toe, two to a bed.

It does not need to be this way. TB, in its basic form, can be treated for about \$20 Canadian. There is no need for the world's poorest to die of a disease like TB that can be managed and treated.

Canada must continue the fight against TB. The senseless deaths must be stopped.

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NATIONAL CANCER SURVIVORS DAY

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, I am pleased to inform the House that June 3 marked the 20th anniversary of National Cancer Survivors Day. This day is set aside for Canadians to recognize the lives that have been touched by cancer. Cancer is predicted to be Canada's number one killer.

Due to research, better screening and prevention, more and more people are surviving cancer. Effective cancer control is complex and requires the collaborative effort of the entire cancer community across the country.

That is why Canada's new government recently committed \$260 million over five years to coordinate Canada's fight against cancer. The Prime Minister also announced the creation of the Canadian Partnership Against Cancer, an arm's length, not for profit organization that will implement the Canadian strategy for cancer control. The partnership brings together patient survivors, cancer experts and government representatives from across the country.

Canada's new government's approach to cancer is proactive and will help revolutionize the way our society deals with chronic and deadly diseases.

* * *

● (1410)

HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, health and addiction professionals across Canada are bracing themselves for the worst, when the Conservative government reveals its so-called new drug strategy that will sacrifice the success of harm reduction and a balanced approach to drug use for a heavy-handed U.S. style enforcement regime.

Time and again, empirical evidence has proven that harm reduction works. Programs like needle exchanges and Vancouver's safe injection site, Insite, are reducing the transmission of HIV-AIDS and hepatitis C and increasing the number of people accessing treatment.

I am alarmed, despite this evidence, that the government is accelerating the criminalization of drug users.

The 2007 budget quietly removed harm reduction from Canada's drug strategy. It now reads like a carbon copy of George Bush's war on drugs, which has seen drug use rise along with skyrocketing social and economic costs of incarceration.

In 2006 the Conservatives refused to renew the exemption that would allow Insite to keep its doors open until pressure from the community forced them to grant a temporary extension.

We know the health minister and the RCMP are now resorting to propaganda tactics to try to close Insite. Attacking Insite and adopting U.S. drug—

The Speaker: The hon. member for Welland.

* * *

GASOLINE PRICES

Mr. John Maloney (Welland, Lib.): Mr. Speaker, the issue of gas prices is affecting all Canadians, whether it is fuel for vehicles or home heating. The public is asking that governments take action to alleviate the wild fluctuations in prices forced on consumers without reasonable justification or transparency.

The previous Liberal government attempted to combat this problem by providing a direct monetary benefit to low income families and seniors, providing more funding for long term home heating conservation measures, investing more resources in the Competition Bureau to help investigate possible collusion among the oil companies and speeding up funding for money for public transit. Despite the cries of all the citizens of the country, this program has had its entire budget cut, all \$500 million.

I call upon the Conservative government to reverse its decision to cut funding that helps both the poor and the environment, to commence an inquiry on these inflated prices and to rigorously prosecute violations of the Competition Act.

* * *

[Translation]

SUMMIT OF FRANCOPHONE AND ACADIAN COMMUNITIES

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, this past weekend, the first Summit of Francophone and Acadian Communities was held, bringing together more than 700 representatives of 33 organizations to discuss the future of these communities.

Unfortunately, the Conservative government pays very little attention to francophone and Acadian communities, as demonstrated by the fact that the Prime Minister did not attend this event. As well, even though the Standing Committee on Official Languages held consultations in the fall of 2006 and in May released a report containing 39 serious recommendations about official languages and linguistic duality, the government has announced that the Minister for la Francophonie and Official Languages will hold a consultation on this same subject in the fall, which proves how little it listens to these communities.

To help francophone and Acadian communities, this government needs to stop reinventing the wheel and immediately restore the court challenges program, which it abolished, as well as taking the necessary steps to comply with the Official Languages Act.

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SUMMIT OF FRANCOPHONE AND ACADIAN COMMUNITIES

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, on June 1 to 3, the francophone and Acadian communities of this country gathered at the University of Ottawa.

First of all, I would like to congratulate the organizers of the summit, particularly Lise Routhier-Boudreau, chair of the steering committee, for their excellent work.

More than 750 participants in the Summit of Francophone and Acadian Communities developed and adopted a collective vision for five key issues to be focussed on over the next ten years.

All governments must do more than just consult these communities; they must work together toward their development.

The Leader of the Opposition has promised to renew and improve the action plan for official languages. He has also promised to fully reinstate the court challenges program and to double its funding.

The summit's theme, "a million points of view; one vision", reflects the determination and vision of its participants. As Antonine Maillet would say, it was attended by a great number of wonderful people and not many who were pessimistic about the francophonie. The future is very promising!

* * *

YVON FRADETTE

Mr. Luc Harvey (Louis-Hébert, CPC): Mr. Speaker, in the riding of Louis-Hébert there lives a man who has exercised the noble trade of shoe shiner for over 25 years in Place Laurier. I am referring to the legendary Fred le cireur, Yvon Fradette, the only shoe shiner in North America who has worked for so long in the same place.

Countless distinguished individuals have sat in his chair. Mr. Fradette told me that one of them, former prime minister Brian Mulroney, started talking to him about politics while his shoes were being polished. Mr. Fradette interrupted him to say that women and automobiles were the only topics of discussion in his chair, which elicited a burst of laughter.

Mr. Fradette has been at his chair six days out of seven for 25 years. We wish to acknowledge the perseverance he has demonstrated for all these years in the riding of Louis-Hébert.

ORAL QUESTIONS

• (1415)

[Translation]

THE ENVIRONMENT

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, this week, the world's most industrialized nations will take

Oral Questions

up the challenge of climate change or choose complacency and abandonment. Canada should be ensuring that failure is not an option, but the Prime Minister is working to make sure failure is the only option.

The science is clear. Action is urgently needed. Why is this government choosing abandonment rather than leadership?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, hon. members know that our government has made the decision to act on this issue. We have a concrete plan to reduce greenhouse gas emissions by 20% by 2020. We will be happy to discuss our plan with our counterparts from around the world. I want to point out that the G-8 summit will include meetings of the G-8+5, the world's largest emitters.

[English]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, we stay on message by reading the message.

Instead of demonstrating leadership, the government is trying to water down its global action plan.

Hon. Jim Flaherty: What are you reading? What's that on the piece of paper?

An hon. member: I think he's reading, Mr. Speaker.

Some hon. members: Oh, oh!

The Speaker: Order, please. I do not have anything to read at the moment, but this is question period. We will proceed with the question from the hon. member for Etobicoke—Lakeshore.

Mr. Michael Ignatieff: Mr. Speaker, instead of pressing for a global action plan, the government is watering down its commitments. It is not pushing for a long term approach; it is pushing for an approach outside of the Kyoto framework.

What I want to know is whether the government will stand up and commit to Chancellor Merkel's plan for long term action on global climate change.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we are very much committed to taking action on greenhouse gases. We are doing this notwithstanding having to dig ourselves out of a deep hole, after many years of neglect.

In fact, today there was a statement, a joint declaration, an EU declaration, with Chancellor Merkel, who is president of the EU. I would like to read from it because we did indicate that, together with the EU, we are convinced that tackling climate change and ensuring clean, secure and affordable supplies of energy are central interlinked global challenges:

Addressing these issues requires urgent, sustained global action and an integrated policy approach, using a wide range of regionally, nationally or internationally defined policy tools and measures.

That is what we are doing. We are working together with them.

Oral Questions

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the Prime Minister said today that the government was going to adopt intensity targets. Such targets allow pollution to gradually increase. Only a weak leader would propose such a defeatist strategy to the G-8.

Why is the Prime Minister advocating growing emissions? Why is Canada giving up on this global challenge?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if there were any attitude of defeat or failure, it was under the previous government that simply did not take action. We developed a plan.

I would add that together with the EU, again in our joint declaration today, the Prime Minister and Chancellor Merkel said the following:

[Translation]

We will also work together and with other nations to deliver results in our global efforts to confront climate change through the upcoming G8 Summit in Heiligendamm and our numerous multilateral partnerships.

[English]

The targets that have been articulated by Angela Merkel of 60% to 70% reductions are exactly the same, in effect, as our targets over the long term to 2050.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, instead of leading a race to the top of successful global action on climate change, Canada's Prime Minister leads a race to the bottom. Today he actually called for a global move to intensity targets, and not a single group supports him.

The Deutsche Bank says that the Conservatives' weak targets will not be achieved and that our emissions will continue to rise until at least 2020.

Having failed completely at home, why does the Prime Minister insist on doing George Bush's bidding by fighting to weaken the G-8's response to climate change?

• (1420)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the hon. member is right. Canada was at the bottom of the G-8. Of all the serious world economies, in terms of our record on greenhouse gases, it was the worst in the developed world at the end of the Liberal government. That made it difficult for us to assume leadership.

However, we are assuming leadership because of our plan to take action to reduce greenhouse gas emissions. The fact that we have been able to turn this around is putting Canada in the position where we once again can take leadership on the world stage and serve as a bridge to those big emitters that in the past have resisted participating in the commitment to reduce greenhouse gases.

This is what we have to do. We have to bring in China, India, the United States. We are well-positioned—

The Speaker: The hon. member for Ottawa South.

[Translation]

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, we are learning once again that the Prime Minister has absolutely no intention of reducing greenhouse gas emissions before 2050. We are reminded of the plan his last environment minister came up with.

What is more, Canada has no plan to attack the problem before 2015, even though emissions are expected to increase indefinitely. Even the Minister of the Environment has admitted that his plan is a draft that needs a lot of work and negotiation.

Why is the Prime Minister not showing initiative instead of deceiving the world on the international stage?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the hon. member is in fact exactly wrong. We are doing exactly that. We are promoting significant efforts to broaden the commitment on climate change.

In terms of our plan, for the first time, Canada now has a plan to reduce greenhouse gas emissions by 20% by 2020. This is the first time there will be actual reductions in greenhouse gases in our history. It is only because the plan was developed under this government that we have the credibility to serve as a broker on the world stage today and bring those other reluctant countries, which have not participated in reducing greenhouse gases, to the table to make the same kind of commitment.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in a few days, the Prime Minister will attend the G-8 summit in Germany, where he will present his so-called green plan. However, in a speech he gave today to the German-Canadian Business Club, the Prime Minister claimed that it was impossible for Canada to comply with the Kyoto accord without crippling the economy.

How can the Prime Minister claim that his plan is aimed at reducing greenhouse gas emissions when he is refusing to attack major emitters like the oil companies for economic reasons?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as a government, we are taking action to reduce greenhouse gases. Climate change is a global problem that requires a global solution. In order for our efforts to be effective, all the major emitting countries, including the United States, China and India, must get on board.

We are not waiting; we are taking action. Canada is playing a leadership role by taking real steps at home, thanks to our EcoAction plan, which includes the commitment to reduce greenhouse gas emissions by 20% by 2020.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in that same speech, the Prime Minister also underlined the importance of an international consensus on post-Kyoto. He even held up his plan as a model for other countries.

Oral Questions

What sort of credibility does the Prime Minister think he has with the international community, when his plan is based on intensity targets, not absolute targets, which are what the European Union wants?

We can reduce pollution by 10% per barrel of oil, but does the government realize that by producing five million barrels instead of one million, we are increasing pollution?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, President Merkel said today that Canada is respected on the international stage and by the European Union. I would like to read an excerpt from the joint declaration made by President Merkel of the European Union and Canada: “the EU and Canada underline the need for gradually reducing global greenhouse gas emissions by 2050. Canada is committed to a 70% reduction in greenhouse gas emissions compared to 2006.”

• (1425)

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, if the government wants to be credible with its green plan, it must go back to the drawing board. A real greenhouse gas plan should contain three things: absolute reduction targets, a carbon exchange and a territorial approach. This is the approach adopted by the European Union.

Since none of these things is in the Minister of the Environment's green plan, is this not Canada's real failure in the fight against climate change?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, all the things the hon. member mentioned are in our country's plan.

[*English*]

We have an absolute reduction plan in greenhouse gases: 20% in 2020. We have a provision for trading, including the North American air shed.

We are doing the things that are indicated and that is why I think Angela Merkel said today, “We've had a very fruitful discussion here today. I am very happy to hear the plans of the Canadian government”. Other countries are pleased to see Canada taking action for a change on the environment.

[*Translation*]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Prime Minister tried to get Angela Merkel to have the G-8 partners reduce his Kyoto obligations. He said, and I quote:

We need a plan that takes into account both different starting points and different national circumstances.

Is the Prime Minister's request not ironic, since we know that in creating its green plan, the government has refused to take into account the specific past efforts of Quebec and the manufacturing sector to reduce their greenhouse gas emissions?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we have created a plan that works. Now, the great challenge for Canada and the world is to get the other countries, the major

emitting countries, to commit to fighting greenhouse gases and climate change.

[*English*]

That is why we are now reaching out to extend the commitment. It is not a matter of pure ideology to which one must subscribe or not. We have to get other countries involved, like China, India and Russia, if we want to see serious benefits for the environment.

That means taking action to encourage them and engage them, and make it possible for them to make the same kind of commitment Canada has made to combat climate change.

[*Translation*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the government's plan constitutes a step backward. Environmentalists and the international community were not impressed by the Prime Minister's speech at the G-8 summit, and rightly so. The plan does not respect the Kyoto protocol, nor does it respect this Parliament.

Why is the Prime Minister trying to sell a bogus product to international communities? We have a solution in the form of Bill C-30 on climate change. Why is the Prime Minister abandoning the Kyoto protocol and renegeing on a commitment made by Canada?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, this is a curious question.

[*English*]

There has been no speech yet at the G-8 by the Prime Minister because it does not start until Wednesday. His address today in Germany was in advance of the summit, but there is no doubt that we are taking action on the environment and are committed to doing that.

[*Translation*]

The hon. members know that we have a concrete plan for the permanent reduction of greenhouse gas emissions by 20% by the year 2020.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, perhaps we are being told that the Prime Minister will change his mind between the speech he gave today and the speech he will give to the G-8. We look forward to that transition.

Even the Conference Board of Canada is saying now that we need to have concrete plans, objectives and targets for energy, but obviously this is something not understood by the government. It is about time that it did.

We need a commitment to stop temperatures from rising by more than 2°C. We have got to reduce emissions by 50% by 2050. We need accelerated action now.

The fact is that the world is watching this G-8 summit. The children of the world are watching. The question is, will we get action, yes or no?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, absolutely. We are getting action for the first time in well over a decade on greenhouse gases with a plan that requires a reduction in our emissions by 60% to 70% in greenhouse gases by 2050. That is in fact reflected in the declaration with the European Union today.

The challenge for us is not to change the Prime Minister's mind. He is committed to combating climate change.

The challenge is to change the minds of the other countries that have stayed outside of the commitment to combat climate change, countries like India, China, Brazil and the United States. That is our effort, to bring them in and get them involved in this worldwide challenge.

If we care about the environment, that means we care about what happens everywhere in the world.

• (1430)

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, the government claims that Canada is special and unique when it comes to fighting climate change. The only thing special and unique about the government's approach is its abdication of responsibility.

The Deutsche Bank said just last week that the government has materially overstated the cost of Canada complying with Kyoto and its so-called plan will keep emissions rising beyond 2020.

Why does the Prime Minister insist on a Conservative charade on the international stage?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am always impressed by Liberals who stood in caucus for years and did nothing. They stood by and did nothing. They had no plan to combat climate change and let them rise to well over 30% above the targets of the commitments they made, but that is not unusual for Liberals who make commitments and do not care about keeping them.

We are keeping our commitments. We are making a commitment to reduce greenhouse gases. We have a plan in place. Having made that commitment, we are now going one step further to try and show others that even if we had a lousy record in the past or we were not there in the past under a previous government, there is the possibility of changing or recognizing that fighting climate change today is a global imperative.

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, the science is clear. We need to limit the rise in global temperatures to 2°C. We need to cut emissions by 50% below 1990 levels by 2050. Most of the world is prepared to act, but the government seeks to undermine the call for urgent action, will not agree to bare minimums, and looks for loopholes and back doors. Failure is not an option.

Will the government reverse course, end the defeatist approach and do the right thing?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we are doing the right thing on the commitment she talks about, the long term reductions. We saw in the joint EU-Canada

declaration that we have, together with the EU, agreed upon those long term commitments. Guess what? They were already in the plan this government has produced.

The loopholes, the culture of defeatism, and the concern about whether or not we can achieve things, that is something from the Liberal days. It has not changed because the Liberals' carbon tax plan is only something that gives polluters an unlimited licence to pollute as long as they are willing to pay the price in cash to the government.

It is a tax plan where people pay cash to the government and get to pollute. That does not result in reductions. That is one big loophole that we will not sign on to.

* * *

AFRICA

Mr. Glen Pearson (London North Centre, Lib.): Mr. Speaker, aid to Africa will be on the table this week at the G-8 meetings and we want to ensure that our commitments to that continent are fulfilled.

Last year the Prime Minister made some good commitments at the G-8 toward Africa, but as of today many of those commitments have not yet been fulfilled. When we asked about that in the House last week, we could not get a direct answer.

Canadians across this country have been emailing our offices wanting to make sure that our commitments to Africa are fulfilled. When will their legitimate concerns be addressed?

[Translation]

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, I would like to remind the House that our government has confirmed its commitment to increasing the international assistance budget by 8%. I would also like to mention that the Prime Minister pointed out to his G-8 partners that we are on track to meet our commitment to double our assistance to Africa.

[English]

Mr. Glen Pearson (London North Centre, Lib.): Mr. Speaker, I appreciate the response from the minister, but in 2006 the Prime Minister promised that \$250 million would go to AIDS funding in that same year. However, a mere \$50 million was planned for in the estimates and none of the promised \$45 million toward polio was in the government's estimates.

We do not want to mislead our African partners or our G-8 partners by making announcements that we are not going to act upon. When can we expect to see these commitments fulfilled?

[Translation]

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, in budget 2006, we announced \$250 million in contributions to the global fight against polio, malaria and AIDS.

*Oral Questions***FESTIVALS AND SPECIAL EVENTS**

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, the Minister of Canadian Heritage has confirmed that the new festivals program will not be ready before the fall and that nothing will be done about festival financing this summer.

Does the minister realize that her stubborn refusal to transfer monies to the Government of Quebec is jeopardizing, in the opinion of the organizers, the future of the Montreal Tour de l'Île, which is facing a deficit of more than \$200,000?

• (1435)

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, this is a new program and currently those festivals are receiving money from Canadian Heritage. In fact, the large festivals in Montreal will receive anywhere from \$300,000 to \$1.2 million from this federal government this summer.

[Translation]

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, in Chicoutimi—Le Fjord, Laurentides—Labelle, Îles-de-la-Madeleine and Quebec City, just to mention these areas, festivals are in serious trouble because of the minister's incompetence.

When will the Conservative members and ministers from Quebec join with us and the Government of Quebec to convince the Minister of Canadian Heritage to provide, very, very quickly, the money needed to save these festivals before they are all endangered?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, as we know, the government of Quebec does support its cultural activities. I encourage it to look at the needs of the current festivals because some of those festivals do not have access to current programs. That is why we introduced a new program.

In fact, some of those very same festivals have said that it is irresponsible to count on money when the program has not been set up. They are willing to be part of the consultation process. We are expediting that and the program will be ready by the end of this summer.

* * *

[Translation]

CANADIAN HERITAGE

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, this government wants to rewrite the story of the sponsorship scandal and repeat the same errors committed by the Liberals by attempting, once again, to unleash its propaganda in school boards by making available to children a game called HistoriCanada.

After last year's outcry against its interference, does the government not understand that its propaganda is not welcome in schools?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, we want to ensure that future

generations and the current young generation of Canadians appreciate their history and heritage. We will continue to work to make sure that we are all proud of this great country.

[Translation]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, while Telefilm Canada has a serious shortage of funds for Quebec film and the Minister of Canadian Heritage refuses to support festivals, \$750,000 was found for the Historica foundation to flood schools—nevertheless the responsibility of Quebec and the provinces—with a game that rewrites history.

How can the minister justify a \$750,000 investment in pure Canadian propaganda?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, the Historica program is a national program which carries out many activities.

In fact, one of the best things about Historica and SEVEC, and why we support them, is student exchanges. They bring francophone students from Quebec to other communities as well as anglophone students into Quebec to share time with families and to work in those communities.

It is in this way that we are going to make sure that future generations know what a great unified country we are.

* * *

INFRASTRUCTURE

Mr. Paul Zed (Saint John, Lib.): Mr. Speaker, the new deal for cities and communities was a Liberal program. Gas tax sharing was a Liberal program. The GST rebate for cities and infrastructure agreements were Liberal programs.

The Prime Minister continued his well-known Pinocchio rant before the FCM, but he bombed. Canada's mayors know the truth.

Will the Prime Minister admit that he misled Canadians by taking credit for these achievements of the previous Liberal government?

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, talk is cheap if there is no action to back it up and that is the case in this particular situation.

The \$33 billion is an unprecedented amount in funding for infrastructure. That is because the Liberals left us in a \$60 billion deficit. We are getting the job done where those members never started and they failed at that.

Mr. Paul Zed (Saint John, Lib.): Mr. Speaker, we just need to ask Canada's kids and communities if they agree.

Imitation is the highest form of flattery. When will the Prime Minister imitate Liberal summer student programs, Liberal housing programs, Liberal transit programs, literacy programs, child care programs, and our plan to make the Liberal gas tax credit transfer permanent?

When will the Prime Minister imitate the Liberal Party's partnership with Canada's cities and communities?

Oral Questions

●(1440)

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, let me quote the president of the Federation of Canadian Municipalities, after the Minister of Transport, Infrastructure and Communities spoke on the weekend, who said:

[The minister's] announcement today of a national transit strategy was very good news, and we look forward to working with him and his government to make the strategy work for Canadians.

Of course, he was speaking of the Minister of Transport, Infrastructure and Communities when he mentioned that. I will say that \$33 billion is an unprecedented amount in funding. We are getting the job done for Canadians.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, when it comes to investing in our cities, the Conservative government will not put its money where its mouth is.

The previous Liberal government had invested over \$800 million in public transit, but sadly, transit has fallen off the Conservative government's radar screen. The minister said this past weekend that the government's national transit strategy is not about new funding.

I wonder if the minister could tell me how many buses and rail cars he thinks cities can buy with his empty speeches.

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the reality is that we are getting the job done. We are moving forward with real action. Over the coming months we will be consulting with the municipalities, territories, the FCM and other interested parties because, unlike the previous Liberal government that did not get the job done, we actually consult with stakeholders and do get the job done.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, it was the Liberal government that put cities on the agenda. It would never be there if it were not for the work that we did. The minority Conservative government has no plan for the future sustainability of our cities. The minister's flawed initiative to make monthly transit passes tax deductible does nothing to increase ridership.

Could the minister point to a single city where an increase in public transit use can be attributed to the introduction of his meagre \$3 a week transit pass deduction? How does the minister expect transit use to go up when the only incentive he is offering amounts to the sum total of one free bus ticket a week?

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, let us look at some of the things that the Leader of the Opposition did when he was minister of intergovernmental affairs for seven years.

Hon. Chuck Strahl: It's a pretty short list.

Mr. Michael Ignatieff: Answer the question.

Mr. Brian Jean: I am sorry, Mr. Speaker, but that is nothing because nothing was done on that.

Now there is \$17.6 billion in base funding for municipalities through this government. That includes a full GST rebate of \$5.8 billion, \$11.8 billion for gas tax fund until 2014 and \$2.3 billion in equal per jurisdiction funding over each year. It goes on and on.

This government is getting the job done. We are implementing changes and we are getting positive results for Canadians.

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FISHERIES ACT

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, last week the Liberal motion to hoist the new Fisheries Act was defeated. The hoist accomplished nothing besides 96 days of delay, time wasted at the expense of modern and accountable conservation measures and the protection of fish and fish habitat, and much needed stability for Canada's fisheries.

Will the Minister of Fisheries and Oceans assure this House that he will continue to lead on behalf of Canadian fishers and deliver this badly needed legislation?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, let me tell the hon. member what others say about the need to bring this act forth. "We cannot afford, quite frankly, to lose this new Fisheries Act" said the Liberal member for Mississauga South. "It is very simple. Bring it before the committee", that is what committees are for, said the Liberal member for Sydney—Victoria. "With minor changes, it will be an excellent bill", said my good friend, the Liberal member for West Nova.

We need the new act and we will get it.

* * *

INFRASTRUCTURE

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, the infrastructure minister spoke to more than 2,000 municipal leaders at the Federation of Canadian Municipalities conference on Saturday. He should not have bothered, after all, he had nothing to tell them. The minister's big announcement on public transit was that he planned to get a plan and in the same breath said that there would not be one new cent to support it.

Who does the minister think he is fooling? It is not our municipal leaders. It is not transit users and it certainly is not anyone who cares about the environment. He is not fooling anyone.

●(1445)

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I am not sure what the question was but it gives me a great opportunity to talk about some of the things we are doing.

We are taking concrete steps. We are supporting our military families. The party over there says that it is supporting military families but it is not. It votes against every opportunity to support them. It says that it supports police officers but it does not. It says it supports the environment and the other party says that it supports the environment but they simply do not. Both parties vote against every initiative for Canadians that we bring forward.

Oral Questions

We are trying to work cooperatively. We are listening to stakeholders and we are getting the job done.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, that answer was as much a slap in the face as the minister's speech on the weekend. Not only did the minister refuse to offer some funding for transit but the minister arrogantly decreed to mayors and councillors that transferring a share of the gas tax to municipalities for seven years is the same as permanent funding. Well, it is not. Many big municipal projects take two to three years just to plan and another eight to ten to complete.

How can municipalities serve their constituents responsibly if they cannot even get funding for a few short years?

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I guess the member is not satisfied with the record amount of funding that we have actually allocated for infrastructure, because that is what it is. After 13 years of neglect by the previous Liberal government—

Some hon. members: Oh, oh!

Mr. Brian Jean: I know it is shameful and I know the Liberals are still ashamed of that, and so they should be, but we are taking a step forward. We are getting results for Canadians. In a short period of time, if they can hold their breath that long, we will be coming forward with some really good programs. We are listening to stakeholders and we will get results.

* * *

ABORIGINAL AFFAIRS

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, the minister assigns blame and exaggerates the sins of first nations people for his government's blatant human rights violations. It provides no support for: children with disabilities; replacing burned down schools; people dying from black mould; and, worst of all, it is denying children their rights.

First nations people have a right to be angry. They are being blamed for the government's human rights violations.

The minister is clearly playing games with first nations funding. Why is he providing funding for first nations only until the end of June? Oh, right, that is when the national day of action is scheduled.

Why is the minister playing games with first nations funding? Is he afraid of the truth?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I am not entirely sure what the hon. member is speaking to but perhaps he could direct some of the same vigour, enthusiasm and zeal toward Bill C-44, which is currently before the aboriginal affairs committee of the House.

The operative clause of the bill is nine words long. The bill has been at the committee for 20 weeks which has allowed the committee, on average, 10 days to study each word, including complicated words such as "is" and "the".

The member and others have had 20 weeks to study the bill. Perhaps he should get on with protecting human rights.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, this is classic deflect and blame. We do not need to wait for section 67 to be repealed.

The minister has the power today to protect people from black mould. He has the power today to help people who have children with disabilities. He can help people today to rebuild the school in Deschambault. That is why first nations are frustrated.

I will be very calm here. I ask first nations across the country to hold peaceful demonstrations on June 29 and I ask the minister if he will stop threatening first nations with this childish behaviour.

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, once again it is worth pointing out to the hon. member that no one has threatened anyone. We simply pointed out that we respect the law and we expect that people will respect the law on June 29.

In terms of the record of this government compared to the previous government, I point out for the edification of the hon. member that it was the former Liberal government, over the course of 13 years, that did absolutely nothing to resolve land claims in the country and allowed an accumulation of over 800 backlogged land claims. That is the cause of frustration in the aboriginal community. If he wants to know who is responsible, he need only look in a mirror.

* * *

ATLANTIC ACCORD

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, it looks like the cat is finally out of the bag. The Conservative member for Cumberland—Colchester—Musquodoboit Valley said on Friday, "I believe that the budget does amend the Atlantic accord in a way which it shouldn't".

We know the PM is a pro at muzzling his MPs and ministers but he can only hide the truth for so long. With his own members turning against him, will he end his betrayal of Atlantic Canada and honour the accord?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, budget 2007 for the first time laid out a principled basis for equalization in Canada.

Two provinces in Atlantic Canada had special situations with respect to the accords. The O'Brien expert panel recommended that the accords be capped. Our government decided not to do that so that the accords could be honoured.

They are indeed being honoured and, in the case of the province of Nova Scotia, it asked for the opportunity to opt into the new formula, the new modified O'Brien program, for one year to have a look at that. Yes, it is a benefit of \$95 million to the people of Nova Scotia this year.

● (1450)

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, the hard truth is that the PM's own caucus now admits that the budget does not honour the accord.

Oral Questions

Finally, one of them is standing up for the interests of his constituents. A Nova Scotia Conservative MP said this issue is: [English]

—important because of the amount of money the province could lose or gain depending on the outcome.

That MP wants the accord honoured.

We want the accord honoured. Nova Scotians want the accord honoured. Why will the Prime Minister not do the honourable thing and restore the accord?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, if the government were to listen to the member opposite, the people of Nova Scotia would receive \$95 million less this year than they will receive under the O'Brien formula. Not only that but next year they would receive \$59 million less.

I ask the member opposite how is that a benefit to his constituents and the people of Nova Scotia who want good education and health care? Why would he want to deprive them of \$95 million this year?

* * *

[Translation]

DEMOCRATIC REFORM

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, last Friday, Quebec's Minister of Intergovernmental Affairs, Benoît Pelletier, reiterated the request made by the Government of Quebec and the National Assembly to withdraw the electoral representation bill, a bill that reduces Quebec's weight in the House of Commons. In the minister's words, "as a nation, Quebecers must have effective representation to ensure their voices are heard".

If the House's recognition of the Quebec nation really means something, then when will the government withdraw Bill C-56, as requested in the unanimous motion passed in Quebec's National Assembly on May 16?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, our bill is based on principles, such as the principle of representation by population and the principle of proportional representation of the provinces. This approach is needed to ensure fairness in Canada and to protect the provinces whose population has grown, such as Alberta, British Columbia and Ontario.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, given answers like that one, Quebecers can be expected to wonder if recognition of the Quebec nation was nothing more than Conservative politicking. There is another principle at work here: a balance between the Canadian nation and the Quebec nation. This bill does not recognize that balance.

When will the government finally accept the consequences of having recognized Quebec as a nation and honour the decisions made by the National Assembly by guaranteeing our nation a 25% share of membership in the House, thereby ensuring that Quebec's voice will always be heard?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, Bill C-56 contains absolute protection for all Quebec seats. The province of Quebec will keep its 75 seats. That will continue to be the case once Bill C-56 has been passed.

SUMMER JOBS PROGRAM

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, we still do not have the information the Minister of Human Resources and Social Development promised to provide to the House on his bungled Canada summer jobs program.

Today there is no way that Canadians can access this list to show which organizations qualified for the program funding for this year.

The minister promised in the House that the information would be made public by the end of May but he has broken his promise. What is the reason? What is he trying to hide? When will the unaccountable minister tell Canadians how he is distributing the funds?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the member is simply wrong. We made no such commitment. In fact, every year at this time of year we are in the process of negotiating these agreements with the various groups that are receiving them. Typically, by the end of the year the lists are revealed and it is only at that point that all the facts are known.

What we will not do, though, is go back to the failed approach of the previous government where it handed out money to its friends and to large corporations. We do not want to see taxpayers subsidize profitable corporations. That is the old way. We will not go back there.

* * *

● (1455)

GOVERNMENT PROGRAMS

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, in 16 months the government has delivered choice in child care, several improvements to EI and is supporting post-secondary education after 13 years of neglect.

On the other hand, the opposition offers a child care bill with more amendments than clauses. It is passing EI bills that add \$6.2 billion in new annual costs with little study on their effectiveness and it is proposing a bill that would cut \$5.4 million in education transfers to Quebec.

Would the Minister of Human Resources and Social Development tell Canadians a little more about the government's planned initiatives?

Oral Questions

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, this government does have a vision to empower Canadians. We want to ensure that students, parents and workers have the resources they need to succeed, which is why in the budget we announced a 40% increase in post-secondary education funding for students. We announced an apprenticeship incentive grant for workers. We announced a child tax credit to help parents.

The universal child care benefit that helps millions of Canadian families is something the Liberals said they would take away. They said they would remove choice in child care. I sure hope they explain that at some point.

* * *

JUSTICE

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, Conrad Black is in Chicago today looking to play his Trump card. As the Donald takes the stand, ordinary Canadians are asking whether Conrad could have been charged for such crimes in Canada. The answer is, not really, not only because we do not have the enforcement but because we do not even have the laws.

Will the finance minister continue to allow corporate crime to go unchecked in Canada or will he let the House of Commons get to work and draft a long overdue corporate Canada accountability act and protect—

The Speaker: The hon. Minister of Finance.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, this is an important issue about white collar crime, as it is called, and we did two things in the budget this year.

One thing is the proper funding of the integrated market enforcement teams, known as IMETs, which were started several years ago. They need the necessary funding and they need the necessary advice in the RCMP, so we have Nick Le Pan there now as their senior expert adviser to deal with this serious enforcement issue with respect to white collar crime.

The other thing we need in this country, quite frankly, is unified securities enforcement, which we can try to accomplish through a common national securities regulator.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, we need a lot more than that. Ordinary investors in Canada need to know that they are not being bilked by smoke and mirror numbers and cooked books, by those who are going around without independent audits, without independent board members, without any independent analyses of perks and trips to Bora-Bora, and with corporate executives throwing lavish parties and passing them off as business expenses.

Will the finance minister tell the House that he is willing to let parliamentarians work on this problem? Will he let MPs do their job, write the law and crack down on corporate crime?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, is that question about Bora-Bora? Perhaps it is a good thing the member is not on a particular jury at present.

We are investing \$65 million to bolster anti-money laundering efforts in Canada. This is very important. This year Canada sat as

president of the international association. We have also moved the Egmont Group. We in Canada now are the host of the Egmont Group in Toronto, and it deals with intelligence relating to money laundering.

These are leadership positions for our country on this issue.

* * *

[*Translation*]**FESTIVALS AND SPECIAL EVENTS**

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, when the last budget was tabled, the Minister of Canadian Heritage created high expectations for festivals. Now that the festival season is getting under way, the money is not available as the minister has been unable to establish adequate guidelines.

The Economic Development Agency of Canada for the Regions of Quebec already has a program to support festivals with very specific criteria and clear objectives.

Why is the minister refusing to transfer monies to which Quebec festivals are entitled to the Economic Development Agency of Canada, which could deliver the program to all Quebec regions?

● (1500)

[*English*]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, I am very surprised that a member of the Liberal caucus would be asking a question about the situation of supporting festivals. In fact, it is because of the Liberal government that festivals are in the situation that they are in today.

In fact, if the official opposition really cares about funding and supporting festivals, it should have supported the budget.

* * *

INFRASTRUCTURE

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, this past weekend the Minister of Transport, Infrastructure and Communities announced plans for a national transit strategy at his presentation to the Federation of Canadian Municipalities. This strategy will be aimed at reducing traffic congestion and air pollution and will make our cities and communities more competitive.

Would the parliamentary secretary tell the House how this strategy will involve working with municipalities?

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, yesterday the Leader of the Opposition was lecturing the Conservative government on supporting municipalities and how he would be a strong partner, but in 2001—

Some hon. members: Oh, oh!

Tributes

Mr. Brian Jean: Members should listen, because in 2001 this is what he had to say about the role of municipalities:

—the Constitution clearly establishes that municipal affairs fall under provincial jurisdiction, and that the provinces are determined to keep it that way.

We on this side of the House do not think strong partners should leave municipalities to fend for themselves, but I guess where one stands on an issue really depends on where one sits on it, and he has been sitting on the flip-flop fence forever.

Our Prime Minister and our government are committed to working with municipalities and with Canadians across the country. We are getting that job done.

* * *

[*Translation*]

PRESENCE IN GALLERY

The Speaker: It is with great pleasure that I draw the attention of this House to the presence in the gallery of 13 members of the Canadian Forces, who are here to take part in Canadian Forces Day.

[*English*]

Canadian Forces Day is an opportunity for Canadians across the country to recognize the sacrifices that our men and women in uniform make on our behalf.

Some hon. members: Hear, hear!

* * *

[*Translation*]

MEMBER FOR ROBerval—LAC-SAINT-JEAN

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, today I have the pleasure of extending our best wishes to the hon. member for Roberval—Lac-Saint-Jean on his last day in Parliament.

He was the Parti Québécois member for the riding of Roberval in Quebec in 1981. While sitting in the National Assembly in Quebec, he served as the parliamentary assistant to the Minister of Finance during his first mandate. Re-elected in 1985, he was deputy chair of the Commission des affaires sociales until 1988.

After the 1993 general election, the hon. member for Roberval—Lac-Saint-Jean became the Bloc Québécois House leader, a role he held until 1996, when he became the leader of Her Majesty's opposition, but I doubt he includes this title in his CV. He resumed his role as Bloc Québécois House leader when the hon. member for Laurier—Sainte-Marie was elected as leader of the Bloc Québécois.

I had the pleasure of working very briefly with the hon. member for Roberval—Lac-Saint-Jean. Unfortunately, he left his position shortly after I became the government House leader. Today is his last day in the House of Commons. I do not know whether I should feel bad or take credit for his departure.

Seriously, when I worked with the hon. member for Roberval—Lac-Saint-Jean, I quickly learned that he was someone who always negotiated fairly and equitably. He always kept his word.

We are all aware of the sacrifices we have to make in public life, as elected members of the House of Commons. The time we spend in Ottawa, away from our homes and families, is sometimes difficult. I am certain that all the members here today extend their sincere thanks to the hon. member for his many years of work and his contribution to politics in Canada and Quebec.

All my predecessors appreciated what the member for Roberval—Lac-Saint-Jean brought to the meetings of the House leaders over the years.

On behalf of all my colleagues on this side of the House, I wish the hon. member for Roberval—Lac-Saint-Jean health and happiness in his retirement.

● (1505)

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I am pleased to rise today to pay tribute to our Bloc Québécois colleague, the hon. member for Roberval—Lac-Saint-Jean. He has had a distinguished career as a member of the National Assembly in Quebec and here in Ottawa. He will soon be leaving us, after over 13 years in this House. He was leader of his party, House leader and always a proud representative of Lac-Saint-Jean.

Over the years, the hon. member for Roberval—Lac-Saint-Jean and I have had our differences of opinion and, as House leaders, we often crossed swords. He is an excellent strategist. He has carefully studied and has a thorough knowledge of the rules of Parliament. One could even say that he has become an exemplary parliamentarian in the greatest of British traditions following Disraeli, Gladstone, Churchill and others, and now, Gauthier.

When we were in government, the House leader of the Bloc was the most formidable of parliamentarians. His sense of strategy was beyond compare. He often amazed us with his procedural knowledge. The hon. member is also a dangerous adversary during question period. When he speaks, and especially when he sets aside his prepared text, he is always passionate, as demonstrated by his words and by his tendency to turn a Liberal shade of red.

Too often, he is the one shown in the clips. Well, now, completely impartially, he can play clips of us on TQS, I have no doubt.

To the hon. member, I would say good luck and take good care. You have always shown respect for this place and the people in it. You will be missed, just as I am sure you will miss this House.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the member for Roberval—Lac-Saint-Jean will be leaving us in a few weeks. Bloc members will be losing not only a colleague, but also a friend. He may not look it, but Michel is a sensitive soul. We in the Bloc know this, but his opponents may not. However, they do know that he is a great parliamentarian. Despite being opponents, his colleagues in the House know him as a parliamentarian with excellent negotiating skills, a man who knew how to compromise, but who never compromised his ideals.

The member for Roberval—Lac-Saint-Jean is a true teacher. Before entering politics, he was a teacher and school board director. I still call him a teacher because I have had the opportunity to work closely with him for the past 14 years.

Every sitting day, we meet early in the morning to identify the day's issues, to frame those issues and to choose the words we want to use to discuss them. Michel has the gift of explaining complex subjects in simple terms. His approach is simple: he sees things from the perspective of his fellow citizens. His guiding principle is: how can we engage their interest?

The member for Roberval—Lac-Saint-Jean is, first and foremost, a Quebecker who stands up for the best interests of Quebec. He is a sovereignist who has fought in both Quebec's National Assembly and the House of Commons to make Quebec a country. The Bloc is sad to see him leave, knowing that he would have carried on were it not for his health problems. His adversaries may not be greatly saddened by his departure, and I can understand that, but they will remember the member for Roberval—Lac-Saint-Jean as a tough but respectful opponent.

We would like to wish him good luck with his new career, and we know that he will be just as successful in the communications field as he has been in education and politics.

Good luck, Michel, and thank you for your years of dedication to the cause.

● (1510)

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, I am very pleased to pay tribute to my colleague from Roberval—Lac-Saint-Jean. He was leader of the Bloc Québécois, leader of the official opposition, and one of the most effective and persistent House leaders I have ever known. Despite our different political positions, especially with respect to the nature, value and future of Canada, I do not think anyone in this House can deny the fact that the member for Roberval—Lac-Saint-Jean loves this Parliament.

[English]

As we say in English, he is a House of Commons man, perhaps the highest compliment we can pay another member of Parliament.

[Translation]

He especially loves parliamentary debates and has shown this eloquently over the last 14 years. I had the chance to cross swords with him a number of times. His debating style was characterized by respect and passion. He will be missed in Parliament. But perhaps not as much as all that, since he is going to pull a Jean Lapierre and become a television star.

[English]

As some of us only announced that we were not seeking re-election as opposed to resigning, perhaps at some point I will be a guest on the hon. member's television show and we can compare notes on post-parliamentary life.

Following up on a remark by the hon. House leader for the official opposition, with the departure of the hon. member for Roberval—Lac-Saint-Jean, this leaves the hon. member for Acadie—Bathurst as the uncontested hothead, red-faced member of Parliament. I am not sure how the hon. member will translate that style onto television. We look forward to seeing how the cool medium and sometimes the nature of the hon. member's style get together on television.

Tributes

[Translation]

On behalf of my NDP colleagues, I would like to wish the member for Roberval—Lac-Saint-Jean all the best, and a very long career in the media.

● (1515)

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, people want to keep me from speaking. They will be no more successful today than in the past. I intend on exercising my right to speak.

My colleagues have said some kind things, and I would like to thank them. It reminds me of a very popular Loto-Québec ad, in which they say that it is important to always be nice to people who play Lotto 6/49. I have a feeling that here, in this House, the advice would be to always be nice to the person who is leaving to host a daily public affairs show.

I would like to take this final opportunity to thank you personally, Mr. Speaker. As luck would have it, our paths have crossed throughout my career in the federal Parliament, when you were parliamentary assistant to the government House leader. You and all the employees here have always worked to allow us to express ourselves, to say what our constituents want us to say. What a wonderful profession it is to uphold the rights of democracy. That is your profession, Mr. Speaker, and that of so many people working behind the scenes, such as the clerks—whom I salute—and everyone else who works in the House to make our job here easier. I would also like to thank the pages who have served us so loyally, year in and year out. I would like to say a few words about the pages. I learned to take them seriously in a rather interesting manner. In 2004, during a debate at the time of my sixth election, I was up against a House of Commons page from the previous year who was running for the NDP—he was running for the riding next to mine—and it was a difficult debate. In going up against him, I learned that a person's worth is not measured in years. I encourage my hon. colleagues to take our pages very seriously. That was my most difficult debate. He was very kind, however, and made no comments about our past experiences together in this House. He acted as if he knew nothing of it and focused on the content.

I would simply like to express to my leader, to my colleagues and to all those present in this House, the esteem in which I hold them and the pleasure I have derived from working with individuals who are so well versed in various areas of the life of our society. It is a great privilege to associate with individuals of such high calibre as the men and women seated in this House.

It is true that in our discussions we have said some things to one another. It is true that we have had some heated exchanges. The House leader of the official opposition referred to that earlier. It is true that we have had some good discussions—some very good ones for us and less so for them. In the end, we have lent our voices to democracy. As long as the citizens who elect us view us as individuals capable of expressing their views, the way they would if they had the opportunity to find themselves here, and to give their opinions, as long as we do this, we will be good parliamentarians and we will continue to maintain the image of what a true representative of the people should be.

Routine Proceedings

I would like to thank my family and my staff, who have supported me throughout my lengthy career. In particular, I would like to thank Sylvie and Fabienne, my two assistants, who have been at my side for almost 14 years and who were always up to the task.

We would not be members of this Parliament without our organizers, our workers, those who look after us, and those who generously support us in defending our ideas during election campaigns.

● (1520)

At this point, I have a less agreeable message for my adversaries. I know that some are happy that I am leaving and are saying, "After this election, he has decided to leave. Perhaps now we can win the riding of Roberval—Lac-Saint-Jean". Well, I have some bad news for you: you will not win the riding of Roberval—Lac-Saint-Jean. I am sorry to have to say that. I know that members of each political party will work to get out the message in the next election campaign. I know that the Bloc Québécois will try. Unfortunately for my adversaries, I do not believe that my leaving will change anything. Having said that, the citizens will decide and we shall see what their verdict is.

Naturally, I wish to thank the voters for being so patient with me. Today, I have a great deal of affection for the people in my riding, where my children and grandchildren still live. This region needed representation and still needs the support of the various levels of government. There are many economic problems. The difficulties resulting from the softwood lumber crisis predominate. Farmers are experiencing many difficulties and the unemployed, who are excluded from the employment insurance program, face many difficulties. However, I know that there will always be individuals in this House who are attuned to these difficulties and who know that we are all duty bound to find solutions for our less fortunate fellow citizens.

The last thing I would like to say to all of you is that I wish you much happiness and all the best in the future. I hope that you make the best possible decisions for your electors and that what happens in future turns out for the best for each and every one of you. I have truly liked all of you and I am leaving with the lasting memory of all the colleagues I have been fortunate to associate with from all political parties. I wish to thank you very much, it has been a pleasure.

Some hon. members: Hear, hear!

The Speaker: Order, please. I would like to share some remarks with the hon. member for Roberval—Lac-Saint-Jean on his departure from the House. As he said, we met during his first meeting as leader of his party in the House, back when I was Parliamentary Secretary to the Leader of the Government in the House. I remember well that it was in the office of Mr. Gray, who was then Leader of the Government in the House.

Our friendship continued in the years that followed. I would like to congratulate him on his work, not only on behalf of his constituents, but also on behalf of the members of his party and the citizens of our country. He has contributed much to the work of the House of Commons and has always collaborated with all the other leaders, whips and members of this House in the course of his duties.

I know that many members often wanted to hear not only the hon. member's questions, which are always entertaining, at least, from the perspective of the Chair, but also his points of order and his questions of privilege, which were always brought up good-naturedly and with considerable enthusiasm.

I greatly appreciate the work done by the hon. member, and I am sure, as are all my colleagues, that he will be sorely missed. I hope he will visit us from time to time, bringing his good humour and varied experiences to the gallery or our offices. It is always a pleasure to speak with him. Thank you, Michel, for all your work. It is much appreciated.

Some hon. members: Hear, hear!

ROUTINE PROCEEDINGS

● (1525)

[English]

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 responses to 11 petitions.

* * *

COMMITTEES OF THE HOUSE

PUBLIC SAFETY AND NATIONAL SECURITY

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Public Safety and National Security, entitled "Counterfeit Goods in Canada—A Threat to Public Safety".

Counterfeiting and piracy are having a very negative effect on the Canadian economy. Many Canadian jobs are being lost and organized crime is reaping huge benefits. Almost everything imaginable is being counterfeited, from extension cords to clothes, medication and children's toys. This threat to the health and safety of all Canadians needs to be dealt with immediately because it is not just an economic issue.

This report that I am tabling makes a number of recommendations to the government. Hopefully, it is an issue that will receive prompt attention, legislation and support for our law enforcement and border security. A summary of our work at the standing committee is contained in the report.

I would like to thank all the committee members from every political party for their contributions and help in investigating this important issue, and in making the recommendations in the report. The cooperation I received makes it a pleasure to chair this committee. It has been a pleasure to work with all of the people on the committee from every political party. They have all made an important contribution.

As members know, most of our work here in Parliament is done at the committees, so it is an honour for me to submit this report.

JUSTICE AND HUMAN RIGHTS

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 15th report of the Standing Committee on Justice and Human Rights.

In accordance with the order of reference of Monday, October 16, 2006, your committee has considered Bill C-23, An Act to amend the Criminal Code (criminal procedure, language of the accused, sentencing and other amendments), and has agreed on Thursday, May 31 to report it with amendments.

• (1530)

VETERANS AFFAIRS

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

That members of the Standing Committee on Veterans Affairs be authorized to travel to the DND-VAC Centre for the support of injured members, injured Veterans and their families, in Ottawa, on June 7, 2007, and that the necessary staff accompany the Committee.

The Speaker: Does the hon. chief government whip have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

[Translation]

Mrs. Carole Lavallée: Mr. Speaker, I seek the unanimous consent of this House to adopt the following motion:

That the government's notice of ways and means motion No. 13, tabled in the House by the Minister of Labour on December 8, 2006, be deemed adopted and that the bill listed on the order paper under "Introduction of Government Bills" and entitled "An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, the Wage Earner Protection Program Act and chapter 47 of the Statutes of Canada, 2005" be deemed to have been introduced in the House, deemed to have been read the first time and printed, deemed to have been read the second time and referred to a committee of the whole, deemed considered in committee of the whole, deemed reported with the following amendment:

"That clause 32 of the bill be replaced by the following:

32(1) Paragraphs 67(1)(b) to (b.3) of the same statute, as enacted by subsection 57(1) of Chapter 47 of the Statutes of Canada 2005, are replaced by the following:

(b) any property that as against the bankrupt is exempt from execution or seizure under any laws applicable in the province within which the property is situated and within which the bankrupt resides;

Routine Proceedings

(b.1) goods and services tax credit payments that are made in prescribed circumstances to the bankrupt and that are not property referred to in paragraph (a) or (b);

(b.2) prescribed payments relating to the essential needs of an individual that are made in prescribed circumstances to the bankrupt and that are not property referred to in paragraph (a) or (b);

(b.3) without restricting the generality of paragraph (b), property in a registered retirement savings plan or a registered retirement income fund, as those expressions are defined in the Income Tax Act, or in any prescribed plan, other than property contributed to any such plan or fund in the 12 months before the date of bankruptcy,

deemed concurred in at the report stage as amended, and deemed read the third time and passed".

The Speaker: Does the hon. member for Saint-Bruno—Saint-Hubert have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is not unanimous consent.

* * *

[English]

PETITIONS

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present this income trust broken promise petition on behalf of Mr. Gary Perron from Calgary, Alberta, who remembers the Prime Minister boasting about his apparent commitment to accountability when he said that the greatest fraud is a promise not kept.

The petitioners remind the Prime Minister that he promised never to tax income trusts, but he recklessly broke that promise by imposing a 31.5% punitive tax which permanently wiped out over \$25 billion of hard-earned retirement savings of over two million Canadians, particularly of seniors.

The petitioners therefore call upon the Conservative minority government to admit that the decision to tax income trusts was based on flawed methodology and incorrect assumption, also to apologize to those who were unfairly harmed by this broken promise and to repeal the punitive 31.5% tax on income trusts.

SENTENCING

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, I have a petition signed by a number of people in my riding and citizens from other hon. members' ridings across the country as well.

The petitioners are concerned with the sentencing in the murder of Shane Rolston. They also have concerns with the Young Offenders Act and issues around sentencing.

Routine Proceedings

The petitioners are compelling the government to re-evaluate sentencing in respect to these types of heinous criminal acts and that sentencing be brought in better proportion to the nature of the crime, regardless of age, class or race.

• (1535)

[Translation]

EMPLOYMENT INSURANCE

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I am pleased to present a petition on behalf of hundreds of citizens in Madawaska—Restigouche concerning the elimination of waiting periods. The petitioners are calling on the Conservative government to be more understanding of the situation facing workers, especially seasonal workers, and to finally eliminate the waiting period that people must deal with every year, depending the kind of work they do.

Their petition is identical to what is called for in my private member's bill, Bill C-263, which calls for the elimination of waiting periods. The reasoning behind it is very easy to understand. We are asking the minority Conservative government to understand that people have rent or a mortgage to pay, not to mention utility and grocery bills, in order to provide for their families. As we all know, when no money is coming in, it is very difficult to meet our family's needs.

Thus, the petitioners are calling on the minority Conservative government to eliminate waiting periods for employment insurance benefits, to allow Canadians across the country to live better.

[English]

VISITOR VISAS

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, I have before me a petition that was signed by quite a number of my constituents.

The petitioners call upon Parliament to lift the visa requirements for the Republic of Poland. They recognize now that Poland has become a full member of the EU and that it has also joined NATO. Things in the nation have changed dramatically.

Therefore, they ask that our government look at the visa requirements and make some recommended changes so they can have better visitation with their relatives and friends from Poland.

CHINESE CANADIANS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to rise in the House today to present a petition concerning a just and honourable redress for Chinese head tax families. It has been signed by hundreds of residents in Vancouver East, in Vancouver and the Lower Mainland.

The petitioners draw our attention to the fact that the apology brought in by the Prime Minister was a good first step, but that all Chinese head tax families without a surviving head taxpayer or spouse deserve appropriate redress with respect and dignity based on one certificate, one claim. This has been a strong campaign.

The petitioners call upon the Prime Minister and Parliament for a just and honourable redress and to negotiate in good faith with the

legal successors of entitled estates of the rightful holders of the Chinese head tax.

INCOME TRUSTS

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I have the pleasure to present a petition on behalf of Mr. Brad Fullard of Ontario. Mr. Fullard is one of two million Canadians who lost a lot of money from their life savings that was invested in income trusts.

The tragedy, according to Mr. Fullard, is that many of those two million Canadians were encouraged to invest even more in income trusts, based on the promise of the Prime Minister and the Minister of Finance not to tax them. The promise was not kept. A 31.5% punitive tax was added and they lost, jointly, over \$25 billion in capital assets.

The petitioners ask that the House and the government repeal the punitive 31.5% tax on income trusts and that an apology be extended to all those who took the Prime Minister at his word.

CHILD CARE

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, it is my pleasure to present a petition from many parents who are desperately waiting for child care.

The petitioners have a concern that funding designated for child care has in many provinces disappeared and there is no accountability and federal legislation governing child care funding. For example, close to a billion dollars has been sent to the province of Ontario from 2005 until now, yet most of the funding has not reached child care providers or been used to create new child care spaces.

The petitioners ask that we protect child care by enshrining it in legislation with a national child care act, Bill C-303, and that we achieve multi-year funding to ensure that publicly operated child care programs are sustainable over the long term.

* * *

• (1540)

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. Royal Galipeau): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 2007

The House resumed consideration of Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, as reported (with amendment) from the committee, and of the motions in Group No. 1.

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, it is my pleasure to speak to the report stage of the budget bill.

We are looking at the question of the treatment of the tourism industry and our competitiveness in the tourism industry. That is one element.

A very good program was brought in forward by the Liberal government, the GST rebate for tourists from other nations. This program encouraged them to visit Canada. It also helped us compete with other jurisdictions around the world, particularly important for the convention and tour business. However, it was also important to purveyors, to people who would come here to hunt and fish and to people who would come with their families.

We were able to get the Conservatives to move on some elements of that, but they could go forward and reinstate the full program. It was not very expensive, nationally, when we look at the total value of the tourism industry. It was very important to the operators and to our country. I will go back to that later.

If I look at the context of the budget generally, I see two things. One is we evaluate the intention of a government and its competence through a budget. The other thing is we see what opportunity we have and how a government wants to grasp it.

Now we have the most buoyant economy in the history of our country. When the government came into power, it inherited surpluses, the lowest unemployment rate ever, very stable and low interest rates, an economy growing faster than almost every other nation in the world and a very stable one. It has a surplus of \$13.2 billion this year from last year's operation.

Let us see what the Conservatives did in their budget.

First, because the economy is so buoyant, this is the highest spending budget in the history of the country. However, when we look at where these investments are made, it leaves a lot to be desired. Rather than building a country, looking at the nation and asking where are its weak elements, where should we be making investments to bring the potential up so we can achieve the national dream and individual can achieve their dreams, the government does not do that.

This is a purely political budget, looking at a very quick election. I think when the budget was drafted, the intention was to go to an election before we would get to this stage, before we would talk about budget implementation.

We see promises to Ontario, Quebec and Alberta of huge transfers of funds. We talk about fiscal imbalance, but we see that these funds were promised before we even voted on them in the House. There were tax cuts within Quebec for political advantage, something we learned had been negotiated, which is distressing when we look at

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everything else that was left out and not done and everything that was cut.

The same day a \$13.5 billion surplus announced, a million dollars was cut in social programs. I have spoken to those at large. We talked about the CAP sites across our nation. We talked about summer employment. For summer employment this year, \$11 million have been cut, and we saw the ramifications of that across the nation. We saw students all across the nation, volunteer groups, not for profit sector losing their ability to carry out their work and the students getting revenue and that experience.

Now the Conservatives are backing down part way, another one of those famous flip-flops that we have seen from the finance minister, but again not enough. Imagine if the government had been in a majority situation.

We saw it in the income trust sector, and we raise this often. I think it is symbolic of the problems with the government. It makes a promise and then flat out breaks that promise. By making the promise not to tax income trusts, the Prime Minister encouraged people to put more of their investments in that sector. Then he broke that promise and taxed them heavily.

We had very good committee hearings on this, and we invited him to have a look at it. Admittedly there were problems in the sector. If we can only look at the testimony of one individual, I encourage people to look at the testimony of the Governor of the Bank of Canada, which was quite well balanced. He indicated there were problems within the sector and that action was warranted. He pointed out that there were problems in governance in certain elements within the sector. He also said that it was an excellent vehicle for the capital markets in certain parts of the sector.

• (1545)

The Minister of Finance has a lot of people investing in real estate in his riding and in his communities. He agreed with that. His friends all in real estate trusts, REITs, were not touched. He left it in that sector, but he did not look at other sectors, such as energy where it was an excellent vehicle. Rather than having a surgical strike, repairing the problems within the sector, there was a nuclear blast that destroyed the whole sector. We know the results: \$25 billion in capital losses to the people in that sector.

We have the Atlantic accord. If members remember, I was on the government side of the House. The Conservatives were so in favour of the Atlantic accord. When we went through the budget at the end of the last Liberal government, they asked that we divide it. They wanted to vote on the Atlantic accord separate from the budget, because they wanted to vote in favour it only. What did they do in their budget? They reneged on the Atlantic accord.

Now the Conservatives have negotiations on the background. We know Premier MacDonald in Nova Scotia is in trouble. We watched Nova Scotia lose \$1 billion, and not a word from this guy in the last little while. He did not come to finance committee last week. I thought that was regrettable. While Nova Scotia's economy is at risk and burning, he fiddles.

Government Orders

Danny Williams is being a little bit more vocal. I am pleased to hear that somebody from the Atlantic is speaking.

However, the promise made through the Atlantic accord was that independent of any other program of government, if there were changes in equalization, changes in transfers, Nova Scotia and Newfoundland and Labrador would not be affected. The Atlantic accord was above and beyond all the programs.

Then what does the Prime Minister do? He said that either they kept the accord or they took the new equalization formula. He has said that it is not capped. We heard that in the House today, but it is capped. On equalization, Nova Scotia is capped as soon as the economy reaches the amount of the least of the non-receiving provinces. We know it is capped. That is the ultimate level at which it can receive money. If it chooses to go to the new equalization, which is better on the short term, it gives us \$1 billion in the long term through the Canada-Nova Scotia agreement, which I think is not at all reasonable.

We saw the CAP sites being closed down. Giving Internet access to rural communities, small communities, disadvantaged people in urban areas, we saw that being closed down. The Conservatives refused to make the announcement. We kept the pressure on and now they are talking about making it, another flip-flop that I am very happy to see.

We saw an increase in taxes to the most vulnerable Canadians. The lowest paid Canadians who are paying taxes are seeing their taxes go up from 15% at the start to 15.25% and 15.5% next year.

Reducing consumption taxes by reducing 1¢ on the GST, which the Conservatives did last year, helps those who are at the upper end of a lot of discretionary spending. At the lower end, most people's spending goes on items that do not attract GST, so those people do not benefit.

We heard promises by the Minister of Fisheries and Oceans when he was on the fisheries committees. He supported the report on the fisheries committee that we needed more investments in wharves. Not a cent was invested. There was a reduction when we should have been investing more.

We know the problems of the harbour in Digby. One of the members in opposition was always speaking about that harbour. When the Conservatives came into power, they got the report of the arbitrator, the perfect thing they needed to make that investment and take over the wharf. There was complete and utter inaction.

We get signals every now and then that they will be doing it, but they are not doing it. They are probably waiting for an election. It is the responsibility of the government to give service to the people of Canada between elections, not only during elections.

We saw the problems within the lobster industry. To be a hero, the Minister of Fisheries and Oceans announced a huge change in the licensing procedures and the way that licences were held. He reduced the value of these licences by half. About \$600 million of capital value in these licences, retirement funds of these families, was lost overnight with one announcement.

Again, the Conservatives say that are willing to reconsider. I wrote the minister about six weeks ago, but I have had no answer yet. I

have brought it up in the House, but I get no answer. Then they give us the same promises on the bill. The bill has many of those same elements. If the ministerial order can be modified, how can we be confident that they will act accordingly and responsibly if we pass a bill that gives the minister and his appointed tribunal so much power?

● (1550)

There are many things that we would like to see. There were huge announcements made by the government in the area of defence spending. They were huge. Where have we seen them? Where are the contracts? Very few—

The Acting Speaker (Mr. Royal Galipeau): It is with regret that I must interrupt the member, but he will know that I gave him the two minute and then the one minute notice.

On questions and comments, the hon. member for Peterborough.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I appreciate the opportunity to address the member's speech. He certainly has been very crafty in talking about issues that he wants to talk about but not talking about the benefits of the budget, certainly the benefits for the people of Nova Scotia and in fact for people in all parts of Canada. These benefits are significant. I know that ultimately the member supports them, but for partisan reasons he cannot.

I want to address one issue with the member. He talked about equalization. I want to ask him whether equalization inherently means equal, or whether equalization inherently means that some regions should be better off than others and supported in such a manner by the federal government.

Ultimately, here is what the Liberal Party is missing. When the Liberal Party was in government it always spoke about less being more. In fact, it would give less to the provinces but talk about how much more it was doing, which was impossible. In this budget this government is providing more money. It is providing more money to Nova Scotia and to every single province and territory, which means more capacity for all provinces and more money for health care and infrastructure. More is more.

Why is the member not supporting this? It is more money for Nova Scotia and Nova Scotians. It is more money for every Canadian, distributed in a fair fashion. The member should support it. Fair is fair.

Hon. Robert Thibault: Mr. Speaker, the question here is about the Atlantic accord. The Atlantic accord was of great advantage to Nova Scotia. It said that the revenues from Nova Scotia's non-renewable resources will not be calculated against its money in equalization. Therefore, it would get that money to invest in the future of the province, because those are non-renewable resources.

Maybe that was better than fair. Maybe it was a disproportionate fair share. Maybe it was not completely equal with other provinces, but when the Conservatives were in opposition they supported it. As well, during the election campaign, the Prime Minister made the promise that he would not go back on the Atlantic accord.

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That is what the question is here. It is a question of integrity. It is a question of how much people can trust the Prime Minister, and to that I say zero, zero on the Atlantic accord, zero on income trusts, and zero on ethics when we look at the way he dealt with Senator Fortier, to whom he gave the department with the biggest spending. Senator Fortier is not here to answer questions in question period, but the Prime Minister said during the election that he would not appoint cabinet ministers who were not elected.

These are the fundamental questions. Can we believe this person? Can Canadians believe the Conservative Prime Minister?

The Conservatives like to call themselves the new government, Mr. Speaker, but I show you the next opposition.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, the hon. member talked about the need for investment in tourism. One of the ways that cities can benefit is through investment in the arts.

We know that a lot of artists earn very little. Their earnings are below minimum wage and they live in poverty, yet they produce amazing and creative work that enlivens our cities and communities. It brings in tourists from all over the world. Yet there is very little investment in this budget for the Canada Arts Council, or to help filmmakers and documentary makers, or to help people involved in the arts, the playwrights and actors. They have to leave the country in order to find jobs. It is a very desperate situation.

Does the member think there should be more investment in the Canada Arts Council, in our film industry and in our artists so they can continue to create their very dynamic and vibrant materials for our country?

• (1555)

Hon. Robert Thibault: Mr. Speaker, that is an excellent question. I do not know that we can have a socialized or state arts system, but what we can do, and what the government is refusing to do, is support the infrastructure that artists depend on, like Canadian television production within the rules, in drama, and we can fund festivals, which is where artists have a chance to sell their wares and be seen.

We can support the Canada Arts Council, regional economic development and summer students. Many summer students in my riding work in small, private or community galleries, which give artists a chance to show us their wares and skills.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the debate on the report stage of Bill C-52.

Earlier today the Speaker ruled on the admissibility of the report stage motions proposed by members. Motion No. 2 was not chosen for debate as it requires a royal recommendation. Motions Nos. 1, 3 and 4 were also not chosen because they had been dealt with and defeated at committee.

That left us with Motions Nos. 5 through 9. Those motions actually have to do with a subject matter that only the previous speaker spoke about. We are here debating changes to the bill that have been proposed on matters which have not been dealt with at committee or which have been brought forward by the government. In this case, they in fact are brought forward by the government so I would at least like to put on the record with regard to the five report stage motions that these all relate to the visitor rebate program.

Most of them are technical amendments. They have to do with a matter that came from and was suggested by the industry. There were some questions. The committee was not able to deal with it or was not aware of the matter. What they relate to in amendments Nos. 5 through 9 is that they actually make certain deletions to some of the clauses. Members will see it in the Order Paper and Notice Paper today. As well, they make some technical corrections to references to other pieces of legislation.

The effect of those changes is that non-resident persons and unregulated non-residential tour operators may apply for a rebate of the GST and the federal component of the HST paid on the supply of a tour package that includes short term accommodation or camping accommodations that will be used by the non-resident. The amendments also ensure that the rebate also applies to the provincial component of the HST.

Having taken the time this morning to review the amendments, I believe that these amendments are appropriate and reflect the fairness and intent of the House with regard to the visitors rebate program, so I am pleased that the necessary amendments to the bill have been proposed. I will take the opportunity to look at them in more detail as soon as I can get the legislation to which they relate to ensure that the language is in order, but subject to technically checking them, I believe that the report stage amendments should be supported.

That is a pretty short speech on the report stage motions, but I would like to comment further on the point of order raised by the finance critic for the Liberal Party with regard to amendments members attempted to raise at the committee stage of Bill C-52. They had to do with changes to the bill that would reflect what the Liberal Party believes to be a preferable approach to the so-called disparity or gap between the taxation of income trusts and dividend-paying corporations.

In the point of order that was raised, it was noted that a question raised in committee was ruled out of order by the chair. Certain reasons were given. Those are now being challenged. Hopefully the Speaker will have an opportunity to look at them.

I took the opportunity to review the basis of the proposed amendments that were submitted by Liberals at committee. They had to do with a commitment that the leader of the official opposition made.

• (1600)

The gist of it was that in relation to the proposed tax on distributions from publicly traded income trusts or publicly traded partnerships, other than those that hold passive real estate investments, the government should repeal the 31.5% tax regime and replace it with a 10% tax to be paid by such entities, with the revenue to be shared equitably with provincial governments. That is the first part.

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Interestingly enough, the point raised in the point of order and the discussion about the propriety of the punitive tax on income trusts was whether or not a change from 31.5% to 10% was a matter which would require a royal recommendation or was out of order. Clearly, I think the argument showed with reference to precedent that the amount of a tax being imposed is certainly not beyond the scope of the committee's work to change.

The second part has to do with the revenue being shared equitably with the provincial governments provided that the tax would be refunded to investors who are Canadian residents in order to, first, minimize the loss of tax savings to Canadians who invested in income trusts; second, to preserve the strengths of the income trust sector; third, to create fairness by eliminating the tax leakage caused by the income trust sector; and fourth, to create neutrality or approach neutrality by eliminating any incentive to convert from a corporation to an income trust purely for income tax reasons.

Let us look at the elements. One is the amount of the tax and whether it is 31.5% or 10%. The second item has to do with a refundable tax credit, which basically means that should the Liberal proposal be adopted, the tax would be substantially less but would be applied immediately, rather than deferred for the five year period proposed by the government. As a result of it being refundable to Canadians, the burden of that tax would be paid only by non-residents, where the majority of the so-called tax leakage occurs. Timing, of course, is always a question.

I am sure that after a review of the transcript or the proceedings of the committee, the Speaker may very well find that the decision of the chair was based on incorrect information and that indeed the amendments proposed at committee maybe should have been in order. As a consequence, other amendments may also be in order.

It will be very interesting to see how this plays out, because clearly the idea is that we want to make sure we get it right. That is why we have a rigorous legislative process. That is why committee does its work. When the chair has to rule a matter out of order, we would hope that the understanding and the determination of fact brings a good decision. In this case, I am sure that it warrants review.

Finally, while most members seek to talk about the budget in general, I can tell members that with regard to the broken promise of the government on income trusts, the Prime Minister said that the greatest fraud "is a promise not kept". He also said that he would never tax income trusts, but on October 31 of last year he turned around and did exactly that.

The consequences were that over two million Canadians lost about \$25 billion of their hard-earned retirement nest eggs. That is very harmful. In fact, I have been told by some that four to five million Canadians have been directly or indirectly adversely affected by that broken promise.

Also, there were other consequences. We have been talking about tax leakage. Members well know that so far, because of the depressed value of income trusts, the taxes to be paid by these corporations are actually going to be less because of the significant takeovers. I believe there have been at least a dozen takeovers of these energy trusts, which means that their structures have been set up so that they are not going to pay any taxes.

The consequences of imposing that tax are far worse than the government ever dreamed.

• (1605)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, this is interesting. The Liberal government used to talk about things that mattered to Canadians, such as health care, infrastructure, post-secondary education and transfers to the provinces. Those are things that matter to Canadians, but the Liberals do not talk about them any more because this Conservative government has dealt with them and is doing a much better job than the previous Liberal government.

So what do those members talk about now? They talk about trying to win tax loopholes for their wealthy friends. They do not believe that corporations should pay tax. That is what those members are standing up and saying in the House today.

Our government believes in tax fairness. It is unfortunate that the member does not.

However, having said that, I would just love to hear him respond to what the governor of the Bank of Canada said, although I know he is going to dodge the question. Certainly he will bridge it and speak about something else, because he does not have the courage to answer the question.

The Governor of the Bank of Canada specifically said that the Liberal motion on income trusts would lead to less investment, less productivity and, indeed, less wealth for Canadians.

Why does this member want to stand for those things? Why does he not believe in prosperity for all Canadians?

Mr. Paul Szabo: Mr. Speaker, you may want to seek some guidance on this, but I think it has always been the case that to question a member's courage is inappropriate in Parliament. It really has no place here.

The member has often spoken on this subject. If we check the record, clearly, he always says that he does not want corporations to pay their fair share of taxes. But what he does not say, and shows that he really is ignorant about the facts, is that when we look at the tax implications to the Government of Canada, we have to look at the taxes paid by a corporation and the taxes paid by the taxpayer.

In the event that we have a dividend paying corporation, that corporation pays income tax on its corporate income and the person receiving the dividend also pays income tax on the dividends subject to a dividend tax credit.

With regard to the income trusts, they are established and have been established under the laws of Canada to provide that the income trust itself, the business entity, does not pay the taxes at the business level but in fact transfers it all to the shareholders. The shareholders are then responsible for paying the taxes on all of the amount, certainly a much greater amount than they would pay if the amounts were paid in dividends.

So, if the member is going to participate in debate on income trusts, he should inform himself on the taxation and the full loop, and the full impact on the Government of Canada's revenue, not just the corporate impact.

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Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I will give my hon. colleague credit for being courageously wrong. However, I would like to ask him a question.

Does the member disagree with every province that supported the move of this government on income trusts? Does he disagree with the Governor of the Bank of Canada who supported what this government did on income trusts? Will he agree, I suspect not, that those people who did not panic, who took good advice, who waited it out, are just as well off or better off today than they would have been had they not panicked? Or will he continue to be courageously disingenuous and misleading?

Mr. Paul Szabo: Mr. Speaker, the member for Peterborough also misled the House on other cases where he said the income trust sector is all recovered and is all there.

He should understand that the pricing of a security is based on the discounted value of its future yields and if people are going to be taxed at 31.5% on their future earnings starting five years hence, that is why the \$25 billion was lost. That is not going to be recovered. It is a permanent impairment of the investment.

If the member wants to look at indices, he better be careful not to include the total indices. He has to back out a bit the impact of REITs, real estate investment trusts, which in fact are not taxed and have a significant impact on that.

He also has to take into account that there have been a very large number of income trusts that have in fact been bought out, are owned by foreigners, and are no longer reflected in the indices.

This member in his question made reference to people panicking. The fact of the matter is that people did panic—

• (1610)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Trinity—Spadina.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, tomorrow is national hunger awareness day. This budget could have done a lot to deal with child poverty, yet there is hardly any investment in it to reduce poverty.

In just over 15 years, there has been a 99.3% growth in food bank use by hungry Canadians, and yet we have the means to provide all Canadian adults and children with a fair share of food if we had the political will to do so.

The face of hunger will surprise all of us because it is the face of children. We need to recognize the reality and the depth of hunger that Canadian families face every day. Some 41% of them are children and 13.4% are people who have full time jobs, and 53% of households visiting food banks are families with children. Many of them of course are working several jobs, yet still cannot pay the rent and feed their kids. This is according to the hunger count of 2006.

In March 2006 more than 753,000 individuals in Canada used food banks because they were hungry. We know that there are many hungry people across Canada in our neighbourhoods and our communities, and that we all need to take action to make sure that all Canadians have their fair share of food and no one is going hungry.

To reduce the root causes of hunger in Canada, we absolutely have to invest in affordable housing and child care, and increase the minimum wage to at least \$10 an hour.

I want to speak a bit about building affordable housing. Yesterday, hundreds of women in my riding in Toronto and their allies walked through the streets of Toronto and went to a building in the riding at 4 Howard Street. It is one of the hundreds of buildings in Toronto that has been allowed to sit empty and deteriorate until it either falls down or must be torn down.

These young women are saying that we need to build affordable housing because many of these women are victims of domestic abuse, and their kids are stuck in shelters, in unsafe housing. They have to move every two or three months, sometimes even sooner because they cannot find affordable housing. They do not go to the same schools. Their kids cannot form any kind of friendships because they do not have permanent housing.

Some even go back to their abusive relationships because they have no place to live and they are desperate. Homeless women face violence every day on the streets, whether they are in Toronto, Vancouver, Montreal or Halifax, in big cities or in small towns and communities.

These women yesterday said that we have to push the Canadian government to establish a decent affordable housing strategy and that there needs to be extra money in the federal budget to build affordable housing.

We know that the Canada Mortgage and Housing Corporation has a budget surplus of at least \$5 billion in its reserve funds, and that while this money is sitting in the reserve funds, there are hundreds and hundreds of Canadians who are homeless. This really was a complete missed opportunity in the budget.

There are also people who live in affordable housing now but their buildings are falling apart. Just in Toronto alone, the Toronto Community Housing Corporation said that it is in need of at least \$300 million to maintain these buildings because they are falling apart. The elevators do not work. Many of these buildings are heated by electricity, and a lot of the tenants end up paying a lot of money for heat or hydro. They have very little money left to buy food and pay for transportation. There is a huge backlog of maintenance and there is no money to support the existing affordable housing in this budget.

• (1615)

Even though the government announced a new program in the budget called ecoENERGY to help homeowners to renovate their homes to make them green and to retrofit their homes so that they can save energy and burn less energy, this new program does not cover affordable housing. The program does not cover condominiums, rental housing or high-rises.

In my riding, such as at 55 Prince Arthur, the condominium owners are saying that they would like to do a lot to fix their building. However, there is really no incentive and no funding to support their renovation needs. Whether they are condo owners or if they live in affordable housing in city homes in Toronto Community Housing Corporation's buildings, they do not have any funds to fix up their buildings.

Government Orders

The deterioration of affordable housing and the condition the housing is in sometimes create a terrible sense of alienation and despair among the people who live there. Recently, we heard of the shooting death of a young man named Jordan Manners in Toronto. In my riding, in Alexander Muir Park, last Friday I met with a mother whose only son was shot to death only two weeks ago. The despair in her eyes was phenomenal. She said that there is a need for decent programs for young people.

We know that after school or in the summertime young people when they do not have a lot to do they end up causing trouble. They end up joining the wrong crowd, joining gangs. We know that statistically the crime rate for young people spikes at around 3:30 p.m. or 4 p.m. when school is out.

If we are to reduce crime what we need to do is to invest in youth employment projects, child care, recreation activities, permanent funding for boys and girls clubs all across Canada, so that we do not end up having young people not having a whole lot to do, and feeling despair and joining the wrong crowd.

There is a cost benefit in investing in young people. Why? We know that putting a young person in jail costs at least \$65,000 to \$70,000 a year. Yet, creating decent and affordable recreation programs is a very small amount. Many of these programs help young people. They hire young people and some of them even rely on volunteers. It is really a good investment.

It was a missed opportunity by the budget in front of us. We should be investing in children and youth, in arts and housing, in the cities and our future. Unfortunately, this budget does not do so.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I am curious as to why this member from Ontario would not support this budget. This budget has brought a tremendous amount of fairness to all provinces. It has specifically been very helpful to Ontario.

The Ontario provincial government used some of the capacity provided to it with this budget to address child poverty, homelessness, and some of the difficulties that we know some lower income families are facing

There is the WITB initiative for low income individuals and \$250 million in additional funding for child care, huge transfers for health care and especially to the province of Ontario. There is proportional funding for the environment. Ontario received almost \$600 million for new eco-initiatives that will help the province clean up its act.

I cannot understand why this member would not support this budget. There are so many good things in it for the people of Ontario and especially low income individuals. This member should absolutely be supporting the budget.

• (1620)

Ms. Olivia Chow: Mr. Speaker, the budget actually does not help a single mother on welfare. For example, because she earns less than \$20,000, this means that she does not qualify for the new child tax benefit. Because she is not working, since there is no child care for her, she does not qualify for the program that the hon. member talked about, the working tax credit. She loses out on both of these new programs. The parents of the poorest children are not able to benefit from this new budget.

Furthermore, on the investment that various governments have made on child care, and the hon. member talked about child care funding, in Ontario, for example, close to \$1 billion has been transferred to Ontario and guess what? The provincial government has not invested this money, close to \$1 billion from 2005, 2006 and 2007 in child care. Most of this money has gone somewhere, but we do not know where. The funding has not gone to the child care providers. It has not gone to create affordable child care. There is really no accountability on the funding that is transferred to provinces on child care. What good is it to transfer funding to provinces without any strings attached, with no standards whatsoever?

Many of the provinces, whether it is B.C. or Ontario, do not invest this money in providing affordable child care. Thousands of parents across the country are desperately waiting for child care and who knows what happened to the funding? Who knows what the Ontario government has done with that money?

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, on behalf of 93,000 Hamiltonians, many of them children, who live in poverty, I want to thank the member for Trinity—Spadina for reminding us of the failures of the government with this budget.

In fact, just yesterday I was at a walkathon, an annual charity fundraiser for Wesley Urban Ministries. The \$85,000 that was raised is going to be applied to the needs of children in the east end of Hamilton.

It is very shameful from my perspective when so many people are hungry and are living on the streets of our country that the government would pay \$15 billion down on a debt, but it could not spare \$4 billion or \$5 billion to address poverty in this country. To be quite clear, the Conservatives are just not getting this job done.

Ms. Olivia Chow: Mr. Speaker, I have been in correspondence with the uncle of Jordan Manners, the young man who was shot to death. His uncle said that we absolutely need to invest in our young people. That is why he has organized a march for change this coming Sunday, June 10 at 1 p.m., to say let us invest in our young people. If not, despair is going to come into different neighbourhoods.

The Acting Speaker (Mr. Royal Galipeau): 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 Windsor West, Gasoline prices; the hon. member for Cape Breton—Canso, Equalization; and the hon. member for Davenport, Wage Earner Protection Program Act.

• (1625)

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I will be splitting my time with my esteemed colleague from St. John's.

Government Orders

I am not going to engage in a diatribe against the government on the failures in this budget. What I will do is point out what it did and then offer solutions as to what it could have done in a time of opportunity.

In a time of large surpluses of \$14 billion, which is what the government enjoys today, the government had a great opportunity to put forth a number of initiatives that would help Canadians from coast to coast. We can be sure that the prosperity we are enjoying today will not last forever. There will come a time when our extractive energies will be depleted. We will know that we should have at least prepared for that day some time in the future, so that our country would have an economy that would be ready for that time in the 21st century and we would have a workforce that was able to compete not only domestically but also internationally.

When the government increased spending by three times the rate of inflation in this budget, it compromised the very ability of our country and the government to invest in the things that are required. I wonder why the government did not take an opportunity during this time of surplus to invest in those elements of a productive economy that we need to do right now. To be sure, the world is running ahead of us. China, India, other Asian countries, South America, eastern Europe and Russia are all surging forward. If we do not adapt to these changes, we will be left in their wake.

Why did the government not take the opportunity to invest more in education? Why did it not work with the provinces to lower tuition fees so that people could access post-secondary education not only in universities but also in trade schools. There is a huge deficit in the skilled trades area in our country. If we do not fill the deficit in the skilled trades, we will pay a price.

Why was there not a greater effort by the government to work with the provinces to reduce the barriers to trade? Folks watching this debate would find it extraordinary that there are more barriers to trade in our country east-west than there are north-south. My province of British Columbia has been working very diligently with the government of Alberta to reduce the trade barriers, to improve the east-west movement of goods, services and people. This will be an incredible benefit to the western provinces in their ability to compete. That ability should be provided across the country. The government has an opportunity to work with the provinces to reduce those barriers to trade.

In 2005 when the Liberals were in government, we started a smart regulations initiative. That initiative, instituted by the former prime minister, was done in an effort to reduce the rules and regulations that can constrain the government and the private sector. At the start of the process it was very effective but the new government has failed to proceed with this. There is no reason whatsoever that the government cannot continue with the smart regulations initiative that we started in the previous Parliament.

In the area of productivity, why did we not see greater investment in the ability of the federal government to listen to the provinces on infrastructure?

My colleagues have spoken about the cities agenda that the Liberals implemented. The cities are sitting at the sharp edge of investment into our communities. They need the resources to provide

for the sewers, the roads, and other projects that are required to ensure that cities are able to function, are livable and that we can move goods, services and people forward in an effective way.

Without that infrastructure, cities do not function very well. We have heard examples from colleagues across the House of where this is not happening. Why on earth did the government not take the opportunity to reinvest in the cities agenda? It would have willing partners in all of the provinces.

Regarding the fiscal imbalance, it is not an imbalance between the feds and the provinces. The real fiscal imbalance is the imbalance between the rich and the poor, between those who have and those who have not. I am not for a moment advocating and I would firmly oppose any efforts that are meant to penalize those who have money for those who do not. However, the government could adopt initiatives to elevate the least fortunate in our society, to give them hope. We need to give them the tools to lift themselves up. For those who cannot lift themselves up for reasons that are beyond them, if they have a number of circumstances in their lives that make them unable to work, then we should at least give them the resources to live a comfortable life.

• (1630)

From coast to coast in our country in every one of our cities some people live in an an environment of dire poverty and quiet desperation. We do not hear about them. We will see them if we are looking for them, but they do not have a political voice. They suffer. It is the role of any humane government to work for those people. We are judged by and marked on our ability to help those who are least fortunate.

The finance minister could have implemented a Canadian low income supplement that would give \$2,000 to every family that makes less than \$20,000 a year. Notice that I did not say "working" because there are people who are retired who live lives of quiet desperation. They have medical bills and costs when they retire and they are unable to provide for themselves. The monies they receive through their pensions are simply not enough to live a reasonable life. If we were to walk into their homes, we would see conditions that would break our hearts.

I would argue that health care is actually the number one most important issue which affects people in their homes. Most of us have parents and some of us have grandparents who are still alive. They need health care. Some of us need health care. The problem that is happening is that the baby boomers are aging. In most provinces the number will actually increase by 120% over the next 10 years. That is going to put an enormous burden of chronic disease on our health care system. It will increase the cost 80% from what it is now. Imagine that, an 80% increase in the costs of our health care system.

It is not a matter of more money. The federal government has to work with the provinces to implement solutions to deal with a national medical manpower strategy, so that we have enough workers, the right type of workers in the right places in the future. We need to have the tools and the investment in a preventative way, not some oblique and obtuse concept, but specific solutions on prevention that work.

Government Orders

I will give one example. The headstart program for kids that strengthens the ability of parents to have good parenting skills is something that works. If we look at the Hawaii healthy start program or the Ypsilanti program in Michigan, \$7 is saved for every \$1 invested. Youth crime has dropped 60%. Teen pregnancies, poverty, all of those parameters have dropped considerably. It works very simply. The feds should work with the provinces to implement this as part of the early learning child care program that we implemented.

The early learning program would pull kids away from television screens and computer screens. It would get them out, get them active, get them playing. They would be healthier for it. As a result in the future the burden of chronic disease in our country would diminish.

On the issue of international development, I just came back from Berlin last night. We have an opportunity at the G-8 summit to make some intelligent interventions in the area of international development. I was specifically there on the HIV-AIDS pandemic.

Some 50% to 80% of the monies that we and other countries give for health care do not get to the people on the ground. It is incumbent on the government to ensure that those monies are targeted to things that will make a difference on the ground. We should not silo on a particular disease but make sure that the parameters of a primary health care system are there. There needs to be access to potable water, access to adequate nutrition, access to medications, access to health care workers. Those individuals and those workers in developing countries are dying, they are leaving or they are being poached.

We have an opportunity to implement effective solutions for those countries that have extraordinary and appalling health care circumstances. In order for people to lift themselves up and lift their countries up, they need to have an adequate primary health care system.

In closing, those are some of the solutions that I hope the government will consider. It should not simply spend willy-nilly in trying to get re-elected. It should do the right thing, put public policy first, put public service first and implement solutions that are in the interests of Canada and Canadians.

• (1635)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I listened with interest to the hon. member's speech and I have a number of questions.

I think he has forgotten some of the previous government's record on things like post-secondary education. As we know, one of the best things people can do to lift themselves from poverty is to invest in education. We know tuition fees doubled and even, in some cases, tripled under the federal Liberal government's rule.

I would like to point out a number of things that budget 2006 and 2007 did which the hon. member did not acknowledge. First, we believe that the best social program to help people out of poverty is a job and we are certainly seeing the lowest unemployment rates since December 1974.

We have removed 885,000 low income Canadians from the tax rolls and reduced the GST for the one-third of Canadians who pay no

tax at all. We brought in a working income tax benefit, a working families tax plan, a registered disability savings plan and the list goes on and on. This government has worked very hard for low income Canadians.

What the hon. member did not talk about is how the former government presided over the largest widening of the gap between rich and poor and it did absolutely nothing to stand up for them. This finance minister has stood up for them and it is a privilege for me to stand behind him on that.

Hon. Keith Martin: Mr. Speaker, the hon. member should look at his tax forms to see what his government did. It inexplicably raised taxes on the poor and actually lowered the basic personal exemption. I do not know how he can actually compute that in his own mind. His government actually increased the lowest tax rate from 15% to 15.5%.

I also need to remind the member that his government received the benefits of the fiscal probity of our government. We presided over the biggest change of moving from a massive deficit and debt situation that almost drove our country into a third world situation and where our bonds were actually going to be downgraded. We inherited that situation in 1993 when we formed government but, due to strong fiscal measures by the then finance minister, over a period of time the situation changed from a deficit into a surplus which the Conservatives are enjoying.

I do not know how the member can actually explain in his own heart how his government is spending at three times the rate of inflation, the largest rate of spending that any government has ever seen.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I find it quite astounding to listen to the government member talk about people in poverty being able to raise themselves up with education when they do not even have enough money to eat. It is hard to fathom. As I indicated before, there are 93,000 people in Hamilton living in poverty.

However, the member opposite talked about interprovincial trade barriers. I spoke against that in the 1980s and it is still there.

I agree with the early learning and child care. It is not often that I find myself agreeing with Liberals but on this occasion, as a former school board trustee, I was there when that program started and it was a vital program for our young people.

Would the member opposite agree that it is also time for a national drug program for Canadians throughout this country? When the government has \$15 billion, why can it not do things like this?

Hon. Keith Martin: Mr. Speaker, that is a very prudent suggestion. Catastrophic drug coverage should be something that the federal government should work on with its provincial colleagues. Why on earth do we have silence from the government at a time when individuals, frequently seniors and those of limited incomes, are facing enormous costs for their drugs and medications?

Government Orders

I do not think it is necessarily possible to have a complete drug coverage policy across the country for everything but there is room for a catastrophic drug coverage program that the government should adopt and, in doing so, it would relieve a lot of suffering and insecurity among people.

I want to attach one other provision, which goes to the government member's comments previously. Not everybody who is poor is of a working age. A lot of seniors are poor. A lot of seniors live lives of quiet desperation because they have added costs at that time of life and they are on fixed incomes, which is why a Canadian low income supplement would help those seniors who are suffering today.

• (1640)

[*Translation*]

SPEAKER'S RULING

The Speaker: The period for questions and comments now being over, the Chair is now prepared to rule on the point of order raised by the hon. member for Markham—Unionville concerning an amendment ruled out of order during the deliberations of the Standing Committee on Finance on Bill C-52, the Budget Implementation Act, 2007.

The Chair would like to thank the member for Mississauga South and the Parliamentary Secretary to the Minister of Finance for their input, which was very useful.

[*English*]

As a starting point to this rather complex matter, I wish to review what happened in committee. During consideration of Bill C-52 in the Standing Committee of Finance on Wednesday, May 30, several amendments were proposed by the hon. member for Markham—Unionville dealing with SIFT or income trusts. In dealing with the amendments, the chair expressed some doubt as to their procedural admissibility but asked for guidance from the mover and the departmental official present as to what the amendments were attempting to accomplish. From the exchange that occurred, the chair concluded that Bill C-52 was creating a non-refundable dividend tax credit whereas the amendment was:

...putting in place a refundable credit that requires additional use of monies from the consolidated revenue fund, and therefore that particular amendment is not in order.

That ruling was challenged and sustained. The other amendments from the hon. member for Markham—Unionville were defeated.

[*Translation*]

Before considering the impact of Motion 2 at the report stage, which is identical to the amendment ruled out of order at the Standing Committee on Finance, the Chair would like to quickly review the basic rules that must be followed when the Crown exercises its financial initiative.

[*English*]

The first is that any increase in a charge to the public, that is, a new tax, an increase in an existing tax or the continuation of a tax which is to expire, would need to be preceded by the adoption of a ways and means motion. An alleviation of taxation, that is, a

reduction in an existing tax, does not need to be preceded by the adoption of a ways and means motion.

The second is that any appropriation of public moneys, that is, the spending of moneys from the consolidated revenue fund, must be first recommended by the Crown before being approved by Parliament.

In this particular case, we have a unique situation. The amendment by the hon. member for Markham—Unionville appears to effect “a refund or credit against taxes otherwise payable”. Is this the alleviation of taxation or is this an authorization for a new and distinct program of spending? If it is the former, no ways and means motion is required. If it is the latter, a royal recommendation would need to accompany the amendment.

In reviewing the evidence of the Standing Committee on Finance, I am inclined to agree with the conclusion of the chair, that is, that the amendment proposes to create a new initiative, in this case, it is called a refundable tax credit, which results in the appropriation of moneys from the consolidated revenue fund for a distinct purpose.

Therefore, I would conclude that Motion No. 2 cannot be selected for report stage as it requires a royal recommendation and that Motions Nos. 1, 3 and 4 ought not to be selected as they were defeated in committee.

I thank all hon. members for having raised this issue.

[*Translation*]

Resuming debate. The hon. member for Saint John.

[*English*]

REPORT STAGE

Mr. Paul Zed (Saint John, Lib.): Mr. Speaker, since March 19, when the budget was first presented, the Liberal Party has been very clear with Canadians about why we oppose it.

We look at this mixture of electoral posturing and bad public policy and see Canadians left behind and entire regions of our country forgotten. For some reason, the Prime Minister thought that dividing Canadians would unite his ambition and political fortunes.

Over the last months, Canadians have told him and this party that they have other ideas. Just as troubling as the government's political approach to governing is its inability to coherently implement its agenda.

With all of the flip-flops and the disconnections between the Prime Minister and his front bench ministers, the so-called further clarifications, Canadians are right to be asking themselves whether the government has the ability to formulate a plan and to competently manage one of the largest and most complex economies in the world.

Government Orders

The most recent example of the government's naiveté on financial matters was the announcement by the Minister of Finance that the government had reversed its policy on income deductibility. For weeks and weeks the Liberal Party told the Prime Minister and the Minister of Finance that their decision to revoke interest deductibility for Canadian multinational corporations made our business leaders less able to compete. As a party, we repeatedly said that was simply not the way to manage our economy in the context of gruelling international competitive forces.

Though he failed to consult any stakeholders before bringing down his budget on this specific point, we are pleased to see that the Minister of Finance has listened to our position on this matter and for once chose reason over ideology.

I would hope that the minister will take our advice and also look at debt dumping. The double-dipping he has sought to curtail is still taking place as foreign companies, and with affiliates, are permitted to borrow Canadian dollars and invest them in their home countries and do so without paying Canadian corporate taxes.

A further question of competence arises with the issue where Canadians from coast to coast are concerned about the government's total flip-flop on income trusts. As he surely remembers, the Prime Minister campaigned in the last election as the defender of income trusts and investments of Canadians. He took advantage of trumped up gossip against the Liberal government and promised Canadians that his government would preserve their financial security. What a surprise we were all in for when the Conservatives abruptly altered their course and completely changed that position.

In one day, \$25 billion of Canadians' investments were wiped out. Since then, the Liberal Party has proposed a reasonable 10% tax on income trusts as opposed to the punitive 31.5% tax levied by the government. This is fair-minded public policy and, frankly, would have avoided the financial disaster that was brought upon many Canadians who were moving into retirement years or were in fact retired. Canadians retired based on the Prime Minister's promise that he would not change his position on the income trusts and he broke that trust and that promise.

Canadian tax policy is just one area of financial policy that the Conservative government has been unable to effectively manage. The federal government's relationships with the cities is another black hole of public policy.

•(1645)

The Prime Minister's only announcement since he has been elected, which addresses the issue of cities, is the transit strategy, and that is perhaps the most blatant example of the Conservative government taking credit for successful Liberal programs and initiatives.

In March the Prime Minister announced funding for a variety of transit projects in the GTA totalling \$927 million. However, this money was Liberal government money that was set aside as funding for infrastructure spending in 2006-07 and 2007-08 that until now had not been used by the Conservative government.

Furthermore, just last week the Prime Minister spoke to the Canadian Federation of Municipalities convention and called the government's investment in Canadian cities "historic". What he

failed to mention was that the programs he touted were put in place by the past Liberal government. When is the Conservative government going to show some leadership on this file? As Canada is fast becoming an urban country, what the assembled delegates in Calgary were waiting to hear from the Prime Minister was a plan to provide cities with stable, predictable and long term funding.

As part of our new deal for cities, the Liberal government made a five year, \$5 billion commitment to directly fund cities, including \$20 billion for 2010-11, but the government has been silent on whether it intends to make this annual contribution permanent.

Cities can no longer depend solely on property taxes for revenue generation. What they need is a commitment from the federal government. They can no longer be treated as creatures of the province. With their ever increasing range of responsibilities and services, cities require some indication that the federal government is interested in ensuring their success.

Clearly, the Conservatives are ignoring the plight of our Canadian cities and communities. How many desperate calls are going to have to be made from mayors across Canada before the government realizes that cities and communities are the drivers of our economy? When will the government wake up and see the need to deal with cities directly to address these issues?

Perhaps the strongest reason to oppose this budget and its implementation is the crassly political way the Conservative government has favoured one region of Canada over the other. The Prime Minister came to office advocating a new approach to federalism. The numbers speak for themselves. Quebec received a 29% increase, or \$698 million in equalization. New Brunswick, my home province, received a mere meanspirited 1.8%. Atlantic Canada received only 4% of all new money spent on equalization. Newfoundland and Labrador and Nova Scotia received zero increases in payments.

For a second straight year, ACOA, Atlantic Canada Opportunities Agency, has failed to receive mention in the budget or the Speech from the Throne.

The Prime Minister memorably attributes a culture of defeat to the Maritime region. His budget seems designed to give his claims a ring of truth.

The sad reality is that when we listen to Saskatchewan Premier Lorne Calvert, or Progressive Conservative Atlantic Premier Rodney MacDonald, or Progressive Conservative Premier Danny Williams, we get the message loud and clear: Canadians who need the most support have been left out of this budget.

The Conservative government has simply shown that it does not have the right plan to run the country nor the competence to implement the meanspirited and narrow-minded policy proposals it has put forward. With this budget, the Prime Minister has failed to address the concerns of Canadian industry, sold out investors, picked winners in the equalization sweepstakes, ignored Canadian cities, and punished Canadians who need the most help.

Government Orders

The Liberal Party cannot support the passage—

●(1650)

The Acting Speaker (Mr. Royal Galipeau): It is with regret that I must interrupt the hon. member. I had given him a two minute signal and a one minute signal.

Questions and comments, the hon. Parliamentary Secretary to the Minister of Veterans Affairs.

Mrs. Betty Hinton (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, I do not have a question, but I do have a comment.

As I was listening to the opposite member speaking, most of what he was saying was complete and total nonsense, but some of it he may actually believe. However, the one thing he said that spelled it out extremely clearly and put it in a nutshell in terms of how the former Liberal government treated taxpayers' money was the phrase he used, "Liberal government money".

The Liberal government, or any other government for that matter, has no money. The money belongs to the taxpayers of Canada, and perhaps the biggest difference between the Conservative government and the Liberal government is that the Conservative government recognizes that fact. We know where the funding comes from. We also realize that we are supposed to, as a government, use that money wisely and judiciously to help as many Canadians as possible, and that is what we have done.

The arrogance in the comment, "Liberal government money", sticks in my craw, as I am sure it sticks in the craw of many people in this country. All Canadians contribute.

The other comment I would like to make is that, in case the member opposite is unaware of it, no government generates income. The only income we have is the taxation that we take from everyday Canadians who work very hard for that money and expect us to do the right thing with it.

We are doing the right thing with it, and if that bothers the member opposite, he has my sympathy; but that is it, just my sympathy.

●(1655)

Mr. Paul Zed: First, Mr. Speaker, I do agree with the hon. member on one point that she raised and that is the fact that it is taxpayers' money.

However, when a government tries to pit one region of the country against another and, more important, one taxpayer against another, that is what we, as Canadians, find offensive about the budget and about this political party.

The other thing that the hon. member raised, which I think is very important, is what about the ordinary taxpayer? What does the budget mean to the ordinary taxpayer? The budget means in fact an increase on those who have the least amount of income in our society. The increase at the lowest corporate rate, from 15% to 15.5%, is not only offensive, but it is disgraceful to those Canadians who need the most help from our national government.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, last week when the Canadian Labour Congress came forward, they made

the case that some of the new jobs that are being created and that the government wants to talk about ad nauseam, a big percentage of those jobs are actually low wage and part time.

The Conservatives introduced a concept of temporary agencies which get jobs for people and take a percentage off the top. These are the kinds of jobs that are now being generated in the economy that are beginning to be rolled out under the leadership of the government.

There are people who had lost manufacturing jobs in northern Ontario, southern Ontario, southeastern Ontario and across the country. The only choice they have is to take these low wage, no benefits, no pension, oftentimes temporary agency jobs in order to feed their families, pay the rent, and contribute in the way they have grown accustomed.

I wonder if the member would like to respond to that.

Mr. Paul Zed: Mr. Speaker, the reality and one of the concerns we all have in every region of Canada is the migration of our workforce.

Certainly in my area of the country in Atlantic Canada, a lot of our workforce is migrating to places west and throughout the United States. We have a big concern about that.

We also have a large concern as it relates to these temporary and part time permanent jobs, but I have to say that one of the concerns we all have is pitting region against region. That is why I am voting against the budget.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, it is a pleasure to rise and speak to the budget. Again, like many, I have had a chance to talk about it on a number of occasions.

To be very honest and upfront, and I do not want to disappoint anybody, I do not like it. I do not think it is a fair budget. I do not think it is a budget that does anything to decrease the gap between the rich and the poor and, in fact, it increases the gap.

I want to echo the comments of my colleague from Saint John. I want to speak a little bit to the issue of how I believe that this budget divides Canadians, which I think it does.

I am going to talk about three examples. The first is the Atlantic accord. The accord has received a lot of attention, particularly where I come from in Nova Scotia, in Newfoundland and Labrador, and also across the country. It is a sign of how a government should not do business by alienating one region and playing one off against the other in a game of what I would call crude political arithmetic. The government thinks it can afford to maybe lose a few seats here if it gains a few seats there, and it adds up to where it wants to go.

When the Atlantic accord was torched, when it was betrayed so callously in the budget, it set off a firestorm. It did not just set off a firestorm among opposition MPs in Ottawa. It set off a firestorm among Progressive Conservatives in Atlantic Canada.

Government Orders

I have recited some of these before, so I will not spend a lot of time on this. Back home the premier of Nova Scotia, Rodney MacDonald, rather mildly rebuked the government. The premier had to say something and he acknowledged very quickly that the Atlantic accord had been betrayed. The accord had been worked on by his former colleague, Dr. John Hamm, the former premier of Nova Scotia, a very distinguished leader in our province. Premier MacDonald today acknowledged the fact that Dr. Hamm's work had all gone for naught with the betrayal of the Atlantic accord.

Premier Danny Williams has been reasonably vocal in his concern about the Atlantic accord and what he thinks it means to Newfoundland and Labrador. He has spoken out loudly. Premier Rodney MacDonald has not spoken out as loudly. I think we can be fortunate that we have a new Liberal leader in Nova Scotia, Stephen McNeil, who will stand tall for Nova Scotians and demand fairness.

Premier MacDonald and all legislators in Nova Scotia in an all-party resolution of the legislature, including the wife of the Conservative member for South Shore—St. Margaret's who was a minister in the Rodney MacDonald government, condemned the federal government for breaking its word on the Atlantic accord.

Here is a commentary from back home the day after the budget. Marilla Stephenson, a columnist in the *Chronicle-Herald*, said, "If any theme rang through the Harper budget delivered on Monday night, it was that the have-nots are to remain—

• (1700)

The Deputy Speaker: Order, please. The hon. member cannot do indirectly what the rules prohibit him from doing directly. I would ask him to please refrain from referring to the Prime Minister by name.

Mr. Michael Savage: I apologize, Mr. Speaker. The article states:

If any theme rang through the Harper budget delivered on Monday night, it was that the have-nots are to remain, well, have-nots.

Jim Meek indicated:

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—the effective federal clawback of resource revenues under the new equalization scheme's insult.

David Rodenhiser 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.

An article in the *Chronicle Herald* states, "Atlantic Tories running for cover".

On the weekend, the member for Cumberland—Colchester—Musquodoboit Valley on the government side indicated, acknowledging that the Atlantic accord has been betrayed, that it gave him concern about how he should vote. That is not easy for anyone. I wish him well in his deliberations. All government members should have the same principled approach to this.

The Atlantic accord is gone. Atlantic Conservative candidates, people who were going to run for the Conservatives in Atlantic Canada, like Jane Purves in Halifax, are having second thoughts. A

candidate in Newfoundland said, "That's it, I can't run for these guys. What chance would I have? We can't win if we're going to be breaking accords like the Atlantic accord which was so important. You can't do it"

The Atlantic accord was opposed by virtually everybody in Atlantic Canada, again, dividing one part of Canada against the other.

I want to talk about the Coast Guard. A month or so ago we had an announcement in the riding of Dartmouth—Cole Harbour that two icebreakers, employing some 130 people plus support staff, would be moved from Nova Scotia to Newfoundland, to the two ridings where Conservative members happen to reside.

Nobody in Nova Scotia wishes Newfoundland and Labrador anything but good fortune, but there was no business case along with this move, no discussion with workers and union and no discussion even with regional management of the Coast Guard. A draft business report for a business plan for the next three years of the Coast Guard, dated April 1, had no mention of this move. This was a crass political move and it is the crassest kind of political move not only to divide region against region, but province against province for political purposes. It is wrong.

I would be remiss if I did not mention the debacle, which is the summer grants program. Last year it was the subject of a \$55 million cut. In the fall the program was cancelled. It came back in the spring with an \$11 million cut, and no explanation of what happened to that \$55 million. Maybe it is still in play and maybe it is not. We do not know. We only have budget documents and press releases to tell us, and there has not been much about that recently.

Two or three weeks ago, organizations across Canada started getting letters in the mail, like the Autism Society of Nova Scotia. It was told that it did not qualify for the summer jobs program, although it had for years under the Liberal program. It had seven people last year and ten the year before, in the last year of the Liberal government. This year the society did not qualify.

The minister keeps telling us that the old program was Liberal MPs dispensing patronage. Hogwash. It was Wal-Mart, Rogers and Bacardi giving jobs. If the Conservatives do not like them giving jobs, take the jobs away from them and give them to the Autism Society of Nova Scotia. Do not take them away from the Autism Society of Nova Scotia. Do not take them away from the Diabetes Society.

I want to read a letter from an organization called Edward's House, which deals with young students at risk, students who have either been kicked out of their home or lost their parents. The only way they can stay in school is with this program, which provides shelter, comfort and food and allows them to go to school. On May 15 it received a letter dated May 10. Always having had summer students before, the letter stated, "Thank you for your application...Your application was assessed and received a rating of 23 out of a total of 70. It did not rank high enough on the list of assessed applications to be funded. Since the demand exceeded the budget, we are unable to offer you funding at this time".

Government Orders

Representatives came to see me and we talked about it. Miraculously, when we went on the summer break, the minister denied there was a problem.

• (1705)

We had a minister in New Brunswick saying it would be fixed a certain way. A MP in Nova Scotia there was 15% more money. A cabinet minister of the Government of Canada blamed it on the bureaucrats, scrambling everywhere. It was a disaster that had to be fixed. All of a sudden, Edward's House received a call and was told the government could fund it. Even though the letter said that the demand exceeded budget and there was no money, all of a sudden there was money. What kind of program is that? Only when the government gets caught does it throw money in.

The minister said in the House that we would soon see on the website the names of organizations requesting funding, which ones received it and which did not. I and my colleague from Saskatchewan beside me had a motion before the HRDC committee, stating that by June 1 we would know what organizations had applied, what ones received funding and what ones did not. Late in the afternoon on June 1, we received a letter saying that because of privacy concerns, we could not receive that information. However, the minister can stand in the House and read a list when somebody asks him a question, but parliamentarians are not allowed to know.

That is dividing Canadians, not only region to region or province to province but non-profit organization to non-profit organization. Organizations in our communities across the street from each other are now pitted against each other because of the political crassness of the government.

We have a large and diverse country and we take pride in that. We come here to represent our constituents. Surely, there is a special place for all of us in our hearts and in this place to represent those who need help the most. For years we have done that in Canada. We have built a social infrastructure. I am concerned that this budget and last year's budget will signal the end of that belief in the social infrastructure if we do not soon do something to fix it.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, earlier the member for Saint John spoke about Bill C-45, which was a Liberal budget bill from the last Parliament. He talked about the transfers to cities for transit. It struck me how ironic that was because it was known in many circles as the NDP better balanced budget, after the member for Toronto—Danforth negotiated with the then prime minister, the member for LaSalle—Émard, to change from \$4.5 billion of corporate tax breaks and have that money transferred to the municipalities.

Which way did the member support that bill, for the tax breaks for corporations or the transfers that we negotiated?

• (1710)

Mr. Michael Savage: If I recall correctly, Mr. Speaker, that was Bill C-48, not Bill C-45. The money was not specifically for cities. It was for four areas: overseas development, the environment, post-secondary education and housing. I absolutely supported that motion.

I remind the member that the \$1.5 billion negotiated by the leader of the NDP and the then prime minister of Canada for post-

secondary education was dwarfed in the economic update six months later, when the Liberal government promised \$2.2 billion for students who needed it the most, making the \$1.5 billion irrelevant. Unfortunately, the NDP did not vote to adopt it.

When the Conservative government came in, it changed that \$1.5 billion to \$1 billion. It changed it from student access to infrastructure. There was very little benefit for students in that bill, but I was happy to vote for it at the time. I thought it was a good initiative and it showed that Parliament could work when leaders worked together on priorities.

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, I appreciate the perspectives of the member for Dartmouth—Cole Harbour and respect his work, but I have difficulty trying to understand his view on the budget.

He picked on one program within the budget, upon which changes were said to come from the very beginning. It was a new program that needed to be implemented based on getting rid of the situation where MPs were signing off. We would turn it into a system that was fair and equitable, a system that would be reviewed after it started, and it was.

He asked a question in the House as to why that association had not received funding. He stood in the House today and acknowledged that it did receive funding. Congratulations, the organization deserved and received the funding it should have.

The one thing he did not talk about, and the member for Saint John did not speak about beforehand, was the \$1.4 billion under new equalization for New Brunswick, the \$1.3 billion for equalization for Nova Scotia, the \$512 million under the Canada health transfer for New Brunswick and the \$639 million to Nova Scotia for health care transfers. Talk about the big impact this budget will have on provinces that for years cried to the former government for help and what did it say? Nothing. Newfoundland and Labrador had to lower the flag in order to get attention.

Why will the member not acknowledge the good, the intent and the funding that will help his province? Why he will not support the budget?

Mr. Michael Savage: Mr. Speaker, I am tempted to ask if hogwash is a parliamentary term. Maybe it was not until the Conservative government came in and it became accepted.

The member talked about the organization that eventually received funding. If I could find it, I could read the email in which it thanks me for the funding it received. I raised the issue. Is that how it is supposed to work?

Are organizations supposed to go cap in hand? Should the Autism Society of Nova Scotia beg for support from the government and only get it because the government was shamed into doing it? Surely, my colleague, the member for St. Catharines does not think that makes sense.

Government Orders

Everyone in Nova Scotia, except a couple of old fashioned Conservatives, knows it got rooked in the federal budget. We got slaughtered in the federal budget. The Atlantic accord was not just money. The Atlantic accord was the future of Nova Scotia. It was the future of young Nova Scotians. It was callously pushed aside and cast aside by the Minister of Finance. The government is trying to fix it up now and perhaps trade off something else.

All the Conservatives have to do is honour the Atlantic accord as they said they would when the Liberals brought it in.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 5. A vote on this motion also applies to Motions Nos. 6 to 9. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And five or more members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: There has been a request that the vote on Motion No. 5 be deferred until the end of government orders tomorrow.

* * *

• (1715)

CRIMINAL CODE

The House proceeded to the consideration of Bill C-35, An Act to amend the Criminal Code (reverse onus in bail hearings for firearm-related offences), as reported (without amendment) from the committee.

Hon. Stockwell Day (for the Minister of Justice) moved that Bill C-35 be concurred in.

(Motion agreed to)

Hon. Stockwell Day (for the Minister of Justice) moved that the bill be read the third time and passed.

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, I am exceptionally pleased that we are debating Bill C-35 at third reading. According to my colleagues, it is the second best thing that has happened yet today.

It proposes a reverse onus in bail hearings for a number of firearm-related offences.

Canada's new government is following through with its commitment to get tough on crime. That is why, since last spring, we have introduced 11 bills to make our communities safer. We have tackled key issues such as gun crimes, alcohol and drug impaired driving, street racing, and the protection of our youth from adult sexual predators.

This government is listening to what Canadians are telling us. We are making progress on amending the Criminal Code to make it more responsive to their concerns.

It is important that we maintain the trust of Canadians in the criminal justice system. Along with other bills, Bill C-35 aims to do just that. Bill C-35 demonstrates this government's commitment to ensuring that people charged with serious firearm offences do not roam our streets while out on bail.

In my view, the legislative reforms proposed in Bill C-35 are appropriately tailored to the concern that has been expressed by many Canadians, the concern about the release from custody of individuals accused of serious gun crimes who pose a threat to public safety.

Bill C-35 proposes to shift the onus during bail hearings from the Crown to the accused, so that people charged with serious firearm offences will not benefit from a presumption in favour of release on bail. The burden will be on them to demonstrate why it is not justified to keep them in custody until they are dealt with according to the law.

Under Bill C-35, a reverse onus will apply in a number of cases.

First, Bill C-35 creates a reverse onus for eight serious offences committed with a firearm. These offences are: attempted murder; discharging a firearm with intent; sexual assault with a weapon; aggravated sexual assault; kidnapping; hostage taking; robbery; and extortion. It is clear that these are serious offences and their severity is only heightened when they are committed with a firearm.

Second, Bill C-35 proposes a reverse onus for the offences of firearm trafficking, possession for the purposes of trafficking, and firearm smuggling. While firearm trafficking and smuggling are not offences that involve the actual use of a firearm, they are nonetheless very serious offences. Those involved in firearm trafficking and smuggling are responsible for the illegal supply of guns to people who cannot lawfully possess them and who are likely to use them for a criminal purpose.

The Criminal Code already provides a reverse onus for accused persons charged with drug trafficking and smuggling. It should also provide a reverse onus for those who are involved in firearm trafficking and smuggling. Just like those involved in the drug trade, firearm traffickers are also involved in organized and lucrative crime. In some cases, these activities go hand in hand and involve the same network of people.

Regardless of whether the charge is for firearm trafficking and smuggling or for drug crimes, a reverse onus should apply to the accused. The potential for continued involvement in that kind of ring is high, even after the accused has been arrested and then released. From a public safety perspective, firearm traffickers play a significant role in the firearm homicide problem. Their involvement poses an indirect but significant threat to the safety of the public.

• (1720)

Bill C-35 also creates a reverse onus for any offence involving a firearm or other regulated weapon if committed while the accused is subject to a weapons prohibition order.

Weapons prohibition orders are imposed in many cases, such as, for example, when a person is convicted of an indictable offence in which violence against a person was used, threatened or attempted. They are imposed on people convicted of certain drug trafficking and smuggling charges, as well as weapon-related offences. They remain in force for several years and in some cases for a lifetime.

Weapons prohibition orders are a very important tool in our criminal law to help prevent firearm violence, whether it is homicides or other gun related crimes, but also accidental injuries and suicides.

I would like to highlight the fact that there are approximately 35,000 prohibition orders currently in force in our country. This specific reverse onus situation has the potential to apply in a number of cases where the risk of future firearm violence is a concern. People should not be entitled to bail when they have demonstrated their inability to abide by a court order to not possess firearms or other regulated weapons.

Finally, Bill C-35 provides additional criteria specifically related to firearm offences for the court to consider when it decides whether the detention of the accused is justified.

This particular amendment is not a new reverse onus situation. The court will be able to justify denying bail to a person charged with an offence involving the use of a firearm or with a firearm offence that attracts a minimum penalty of three years or more.

If the court is not able to justify keeping a person in custody under the other permitted reasons, under Bill C-35 it will be able to do so if it is necessary in order to maintain confidence in the administration of justice.

Bill C-35 takes into consideration the broader picture regarding crime in the country. When it comes to gun crimes, the situation has changed, and we need to adapt to this change.

The reality is that organized crime and now street gangs are armed. Frequently they are armed with handguns or other restricted or prohibited firearms. Our criminal justice system must be properly equipped in order to step up to the challenges posed by this new brand of criminality.

Several of our large urban centres are now struggling with the criminal use or illegal possession of firearms by members of street gangs and by drug traffickers. Innocent people are affected by inter-gang violence, random shootings, armed robberies and, as we saw so

recently, killings in schools. Just a couple of weeks ago, another young person, Jordan Manners, was fatally shot in a Toronto school.

We are adapting to changing times and changing crimes. Bill C-35 will enhance our bail regime to reflect our collective denunciation of gun crimes.

I am very happy that the bill is being met with quite a bit of support from all parties in the House and from various stakeholders. I would like to express how pleased I am with the recent support of the bill by the Bloc. Indeed, the study of this bill in committee has given us the opportunity to find out about important points of view, allowing all parties to appreciate its value. It is proof that committees can work.

The government believes that Bill C-35 is a very sensible piece of legislation. It is focused, strong and right. It is my hope that it will be well received in the Senate and that senators will move on it quickly and expeditiously.

• (1725)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I appreciated that comprehensive view of the bill. I want to add some more things to the record during this debate. One, of course, is that we do have a bail system in Canada. It is a right allowed to citizens. We do work in a system where people are innocent until proven guilty.

Witnesses also explained that people in most of the serious gun crime cases were not let out on bail anyway under the present system, so this would not affect a large number of cases.

What all committee members were shocked at was that there were no statistics to support the bill. I hope we are going to be improving on that. The Canadian Centre for Justice Statistics apparently does not collect these statistics. All members on all sides of the committee would have liked to have had some statistics about how many people are on bail and how many commit crimes while they are on bail, et cetera.

One of the statistics presented was that, particularly in the case of violent crime, roughly 40% of the people did not end up being convicted. Therefore, a number of innocent people are charged with crimes and, under this bill, could be more likely to remain in prison.

Hopefully we would have the support of the member to try to speed up the system so that as little damage as possible will be done to an innocent person who is put in prison for that time. That person might be one of those who are in prison by accident. That person would be affected by this bill, but could later be found innocent.

Mr. Rick Dykstra: Mr. Speaker, I would like to start by acknowledging the support of the hon. member on committee, as well as the work he did to make sure that we did move forward. It was a lengthy study. We did a lot of work. We heard a lot of witnesses.

Government Orders

As he pointed out, we did not necessarily hear specifics that went back historically a long way, but we certainly did hear from witness after witness that, based on their experiences, this is a necessary piece of legislation. It had to be put forward.

As the member pointed out, the statistic of 40% was put forward. Having said that, I also note that it did not necessarily include the fact that a number of individuals who are charged end up pleading guilty to lesser charges, not necessarily the original charge, but certainly a lesser charge as to degree.

However, certainly the intent of the legislation is to ensure that we are proactive. It is to ensure that we are proactive in the sense that certainly for criminals who are repeat offenders, and who have shown that they will offend again, it is up to them to prove, while on bail and while their charge is being held, that they have a right to move forward in a process that is going to be fair to them.

At the same time, we need to ensure, as many of the witnesses indicated, that justice will prevail, that those who are guilty will be found guilty, and that those who are not guilty certainly will not have to spend an extraordinary amount of time waiting for trial.

● (1730)

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, about two years ago when there were a large number of gun crimes in Toronto I was involved in investigating what we could do in the community to reduce gun crime.

Aside from a serious investment in intervention and prevention programs, the mayor of the city of Toronto at the time, together with the chief of police, were pushing for a reverse onus in bail hearings for firearms-related charges. We know it is important. It is very demoralizing for a neighbourhood when someone is arrested and charged with a series of serious gun crimes yet gets bail and is back out in the community in a few days.

Will there be an evaluation, perhaps in a year, to see if Bill C-35, this amendment to the Criminal Code, has the positive impact that it is supposed to have, so that we know whether this amendment actually works or not? Will there be some kind of evaluation or reporting back to Parliament?

Mr. Rick Dykstra: When good legislation is enacted, Mr. Speaker, and in regard to the opportunity for review and updates and the opportunity to ensure that success has been met, it is something that the committee certainly has talked about. It did not necessarily recommend that, but it certainly talked about how a future justice committee could take a look back at it to see if the foundation that was laid with Bill C-35 was successful. I think it will be. That success will be clear as we move forward.

One of the difficulties, though, as everyone knows, is that we will never know when we have stopped someone from committing a serious crime, perhaps a murder. We will never know whether or not it has been prevented. That is the one difficulty the committee faced. It is certainly one that needs to be looked at in terms of review.

The member for Trinity—Spadina mentioned community programs. I would point out that the 2006 budget laid out community programs. The Minister of Public Safety certainly made announcements on it over the last year. I am not even going to talk about what the figure may be, because I think the figure is not as important as

the recognition that this government has put this forward and has asked communities to come forward with programs for youth to make sure they have an education and an opportunity rather than belonging to a gang or, certainly, picking up a gun.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I enjoyed listening to the hon. member's speech. I am very supportive of Bill C-35. It is a very important new law that the government is bringing in on reverse onus for serious crimes committed with guns.

Specifically, the chief of police in Toronto, Ontario OPP commissioner Julian Fantino, and my own Chief McLaren are very supportive of this bill. They are very frustrated with the revolving door justice system that they feel we have adopted here in Canada, whereby the offenders are often back out on the street before the police have even been able to leave the courthouse.

I would like to know whether the hon. member feels that this bill addresses those concerns. Does he feel it will be well received by chiefs of police in Canada?

Mr. Rick Dykstra: Mr. Speaker, we heard presentations at committee and there were very few. If I recall, I think only one organization came forward and said that it did not necessarily support the bill. At the special subcommittee that studied this bill, not one organization or one individual, except that one, said that this was not the right thing to do and that it would not prevent future crimes from happening.

The Montreal police indicated very clearly that this was much needed and that it was long overdue. It was brought forward in a way that showed all party support. Members of police associations and the chiefs believe this is a step in the right direction and that it will make their jobs easier.

The fact that they put so much work into moving forward on an arrest, they believe that putting good evidence forward will then allow the courts to take over. They will have the assurance that it will be up to the individual who is charged to prove to the court that they deserve the right to be outside of the institution that they would be held in.

● (1735)

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, it is a pleasure to speak to Bill C-35, An Act to amend the Criminal Code (reverse onus in bail hearings for firearm-related offences).

The attorney general in my province supports the bill, as does the Liberal Party of Canada. This is part of a collection of government legislation that we tried to fast-track in March, including the age of consent legislation and a number of other bills. We tried to move them forward but the government inexplicably blocked our efforts to pass four major pieces of legislation dealing with criminals and criminal activity through the House in one day. Half of the government's legislative agenda on criminal activities could have been passed but the government chose not to. Those members can explain that to their constituents.

Government Orders

People have a lot of misconceptions on who is committing gun crimes and where the guns are coming from. Murders are not being committed by law-abiding citizens who get the background checks done, get the firearms acquisition certificate and then go out and hunt or engage in target practice. Murders are being committed by criminals who get these guns that are generally brought into Canada by gun traffickers.

Guns are often intimately attached to drug trafficking. In fact, trafficking in drugs, guns, other weapons or other contraband is part of what fuels organized crime financially. Guns are just another product to organized crime. The profound tragedy of this is that guns are used to kill people. Many of the guns used in homicides have been brought into this country illegally. They are not used by law-abiding people who get the firearms acquisition certificate. They are used by thugs. With the tough regulations that we have today, these thugs can only get guns illegally. They are brought up primarily from the United States.

It is important for us to focus on that. It is important for us not to veer off into initiatives that have nothing to do with dealing with the people who are committing these crimes. At the end of the day, those initiatives will not reduce crime in our country, which is why we are supporting this initiative.

This legislation is part of a whole collection of legislation that we introduced when we were in government that would have given Canada one of the toughest anti-pedophile laws in the world. Our legislation dealt with strong initiatives against sexual predators, tougher sentences for violent offenders and tougher penalties for those who engage in organized criminal activities. These individuals are actually criminals dressed in business suits.

It is also important for us to implement other initiatives that would make our country safer. One of the most important responsibilities that we have as elected officials is to implement solutions that ensure that our citizens are living in a safe environment.

● (1740)

Let us look at the prison population and at some of the antecedents as to why they are there. What kind of people are in jail? Some of them are bad and nasty people, which is why the federal government should listen to its provincial counterparts. I was having a conversation here with one of my colleagues. The provinces have a big challenge. The police are having a challenge on the ground with respect to this revolving door of people being arrested, going into the system and then coming out quickly. It is disheartening, immoral and defeating for our police officers and our correctional officers who work so ardently to keep our streets safe.

What could the government do? A lot of the people in prison have drug problems and psychiatric problems. It is estimated that 40% of them have fetal alcohol syndrome or fetal alcohol effect. This is a shocking number given the fact that fetal alcohol syndrome and fetal alcohol effect is the leading cause of preventable brain damage in newborns in Canada. It is completely preventable. It would be very smart for the health minister and the justice minister to work with their provincial counterparts to find comprehensive, doable and effective solutions that prevent fetal alcohol syndrome.

It is heartbreaking to see these children with an average IQ of 70. They have incredible difficulties in school and end up falling through the gaps. The teachers cannot handle them and, as a result, some of them act out with predictable consequences. When we go to a jail and we see who is there, we see a panoply of people with different issues.

I hope the government works on a rational drug policy but not the policy in the United States that has resulted in an increased use of both hard and soft drugs, a greater number of people in the prison population, more cost to the taxpayer and less safe streets because that does not work.

We do not need to have a binary situation between our solution and the United States. We could look to Europe. Europe has implemented some very sensible solutions in terms of a drug policy that does a lot in terms of harm reduction. I know the government does not particularly like harm reduction. It only extended the Insite safe injection site in Vancouver for one year instead of three years and it would be a catastrophic mistake if the government were to stop that program.

Why does the government not work with the scientists and the researchers who have done intelligent work on the ground to reduce harm? At the Insite safe injection site, for example, not only was there a reduction in property crime but more people actually became attached to the health care system. As a result, they could access the health care system and use the detox site therapy. A lot of these people have what we call dual diagnosis, which means that some have drug problems and some have psychiatric problems but some of them go hand in hand. We cannot tease these things out in isolation. We need to deal with people for the collection of problems they have. The harm reduction strategies work very well.

The Insite program works well because it gets people off the street. What would be smarter, and I know this would be a real leap for the government, would be to adopt something like the NAOMI project in Vancouver where individuals are given the drug in an environment which disconnects them from going out on the street and buying it from those people who are attached to organized crime.

The worst thing we could do for members of organized crime that would actually cause them to get weak in the knees and be beside themselves with grief is to sever the ties between the drug user and organized crime. We can do that. I know people will say that it is not the business of the government to go out and give addicts drugs but these people will go out and buy drugs from people attached to organized crime and that serves no one.

Government Orders

If we can bring people into the health care system through a harm reduction site, particularly a harm reduction site where they get their drugs, then we can attach them to detox and get them into psychiatric therapy and the treatment they require. This would be something that the government could rationally adopt to deal with this problem.

When the government puts the population in jail, it should make sentence reductions conditional on those individuals participating ardently in the skills training, the psychiatric therapy and the drug therapy that would be mandated to them when they come in front of the court.

People would automatically get one-third off their sentence, which is frequently reduced more, and no conditions would be placed on the individual. It would be a lot smarter if that person had to work for that release by being able to get time off for good behaviour if they actually behaved well.

• (1745)

These people would need to follow the parameters set during sentencing, including the psyche therapy, harm reduction and drug therapy, as well as the skills training. When these people left jail they would then have the skills needed to get a job, their drug problem would, hopefully, be dealt with to a degree and they would be in the medical system where their psyche problems are being dealt with.

Some psychiatric problems are chronic. They may be one of the major psychosis, which is difficult to deal with, but at least they would have a head start when they got out of jail. If these problems are not dealt with while they are in jail, many of them go back to what they did before. As a result, we see the recidivism rate that plagues some populations within the citizen population.

It is also important to look at the population that engages in gun crimes. In Toronto, for example, 40% to 50% of the individuals who actually committed violent offences with a gun were actually on probation or on bail. These individuals were repeat offenders. They had been convicted and were out on bail and 40% to 50% of them committed gun offences. I think it is a really good idea in terms of putting the reverse onus upon them because we are dealing with a very fixed group of individuals who have committed violent offences.

The other thing that is worthwhile to bear in mind is that most people who commit murder do not use a gun. They use knives, baseball bats and other tools to murder another individual. It would be wise to extend the notion of reverse onus to those individuals who have committed violent offences, such as sexual assault, assault causing bodily harm, attempted murder and murder, as a starting group. We would then be dealing with a fixed population of people who have been proven to be a danger and a threat to society. We can look at the small population and ascertain, based on their behaviour and activities in jail, whether or not they are safe to be released.

One of the toughest things I had to do when I was working in a jail was to assess an individual who was about to be released. Some of these individuals had lists as long as their arms in terms of extreme violent behaviour. I remember being attacked by an individual in his cell, which was proof in terms of getting that person into a psychiatric facility. However, what if the correctional officers had not really been aware or called a physician to do the assessment on

that individual to get him into hospital? The system should be sufficient to analyze a person to determine whether or not he or she is actually in a position to be released safely into society.

We are treading into very challenging ground in terms of people's rights but I am sure smart minds out there could put together a framework where people's personal rights would be protected but also the rights of society would be honoured as well.

While this is a difficult area to tread ethically, it is important that the government tackle it. I am sure that many people the House, as well as people in the public service and in Canada, have experience and knowledge in this area and perhaps they could guide the government in implementing a rational policy to do so.

I want to emphasize that we can do many things in terms of preventing a lot of problems from occurring. We can do things for those who are convicted and in jail. It is not a simple situation of focusing on higher penalties for individuals who have committed crimes. While those are important under certain circumstances, we need to look deeper into the situation to implement the solutions that work.

I have probably said this 100 times in the House over the last 14 years but I will harp on it again. The Head Start program for kids works when we look at it purely through the issue of youth crime. If I were to tell the House that there is a plan that reduces youth crime by 60%, a plan that saves the taxpayer \$7 for every \$1 invested, would members not think that was a plan that the government should adopt? A wise government would look at it and not simply dismiss it out of hand as some sort of woolly-headed notion.

• (1750)

The reality is that these programs have more than 25 years' experience and have been analyzed by very competent researchers. Those headstart programs work to strengthen the parent-child bond. They help parents, particularly vulnerable parents, access the parenting skills that they require. That has a profound impact on the development of the child.

In the first eight years of life is when a child's brain is actually developing the neuro connections. Those brain connections occur at that sensitive time. If it is done right, those brain connections work well and the child has the pillars and resiliency within his or her psyche to deal with many challenges. However, subject that child to violence, sexual abuse, poor nutrition, an absence of adequate parenting, and those connections simply do not work as well. Frequently that is the case, but not always.

If we are able to give that child that head start, if that child is able to develop his or her brain during that critical first eight years in a competent way, then that child truly has the ability to live a life that anybody would hope for an individual. Depriving the child of those basic elements, subjecting that child to those horrible events damages the child sometimes forever.

Government Orders

We often hear horror studies of individuals who commit horrible crimes. Sometimes it is difficult for us to sympathize with those individuals given the horrible things they have done and they pay the price. It should also cause us to reflect that things happened in the history of that individual who has committed horrible crimes.

If we are smart we would work with the provinces to implement that headstart program because it works. I am going to try to do that this summer in my riding. There are four teachers who have volunteered to do it. I hope by September we will be able to roll it out as a pilot project in Esquimalt—Juan de Fuca. If it works, maybe it could be shared with teachers in other areas of our country.

One of the most remarkable programs is the Hawaii healthy start program. It reduced child abuse rates a staggering 99%. It looked at parents who were vulnerable, parents who did not have good parenting skills, who themselves lived in vulnerable and sometimes horrible environments. Those parents were matched with women who had had their kids and who had strong parenting skills. In building that mentorship program with those vulnerable parents, child abuse rates were reduced 99%. That is pretty amazing.

It is not complex. It is not rocket science. It is pretty easy to do. It does require leadership. This leadership could be exercised at the federal level, even though the implementation and operation of it would be at the provincial level. I think all of us know that our provincial counterparts are looking for leadership. They are looking for help. They are looking for a hand and it is not that we do not have a plan or a program to do this.

I encourage the government to work with our provincial counterparts on that. I strongly encourage the government to look at the harm reduction strategies that work, to adopt those strategies, to support those strategies across our country.

For heaven's sake, I would ask that the government not cut harm reduction. I would ask it not to cut the Insite safe injection site. I would ask it not to stop the NAOMI project in Vancouver. Rather, it should look at those projects and see how other communities in Canada that want to adopt these programs can have access to these programs.

The failure to do so would result in the deaths of thousands of people in our country, the spread of communicable diseases, some of which are fatal. The costs to the taxpayer would be extraordinary.

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, I would like to thank my hon. colleague for his impassioned speech. We are discussing reverse onus on gun crimes. I know that the hon. member did talk a little bit about gun stuff in his speech. I want to thank him for his support and hopefully for his and his entire party's support when it comes time to pass Bill C-35.

I noticed that in his speech he went through the life cycle of a law-abiding citizen acquiring a firearm. A law-abiding citizen would apply for a firearms acquisition certificate, or the possession only, or possession and acquisition licence, go through the waiting period, go through all the criminal checks, dot all the *is*, cross all the *ts* and then have to fill out a registration form to purchase a firearm. He said very clearly that these are not the people that we want to go after.

I have a simple question for my hon. colleague. If it makes so much sense to support Bill C-35, which is to put the reverse onus on

people who commit dangerous offences, whether their motivation is through drug trafficking or anything else, would it not make more sense to use those resources that we are currently spending on the gun registry, which is Bill C-21? It sounded to me he was making an excellent case for passing Bill C-21 and getting rid of the long gun registry and taking the resources from that and using it for implementing Bill C-35 and some of the other programs that the hon. member thinks are so important for the social well-being of members of his community.

I am just wondering if I could count on his support for Bill C-21 as much as I could count on his support for Bill C-35.

● (1755)

Hon. Keith Martin: Mr. Speaker, the government has not put Bill C-21 back on the legislative agenda. It is not there. When it brings it forward we will be able to discuss it.

The member's question on the issue of the long gun registry was a good one. I have asked a lot of police officers about it. Regarding the operating costs for the gun registry, the economic cost of supporting it, one has to question whether that money would best be used where it is today in the long gun registry or whether it would best be used somewhere else.

I argued against the long gun registry. In fact, I went in front of the justice committee to argue against having it. If it were reintroduced today I would not support it. However, we have it. I have asked police officers should we or should we not get rid of the long gun registry and I have received two answers.

Police officers who work in urban areas say we should keep it because they access it quite frequently. There are thousands of hits on the registry every single day. I have received that answer from that population of police officers.

The other population of police officers to whom I spoke are those who work in rural areas. They say they do not need it. They do not use it. They respond to a situation with the presumption that there are guns in the house. They always do that. The rural police officers say that the registry is not needed.

At the end of the day, I have to say I am in a quandary. The overriding principle as to whether or not I support the abolition of the long gun registry resides in a simple question. What is in the best interests of the police who have to deal with people in a very dangerous situation and what is in the best interests of the Canadian public? It boils down to whether or not the money is best spent doing something else as the hon. member quite rightly said, or since the money has been spent on creating the registry, is it better to have the money there so that the police who are working in an urban area can access the registry? I would not be advocating and I am sure that nobody in the House would advocate doing anything that would increase the insecurity and danger to our police officers. At the end of the day, that is the question that we all have to answer.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I wonder if the hon. colleague is aware, when he mentioned the CPIC system, that there is a bit of a myth about how many times it is accessed daily for the purposes of the gun registry.

Government Orders

The CPIC system across the country, depending on how busy officers are getting, could be used up to 5,000 times a day, but it is used in any and every instance. When officers tap into the CPIC system, included in the information available on the CPIC system are elements tied into the gun registry. It is nowhere near being used 5,000 times a day. That would be horrendous in terms of checking for firearms offences. That would make Canada the most vicious nation with the most firearms in the world—

• (1800)

Mr. Blair Wilson: We are. The number of firearms we have per capita—

Hon. Stockwell Day: Mr. Speaker, one member just said that we are. We are not. We are one of the safest nations in the world. People who perpetuate that myth to try to move along their own ideology by scaring people are being irresponsible.

I know the member is sincere in his comments. It is only a few times relative to 5,000 times a day that it is actually used to tap into information on the firearms system. In fact, it was the Auditor General who said that the data on that system related to the long gun registry in fact is not reliable. That is why we want to see dollars focused on more officers on the street, resources to deal with smuggling of firearms and things like mandatory jail time for firearms offences and also prevention programs for youth at risk and gun crimes.

I wonder if the member is aware that relative to 5,000 times a day, it is relatively a few times a day that it is actually used for access to the firearms registry.

Hon. Keith Martin: Mr. Speaker, the Minister of Public Safety's question is a difficult one, an impossible one really, to answer. To determine which police officers are actually accessing the CPIC system to ascertain whether or not a house or dwelling they are going to has guns is very difficult. Police officers should be asked that question.

I have asked police officers and as I said, the information that I received from police officers was that it is accessed thousands of times. I asked that question only in the context of firearms. I asked how many times they access the registry for the purpose of determining whether an individual or group has firearms. The minister is correct. It is an imperfect system. That is why in part we see the difference in answers between the urban police officers and the rural police officers.

I also want to say to the minister that very clearly my leader has supported more police officers and investment in better training in those areas. The minister articulated some of the more penalty focused initiatives which we support. However, he also has to recognize that if he only does that, if he does not deal with the harm reduction aspects of drug policy, if he does not direct investment into substance abuse rehabilitation, if he does not provide access for psychiatric therapies and treatments, if he does not provide skills training for individuals who have gone down that road, then he will be creating a system that is not going to make our streets any safer in the long run. He is not going to prevent people from going down that road.

I would argue that it is a lot cheaper to go down the road of addressing both of those elements than to simply focus on one. In

fact it is incumbent on the government to take both of those duties very seriously and implement both of the solutions that I articulated in my speech.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I was quite impressed with the member's comments at the end of his speech about the direction of reducing crime in Canada and working on crime prevention and healing. The aboriginal head start program is an exceptional success in my riding as well. I certainly encourage him to keep pushing for the expansion of that program. I will too.

I wonder if the member would like to expand on the government's efforts at crime reduction. It is probably misguided and not the best investment when simply a number of the bills, not this particular bill which we are supporting, but a number of the bills lead to increased incarceration. Many witnesses have shown that it actually makes society more dangerous. The criminals come out of incarceration and actually reoffend more because of what they learned. More important, the investment would be toward prevention and those types of initiatives. For instance, over half the crimes are committed by someone who is under the influence of something or is purchasing drugs—

The Deputy Speaker: Order. I am afraid the hon. member will not be able to expand because the question was too expansive. Resuming debate, the hon. member for Windsor—Tecumseh.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, Bill C-35, back from the special legislative committee, really addresses two points. The major one that most people have heard of is to reverse the onus, so that the accused would have to establish why he or she would be released on bail and the other, which is a secondary point but flows from this, is that we have added some criteria that the judge would take into account when determining whether a person would be released on bail.

To expand on that a bit so that we are clear, we have effectively had the reverse onus within the Criminal Code in many respects if one understood how the practice took place. We are emphasizing and the legislature is sending a message to our judiciary that we want it to be very concentrated in its focus on gun crimes and the use of guns in crimes. If people before the court are alleged to have used guns in serious crimes, they would be required to establish under those circumstances whether they should be released from custody pending their trials or disposition of the charges.

It was interesting to listen to the evidence. The very first witness, other than the minister and the officials from the Department of Justice, was a representative from one of the defence bars in Canada, an association of defence lawyers. I have to say quite frankly that he stunned the committee with his opening statement that the organization in fact was not opposed to Bill C-35.

This was confirmed by a number of other witnesses, but he went on to establish to our satisfaction that this bill simply represents what is now happening in our courts across the country. Both he and other witnesses from the defence bar and other people who might have traditionally been expected to be opposed to this legislation, and in some cases were on principle, came forward with the same evidence time after time.

Government Orders

At least in all of the major metropolitan areas right across the country, the courts have already begun to apply a reverse onus. Even though it is not mandated by statute, they in effect were doing it practically on a day to day basis in our courts across the country. They were doing it particularly when crimes involved youth and the use of guns.

I know I have given this part of my speech before, but I am going to repeat it. When we deviate from what is an accepted practice in our criminal justice system, we do so only when we are faced with a serious problem. We know that in spite of the fact that the murder rate in this country continues to decline, as it has on a regular basis over the last 25 years, there have been some spikes but generally it has declined, the rate of violent crime has declined in similar ratios over that 25 year period.

I will digress for a moment. I use the 25 almost 30 year period now because it was over that period of time that we have had good, reliable statistics with regard to the crime rates in this country. Prior to that, the figures are somewhat suspicious in terms of their validity.

For the last 25 to 30 years the murder rate has continued to decline and the violent crime rate continues to decline, but there are exceptions to that and that is really what this bill, to some significant degree, is attempting to address.

One of the areas of crimes involving guns where we have seen a spike, even with some trend to it, has been in street gangs primarily in our major metropolitan centres right across the country. It is higher in some areas, but generally a trend right across the country.

• (1805)

We know that because there are more handguns and illegal guns, rapid fire guns in particular, that have ended up in the hands of gangs through organized crime, the biker gangs in particular. They have imported a lot more weapons in the last decade or so and we are seeing those guns get right into the hands of street gangs.

Therefore, we are seeing a substantial increase in crime within that very specific group. We cannot help but think if that had not happened, that those guns had not ended up in their hands, that the violent crime rate in this country, both for murder and for violent crimes generally, would have dropped even more dramatically than what we have seen over that 25 to 30 year period.

The bill specifically addresses this with an amendment, not only reversing the onus but it specifically requires, under the facts and circumstances, what the court is to take into account when granting bail. We have added to additional sections and one is an amendment to an existing section.

We had traditionally assigned to the court guidelines in section 515 of the Criminal Code as to what was to be taken into account. The overall encompassing section says that the detention is necessary to maintain confidence in the administration of justice, having regard to all the circumstances, and then we go down this list. Bail was to be denied if in fact there was a loss of confidence in the administration of justice.

As I said earlier, we were hearing from the witnesses that our judges right across the country, in the metropolitan areas in particular, were concerned about the effect of confidence on the

administration of justice. They had begun to say to people who came before them, charged with crimes involving guns and involving serious violence, that they must establish why they should not be held in custody pending their trial or the disposition of their charges.

These sections were already in, so the judge in determining whether the administration of justice was falling into disrepute had to take into account, first, the apparent strength of the prosecution's case; second, the gravity of the offence; and third, the circumstances surrounding the commission of the offence.

To that we have now added in this bill, assuming it passes the House, in looking at the commission of the offence, whether it included the use of a firearm. Of course that would be a negative factor to be taken into account and the basis on which bail could be denied.

We then went on to add an additional factor. If the accused was liable on conviction to a potentially lengthy prison term, then we added, in the case of an offence that involved or whose subject matter was a firearm, a minimum punishment of imprisonment for a term of three years or more.

Therefore, the judge confronted with a charge of that kind involving a gun would take into account what the potential penalty is and if it is more than three years, that again would be a negative factor in determining whether the individual would be allowed out on bail and more than likely would not.

That has begun to happen right across the country. What we are doing with this legislation is confirming, I suppose, to our judges that we agree with them, that it is an appropriate practice on their part in giving them in effect legislative authority above and beyond what they already have to continue that practice where it is appropriate to do so.

There were a number of concerns around the bill. We heard those from the witnesses. One of them was on principle. We do not use reverse onus in the criminal justice system in this country in the long history that we have had, that the presumption of innocence is overriding in all cases.

However, again, we have made those exceptions on occasion and this is one of the times because of, I will say fairly and justifiably, the crisis that we are faced with, with the use of guns in those particular circumstances, and so it is justified on that basis that we should do so.

One of the other concerns that was raised repeatedly, and we heard from the member from the Liberal Party, was regarding some statistics that show the number of subsequent offences that are committed when someone is already out on bail.

• (1810)

I want to be very clear that we brought forward one of the first witnesses, the people from Juristat, the individuals from Statistics Canada who keep records on bail. We have not been doing that until very recently. The reliability of how many crimes are committed when somebody is already out on bail is certainly not foolproof at all.

Government Orders

The figure that was quoted came from one of the police associations. It was over a fairly limited period of time. It involved a fairly limited number of charges involving weapons on which bail was granted. It is difficult to assess the basis on which we are making this decision on solid, hard statistical evidence. We simply do not have that.

What we are doing here is making this decision based on the anecdotal experience we are being told about. We do not have solid statistical evidence. It is being gathered now. Our police forces across the country are providing that to Statistics Canada, but they have in effect only started that roughly three years ago.

The validity of that needs a period of time, as much as 10 years, before we know for sure just what our experiences are. How many people do get out on bail and who then subsequently commit an offence? We do not know that. We will have that over the next six or seven years at a scientific level that is reliable, if I can say that, but we do not have that at this point.

A statistic that did come out, and is accurate, is the number of people that we have in custody pre-trial. These are people who have not been convicted of any offence but are in custody. This is a major problem for our provincial governments because we actually have more people in this country in pre-trial custody on any given day than we do who have been sentenced to a period of time either in our federal penitentiaries or our provincial prison system.

I was trying to find the figures earlier but I could not. We have about 9,000 people on any given day in this country who are in pre-trial custody and not convicted of any offence. We are holding them in pre-trial custody versus about 7,000 who are in our federal and provincial prisons.

That is a cause for concern because of the cost. Those costs in the pre-trial custodial system are all maintained by the provinces. Obviously there is some sharing that goes on between the federal and the provincial governments, but there is no specific money that is allocated from the federal government for that.

The best estimate we could get was that the impact of Bill C-35 would have very little impact on adding to the pre-trial incarceration in this country because the judges have already done that. That is the immediate impact.

More long term, where judges may have backed off somewhat, assuming the crime rate goes down by the use of guns, it may very well keep that pre-trial incarceration rate up higher than it would be if the judges had simply been left alone with the discretion they have had up to this point.

That is a concern that we are going to have to continue to monitor on an ongoing basis by dealing with it in either one of two ways: looking at ways of perhaps amending this legislation at some point in the future or looking at ways that we can have more funds flow to the provinces to assist them in the cost of that pre-trial incarceration.

Those are concerns that we will have to continue to monitor. Any government, whether it is this one or some subsequent government, will have to monitor those costs on an ongoing basis.

I want to go back to the bill itself with regard to why we would proceed with it. Last week we had Bill C-10 before us on mandatory

minimums which went through the House. I spoke at that time about the importance of us focusing on the use of the criminal justice system on specific areas when we have a specific problem, a significant problem, even a crisis level problem in those areas.

That is what we are doing here in Bill C-35. Our judiciary, to a significant degree if maybe not completely, has already addressed this problem.

● (1815)

What we are doing with Bill C-35 is simply confirming that it is a problem in this country. This legislature is sending a message to those street gangs, to the youth of this country who are inclined to carry guns and use them in crimes, that they are not going to get bail, that they are going to be held in custody and, if subsequently committed, that they are going to be faced with quite severe penalties.

That message is the message that we need to send in a very targeted and very focused way. I believe the combination of Bill C-10 and Bill C-35 goes some distance in doing that.

I would make this final point. One of the witnesses we heard from is a well known professor of criminology and sociology, a highly respected expert. If not the expert in the country, he certainly has no individuals in the country who would be superior to him. He may have a few peers, but there is no one superior.

He made a point in opposition to this legislation. He said that one of the problems with this legislation is that we are creating an expectation that this bill will not meet, because it is already happening. He said that we are creating an expectation that this is going to significantly drive down the crime rate with regard to the use of weapons, illegal guns in particular. He said that it is not going to happen and he is right.

It is not going to happen. It may have a small impact, and he was prepared, I think, to concede that, but as for a major impact, we will hear from some of the government members in particular that it is going to have that major impact, and it is not.

If we are going to drive down the crime rate, especially crime involving guns and serious violent crime, it means more enforcement by our police officers. We saw that again in Toronto, where Chief Blair was very successful in shutting down several of the street gangs by using existing law and existing methodology, before Bill C-10 and before Bill C-35. But he needs more resources, as do a number of our other chiefs across the country.

The other point that we have to be looking at is programming that will prevent individuals, youth in particular, from getting involved in the street gangs, so that they never get to that point where they have to make the decision on whether to take a gun into their possession. Unless we move more dramatically on those prevention programs, we will not see a dramatic reduction in gun crimes in this country.

This is part of the agenda that the government and this legislature have to face on an ongoing basis. I say this repeatedly, and I know it is almost becoming a cliché now, but one violent crime in this country is one too many. The target for us as a legislature is to say that we will do whatever we can to prevent every single violent crime in this country.

Are we ever going to achieve that? I am not naive enough to think we will achieve that ideal society, but I do know, from looking at experiences around the globe, that we can do much more than we are doing now in preventing crime. That is really what the agenda should be for this legislature when we are dealing with the criminal justice system over the next decade.

● (1820)

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I have a few questions for the hon. member. I know that as we all do he clearly has similar concerns about just what we can be doing to reduce crime in our cities and to improve the overall safety of our country. I think all of us have that same issue at heart, and the question is, what is the answer?

For some of the issues around Bill C-35 and reverse onus, in some cases those things are already happening, but it does send the message that we want to send to the judiciary. My concern is about our large urban centres like Toronto, which I represent, and the unfortunate and continuing gun violence in my riding.

I have two questions. First, what are his thoughts when it comes to the whole issue around handguns in our cities? This is something that the community safety minister in Ontario and the attorney general have talked about. They have talked specifically about a ban on handguns in major cities. They also told me that two weeks ago the police raided an apartment looking for someone and found 260 legal registered handguns and 1,000 pounds of ammunition.

Bill C-35 is not going to be big in helping us in those avenues, so what other suggestions does the member have? Does he think we should be going in that direction as a next step when it comes to the handgun issue?

Mr. Joe Comartin: Mr. Speaker, the Liberal Party raised the issue of a ban on handguns as a policy that it would have implemented had the Liberals returned to power. That was one of the promises they made in the last election.

For the NDP, I have done a fair amount of background work with respect to this issue. I remember talking to the chief of police in Windsor who asked me how we were going to ban guns and then referred to the immediate adjacent communities around Windsor. If guns are banned in Windsor, they are going to be found in the adjoining municipalities of Tecumseh and LaSalle. That is one of the problems.

I can say for the member that as a result of the Dawson shooting last year, some members of city council in Montreal are looking at bringing forward a bylaw to ban handguns in metropolitan Montreal. I will be watching that. I would encourage other members to watch as well to see whether or not that comes forward, whether it passes successfully, and then what the experience is with it.

I do want to say with regard to the ban proposed by the Liberal Party in the last election campaign, and I know we would hear this from the Conservatives as well, that it was modelled after what happened in Australia. What Australia did is what I believe the Liberals were proposing to do. People in Australia who had handguns for collection purposes or for recreational purposes were exempted. The situation my colleague described earlier of 200-plus guns and 1,000 rounds of ammunition would have been exempted,

Routine Proceedings

because those were all registered legally as the individual was either collecting them or using them for recreational purposes. When Australia did that, it had no ascertainable impact at all on gun crime rates in that country.

If we are going to ban handguns, it will have to be a complete ban. It is hard to imagine recreational shooters and collectors willingly accepting that. I think what we will be looking at, and I am hoping this is what we will see in the experiment in Montreal, is that a different form of storage of the weapons will be required where an individual has them legally because he or she is a collector or uses them for recreational purposes.

I need to make one more point. If we are going to do that, we have to recognize the reality of what we are dealing with. We know that more than half of the handguns and repeating illegal weapons used in crimes in this country are smuggled in from the United States, so a ban on handguns will have no impact on those. It will have some impact on the guns that are stolen from retail outlets and from individual collectors and owners and are then subsequently sold on the street and used in crimes.

The issue of the handguns that are smuggled in is a whole other problem that we need to deal with, but I know I have run out of time, so I cannot tell the House what we should be doing in that regard.

● (1825)

The Deputy Speaker: The hon. member did have another minute or so, but I think we will call it 6:30 because we really do not have time for another exchange.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

INTERNATIONAL TRADE

The House resumed from May 31 consideration of the motion.

The Deputy Speaker: The House will now proceed to the taking of the deferred recorded division on the motion to concur in the ninth report of the Standing Committee on International Trade in the name of the member for Sherbrooke. Call in the members.

● (1855)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 194)

YEAS

Members

Alghabra
Atamanenko
Bagnell
Barnes
Bell (Vancouver Island North)
Bellavance
Bevington
Black
Bonin
Boshcoff

Asselin
Bachand
Barbot
Bélanger
Bell (North Vancouver)
Bennett
Bigras
Blais
Bonsant
Bouchard

Adjournment Proceedings

Bourgeois	Brison	Hanger	Harris
Brunelle	Byrne	Harvey	Hawn
Carrier	Chan	Hearn	Hiebert
Charlton	Chow	Hill	Hinton
Christopherson	Coderre	Jaffer	Jean
Comartin	Crête	Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Crowder	Cullen (Etobicoke North)	Khan	Komarnicki
Cuzner	D'Amours	Kramp (Prince Edward—Hastings)	Lake
Davies	DeBellefeuille	Lauzon	Lukiwski
Demers	Deschamps	Lunn	Lunney
Dewar	Dhaliwal	MacKenzie	Manning
Duceppe	Easter	Mayes	Merrifield
Eyking	Faille	Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Freeman	Fry	Nicholson	Norlock
Gagnon	Gaudet	O'Connor	Obhrai
Godin	Goodale	Oda	Pallister
Gravel	Guay	Paradis	Petit
Guimond	Holland	Poilievre	Prentice
Ignatieff	Julian	Preston	Rajotte
Kadis	Karetak-Lindell	Reid	Richardson
Karygiannis	Kotto	Ritz	Schellenberger
Laforest	Laframboise	ShIPLEY	Skelton
Lalonde	Lavallée	Smith	Solberg
Layton	Lee	Sorenson	Stanton
Lemay	Lessard	Storseth	Strahl
Lévesque	MacAulay	Sweet	Thompson (New Brunswick Southwest)
Malo	Maloney	Thompson (Wild Rose)	Tilson
Marleau	Marston	Toews	Trost
Martin (Esquimalt—Juan de Fuca)	Martin (Sault Ste. Marie)	Tweed	Van Kesteren
Masse	Mathysen	Van Loan	Vellacott
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Nash	Owen		
Pacetti	Paquette		
Patry	Pearson		
Picard	Plamondon		
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Redman	Regan		
Robillard	Rota		
Roy	Savage		
Savoie	Scarpaleggia		
Scott	Sgro		
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St-Hilaire	St. Amand		
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Stoffer	Telegdi		
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Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinooge
Calkins	Carrie
Casey	Casson
Chong	Cummins
Davidson	Day
Del Mastro	Devolin
Doyle	Dykstra
Emerson	Epp
Fast	Fitzpatrick
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Galipeau	Gallant
Goldring	Goodyear
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Cannon (Pontiac)	Cardin
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The Deputy Speaker: I declare the motion carried.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

GASOLINE PRICES

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege to rise to speak to an issue to which many Canadians want answers, and that is a review of the pricing of gasoline in the country.

We have seen a series of different pilfering with absolutely no accountability on this issue. The New Democrats have been calling for a public inquiry about this issue and also for accountability for consumers.

It is important to not this. Even as the price of gasoline has been rising, statistics show that we have not had a lesser use of oil and gasoline products in the country. Until we get a reduction through principles and a program that Canadians will have for the environment, they do not need to be bled dry by the oil and gas companies, which have record profits.

Adjournment Proceedings

It is interesting, the House passed a motion, calling on the government to amend the Competition Act, which is very important to provide the right tools to do the job. The act has not been reviewed comprehensively since 1969. When I asked a question of the minister of that time, I noted that date was the time of the Woodstock festival. This was a comment from the minister's briefing book, which I obtained from the Freedom of Information Act. The act was built upon that era in time and had not really been reviewed.

It is important to note that the motion called for a petroleum monitoring agency, something for which the New Democrats asked. We voted on that motion in the House of Commons and it passed.

Interestingly enough, since the time the motion passed, the government has done nothing. The Prime Minister, when in opposition, attacked the member for LaSalle—Émard for not respecting a motion passed by the House, calling for an inquiry into the Air-India tragedy. He said:

Will the Prime Minister respect this vote and immediately call a public inquiry into the Air-India tragedy?

Back in 2005, the now Prime Minister said this to the *National Post* on May 11:

This is a corrupt party which is in the process of ruining the country's finances and which is now ignoring the democratically expressed will of the House of Commons. This government does not have the moral authority to govern this country.

He followed that two days later with this comment to *Canada AM*, "It would seem to me the obvious thing and, frankly, the government's lost three votes now in a row. And the fact that they won't listen to the will of the House of Commons I think is fairly disturbing from a democratic standpoint".

In the past the Prime Minister has called for the House, the chamber, when it votes its conscience, to live up to that.

In the past, New Democrats have had motions passed, whether it be child poverty, our firefighters or seniors. Votes for a whole series of groups and organizations have been passed and the government has done nothing.

Why is the current Prime Minister not living up to his own words when he expected actions on votes in the House of Commons? Why are we not getting that action now, especially when consumers across the country are continuing to be fleeced by the oil and gas companies? He simply cannot stand by and do nothing.

•(1900)

[*Translation*]

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Natural Resources, CPC): Mr. Speaker, I fully understand the concerns of my colleague and Canadians concerning the impact of rising gas prices. The rising price of gas and other basic commodities has a negative impact on the cost of living for everyone.

Canada's energy policy is based on an open market in which businesses are free to make business decisions within a regulatory framework designed to protect the current and future interests of all Canadians. We still support the theory that prices established in a free and competitive market are the best way to guide producers in their investment decisions, as well as consumers in terms of the type of energy they use and how they use it. This is how we ensure adequate supply at the most competitive possible prices.

As long as we are not facing a national emergency, the Canadian Constitution does not allow the Government of Canada to regulate energy prices. That is a provincial jurisdiction. At present, Prince Edward Island, Newfoundland, Quebec, Nova Scotia and New Brunswick have decided to regulate gas prices. Experience has shown, however, that although regulation may stabilize prices and make them less volatile, it does not necessarily lower prices.

The Competition Bureau has the authority and the responsibility to investigate any anti-competitive practice and, if necessary, to take legal action. The Competition Bureau has conducted several major investigations of collusion in the oil industry. Each time, the investigations revealed that it was impossible to prove that regular increases in the price of gas were due to a conspiracy to reduce competition in the supply of gas. On the contrary, the bureau always found that market forces such as supply and demand, as well as the increase in the price of crude oil, were the leading causes of price hikes.

The increase in the price of oil products is the direct result of the balance between supply and demand. Most refineries throughout the world are operating at almost full capacity and Canadian and American refineries have attained their sustainable level of maximum production. Demand for oil products continues to climb and the inability of refineries to maintain production rates will increase pressure on the price of oil products.

Although refineries continue to make massive investments, most of them have been made to ensure compliance with environmental regulations, leaving little room for investments to increase capacity. In the past five years, Canadian refineries have spent over \$4.5 billion on upgrading their facilities in order to meet desulfuration regulations.

Until just recently, refiners' margins did not generate enough profit, even with the new increases in capacity. The steady rise in refining margins in recent months has encouraged refiners to continue investing in increasing capacity. Shell Canada, Irving Oil and Newfoundland and Labrador Refining Corporation recently presented proposals to build new refineries in Canada, and other oil companies are also looking at increasing their capacity, but it will be several years before the effects of these investments are felt.

When the balance between supply and demand is as precarious as it is right now, the markets react more quickly, even to the slightest changes in supply, and inventory levels become the warning signs of potential shortages.

Adjournment Proceedings

While Canadian inventory levels determine the adequacy of supply in Canadian markets, it is U.S. inventory levels that drive prices across all of North America. For the last 12 weeks, U.S. gasoline stocks have been falling. Unanticipated refinery problems in the United States and other countries have reduced the supply of gasoline. In addition, U.S. gasoline supplies have been reduced by lower levels of imports from Europe. In April 2007, U.S. gasoline stocks reached their lowest level since September 2005, following hurricane Katrina. U.S. gasoline supplies are well below the five-year historical range for this time of year. Traditionally, gasoline inventories—

• (1905)

The Deputy Speaker: The hon. member for Windsor West.

[*English*]

Mr. Brian Masse: Mr. Speaker, what is important to note is we are talking as much about a specific issue, being the profit margin of oil and gas companies, which have received record profits over the last number of years, as we are about the Prime Minister once again saying one thing and doing another. He criticized the member for LaSalle—Émard, when he was the former prime minister, for not living up to democratically held votes in the House of Commons.

How does the parliamentary secretary personally feel about that? Does he view that votes in the House should be upheld by the majority? Should we follow through on them? They are simple motions that we pass, calling for accountability with respect to the oil and gas industry. It was not radical. It has been called for by consumer groups. Canadians have asked for independent investigations and for the Competition Bureau to have the ability to investigate properly with a modernized law, something that can be done fairly for the oil and gas companies and for Canadian consumers. Canadians deserve this.

Therefore, once again, how does the parliamentary secretary feel about votes?

[*Translation*]

Mr. Jacques Gourde: Mr. Speaker, Canada's new government is committed to helping Canadians reduce their gas consumption so that they can save money and protect the environment. We believe that we can make real progress on environmental issues without endangering economic growth or unfairly increasing the burden on thousands of Canadian families, which an excessive increase in the price of gas would do.

The three opposition parties have proposed unrealistic emissions targets that would have devastating consequences on Canada's economy. Economic analyses supported by leading independent economists show that implementing the nonsensical measures in Bill C-288 would lead to a dramatic increase in the price of gas—as much as 60%. Canadians could have to pay \$1.60 to \$2.00 per litre of gas. The measures proposed by the opposition parties would combine with factors that already contribute to the rising price of gas.

The government has made available online a wide range of practical tips on buying, driving and maintaining cars, tips that can help Canadians save money and gas while reducing greenhouse gases. For example: obey the speed limit, because driving at 100 km/h rather than 120 km/h—

The Deputy Speaker: The hon. member for Cape Breton—Canso.

[*English*]

EQUALIZATION

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, it is certainly a pleasure to raise again this question that I raised earlier with regard to the accord, especially on such an important day as today when we are discussing the budget and the shortcomings in the budget.

Of the many shortcomings, I think of the way that the government turned its back on and withdrew from the Atlantic accord. Because of the impact that has had on the people of Newfoundland and Labrador and the people of Nova Scotia, I think it is appropriate that I am able to address this in adjournment proceedings this evening.

I recall the day, February 14, 2005, when my colleagues joined with the provincial government and then Premier John Hamm and we signed that momentous accord that some Nova Scotians refer to as the single greatest day for the people of Nova Scotia since the discovery of oil and gas off our coast.

I know that when the parliamentary secretary gets up to answer my question she is going to say in her reply that everything is being abided by and the commitment to the people of Nova Scotia is not being challenged. That is not in fact the truth. That is totally false.

Let us listen to some of our foremost and respected economists, not just in Atlantic Canada but in this country, including Wade Locke from Memorial University, who states that \$11 billion will be lost to the province of Newfoundland and Labrador, and Mr. Paul Hobson, a respected economist from Acadia University, who states that \$1 billion will be lost by the province of Nova Scotia.

Right across the Atlantic provinces, this is not going unnoticed. Peter O'Brien, a former Atlantic vice-president of the Canadian Federation of Independent Business, and certainly no big friend of the Liberal Party of Canada, outright condemns the new formula that was put forward in the government's last budget.

He said not long ago through an op-ed that when the changes were made he was willing to accept the word of the federal finance minister and Nova Scotia's regional minister, but now he states, "Now, faced with the indisputable analysis from two respected economists, it is obvious that" what has come from this government is "spin". He said that the government "did not tell us that the budget established a cap on the combined equalization transfers and revenue from the Atlantic accord, which would penalize" these two provinces.

What we have seen from the government throughout this whole play is a bad imitation of Howie Mandel on *Deal or No Deal*. We have heard the regional minister, the member for Central Nova, say that if the people of Nova Scotia do not want this deal, okay, and the government will see them in court if they do not think they are getting a fair deal.

Adjournment Proceedings

This is something that the people of Nova Scotia and the people of Newfoundland and Labrador already had. This is something that they fought for and received. This is not something additional.

That is why I ask the government to stand by the agreement that was signed between the province of Nova Scotia and the federal government and to deliver to the people of Nova Scotia what is theirs.

• (1910)

Hon. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, the member for Cape Breton—Canso doubts that we have honoured our commitment to Nova Scotia's offshore accord and the treatment of natural resources in the equalization formula. As he said, he has put that position forward before.

There is some discussion surrounding the accord, the member is aware of that, between the federal government and the government of Nova Scotia. It is important to remember, and sometimes this gets lost in the shuffle, that budget 2007 provides important benefits to the people of Nova Scotia as part of our commitment to fair and equitable financial support for provincial and territorial health care delivery, post-secondary education, child care, social programs and infrastructure.

In specific terms, our budget will allow the government of Nova Scotia to continue to enjoy the benefits of its 2005 offshore accords, in recognition of the province's economic and fiscal circumstances.

This will provide the province with offset payments that are equivalent to the reductions in equalization that would normally arise from its increased fiscal capacity from offshore revenues. These are available only to Nova Scotia and Newfoundland and Labrador.

Indeed, budget 2007 honours Canada's new government's commitment to respect the offshore accords by allowing Nova Scotia to operate under the existing equalization formula for the life of the accords, and the member knows that, and there is no cap in that formula.

Nothing in budget 2007 changes these facts. The benefits from the existing Atlantic accords and the equalization system will continue to flow to Nova Scotia.

Nova Scotia can operate under the existing equalization system or it can choose to opt into the new system based on the O'Brien report, if and when the province determines this as being advantageous. By having this additional choice, Nova Scotia potentially stands to receive even higher benefits than under the existing system, while retaining its right to offset payments under the accords.

If Nova Scotia's government chooses the new equalization system, however, we believe that it is fair that the whole package would apply, including the fiscal capacity cap that is an integral part of the new equalization system. It would not be fair to other provinces if only Nova Scotia were allowed to choose those parts of the new equalization program that benefit the province. The equalization program should be a national, principles based program.

Finally, Nova Scotia has been given additional flexibility beyond what was set out in budget 2007. Budget legislation introduced in Parliament will allow Nova Scotia to benefit from the O'Brien report

for 2007-08 and provide more time to assess whether it wants to permanently opt into the new equalization formula.

This option has given Nova Scotia an additional \$95 million, for total benefits of \$1.5 billion in 2007-08. Under this arrangement Nova Scotia will receive its fully offset payments under the offshore accords.

The facts show that this government is keeping its word. The offshore accords are being respected. We are delivering on our commitments to the people of Nova Scotia.

If the member does not believe me, maybe he should read today's Halifax *Daily News*, which states:

But here in Nova Scotia, we really have nothing to complain about...And even under the new formula, we still get 50 per cent of resource revenue, plus the richer equalization stipend. Folks, there is really nothing about this not to like—

The Deputy Speaker: The hon. member for Cape Breton—Canso.

• (1915)

Mr. Rodger Cuzner: Mr. Speaker, I guess that is sort of what happens when the answer is prepared prior to hearing the question and some of the facts that are delivered throughout the question.

I remember the date, November 4, probably because I have had 51 trips around the sun and I celebrate a birthday on November 4. However, there was another significant November 4 and that was in 2004. The current Prime Minister, who was then the leader of the opposition, stood here and articulated the fact that under the old system, before we had managed to fix that system, the provinces of Newfoundland and Labrador and Nova Scotia would be severely penalized under the old system. That was ratified through the accords, signed on, and that is why these accords should be honoured.

This member should know that her own caucus is in the midst of a conflict of conscience. They know that this is going to hurt the people of Nova Scotia. We have seen that the member for Cumberland—Colchester—Musquodoboit Valley is torn by this. He is looking at voting against the budget. This is devastating. Do the right thing and honour the accord.

Hon. Diane Ablonczy: Mr. Speaker, we committed to respect the offshore accords. We did so in budget 2007. Budget 2007 proposes that Nova Scotia be allowed to stay on the status quo formula for the life of the accords.

The status quo formula is what existed in legislation when the 2000 accords were signed. The member knows this. That status quo formula continues to exist in legislation and will be an integral part of the new approach to equalization. There is no cap in the status quo.

This means an additional \$95 million for Nova Scotia, for total benefits of \$1.5 billion in 2007-08. Nova Scotia's growing prosperity is something to celebrate. When Nova Scotia succeeds, all of Canada benefits.

Adjournment Proceedings

WAGE EARNER PROTECTION PROGRAM ACT

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am deeply concerned and alarmed by the inaction on Bill C-55, the wage earner protection program. The bill, which was adopted in the 38th Parliament, has yet to be proclaimed by the government.

The bill is so crucial to so many who have lost their jobs. Bill C-55, or what should be known as chapter 47 on the status of Canada, puts the needs of individual workers ahead of corporations and creditors.

The essence of Bill C-55 is that working people deserve respect and justice. When a company is bankrupt, under the current system, the company and the trustees are under no obligation to ensure that salaries and pensions for their workers are the primary priority for payment. Bill C-55 would remedy this, ensuring that workers would not be left out in the cold.

Due to the inaction of the Conservative government, Canadian manufacturing jobs are being lost at an ever increasing rate. The Conservative government refuses to take any action to protect these jobs in the textile, automotive, forestry, fisheries and other sectors. The least it can do is to ensure that when these companies declare bankruptcy, their workers are protected.

The government has a duty to act. For all the noise the Conservative Party likes to make about leadership, it does not seem to understand that leaders lead through action. The Conservatives claim to support the bill, but if they do, why will they not do the right thing, move the appropriate motions and make the bill law?

Its actions lead me to the sad realization that rather than leading our country, the Conservative Party is simply unwilling to do what is needed to benefit Canadian people. It has made it abundantly clear that if it does not produce headlines, it is not a priority for the Conservatives.

Anyone can climb on a soapbox and proclaim to care about Canadians, but a real leader takes action. A real leader looks at ways to make Parliament work, not to obstruct it and its committees. Real leadership inspires the country, it does not produce inaccurate and unfounded attack ads that mislead and misrepresent. Real leadership is about standing up for what is right and just for all Canadians, not just for the wealthy few.

Real leaders roll up their sleeves and work on the real details on issues like Bill C-55. This is because they make such a difference in the lives of people and Canadians.

Canadians do not need million dollar campaign ads that speak of leadership, but deliver nothing of substance from those who paid for them. If the Conservatives want to show Canadians any leadership, then they are going to have to actually get up and lead. Bill C-55 is an excellent and long overdue opportunity to do just that.

When will the government show the slightest glimmer of leadership and follow the Liberal example on Bill C-55? Let us make this bill law now. It is the right thing to do.

• (1920)

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, as hon. members are no doubt aware, Bill C-55, the Wage Earner

Protection Program Act, was proposed and passed into law with the unanimous support of all political parties in both Houses during the previous Parliament.

Bill C-55 then became chapter 47 of the *Statutes of Canada*. This legislation was passed by the previous Parliament very quickly and it was well understood at the time that technical amendments would be needed to ensure that the legislation would operate as it was intended to do. The previous government gave an undertaking to the Senate not to bring the legislation into force until the Senate had been given the opportunity to review it in depth.

Canada's new government has tried to move forward quickly with the amendments to chapter 47. The Minister of Labour and the Minister of Industry have developed an amending bill. The Minister of Labour introduced a notice of ways and means motion on December 8, 2006, and the government then worked with opposition parties to ensure that there was support to pass this legislation through the House quickly so that it could be referred to the other chamber for indepth review.

The Bloc Québécois has now changed its mind and has refused to give its support. Without the unanimous support of all opposition parties, workers across Canada and in Quebec are being denied the protection that would be provided under this legislation.

There is no need for this delay. The amending bill is consistent with the will of the House of Commons in the last Parliament. It is time to let the other chamber do its work and then move forward with bringing chapter 47 into force.

The wage earner protection program has strong support from parliamentarians, labour unions, employers, as well as the insolvency community, and for good reason. Every year, 10,000 to 20,000 workers are left with unpaid wage claims due to employer bankruptcies at a time when they need their wages the most.

Let me take this opportunity again to encourage the Bloc Québécois to join the rest of the parties in the House of Commons and support this important legislation so that it can be passed as quickly as possible. Canadian workers and their families are counting on this legislation. The longer we delay these amendments, the longer they will have to wait for this program.

Mr. Mario Silva: Mr. Speaker, a large majority of the members of this House support the proclamation of this law. A large majority of members of this House are hoping to make Canada a more just society by protecting workers.

Let us be clear about what is happening here. The Conservatives have both the power and the obligation to proclaim this bill and yet one and a half years later nothing has happened. Either the Conservatives do not want this bill to be law or they do not care enough about this bill to put in the necessary effort to make it law.

Today I am offering, not for the first time, to do whatever it takes to see this bill proclaimed into law and whatever it takes to protect these workers.

Adjournment Proceedings

Will the minister commit today to set up a real timetable for the proclamation of this bill? We can factor in all the obstacles and work together to fix any imperfections. We can prove to Canadians that, like us on this side of the House, the Conservatives in Parliament are willing to do the work for the benefit of people in Canada. Will the minister commit to this today?

● (1925)

Mrs. Lynne Yelich: Mr. Speaker, I will repeat again what I stated earlier. Before chapter 47 can come into force, some technical amendments needed to be made to ensure the legislation operates as it was intended to do.

We have taken action. A notice of motion was introduced in this House with a draft copy of the amendments attached. These technical changes simply reflect the will of the House of Commons in the last Parliament and all the opposition parties should agree to fast-track the amending bill and send it directly to the Senate.

The member opposite is talking about the Conservatives holding it up. Perhaps he should talk to his friends in the Bloc because when the Bloc gives its support we will act quickly to table the amending bill. The questions really need to be directed to the member for Laurier—Sainte-Marie and his caucus who continue to press this House for action on this issue but cannot seem to take yes for an answer.

We are ready for it but the Bloc Québécois is slowing down the progress for workers and their families. I would like the member to take that message back to his fellow counterparts in—

The Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:26 p.m.)

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