



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, June 12, 2007**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, June 12, 2007

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1005)  
[English]

### WAYS AND MEANS

#### NOTICE OF MOTION

**Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, pursuant to Standing Order 83(1), I have the honour to table a notice of ways and means motion 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.

I ask that an order of the day be designated for consideration of the motion.

\* \* \*

[Translation]

### CERTIFICATES OF NOMINATION

#### PUBLIC SECTOR INTEGRITY COMMISSIONER

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, I have the honour to table in both official languages the certificate of nomination and biographical notes of Christiane Ouimet, whom the government is proposing to appoint as the Public Sector Integrity Commissioner. Pursuant to Standing Order 111.1(1), this matter is to be referred to the Standing Committee on Government Operations and Estimates.

[English]

#### CONFLICT OF INTEREST AND ETHICS COMMISSIONER

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, I have the honour to table in both official languages a certificate of nomination and biographical notes for Mary Elizabeth Dawson, who the government is proposing to be named as Conflict of Interest and Ethics Commissioner.

Pursuant to Standing Order 111.1(1) this matter is to be referred to the Standing Committee on Access to Information, Privacy and Ethics.

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### 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 six petitions.

\* \* \*

### CRIMINAL CODE

**Mr. Mark Holland (Ajax—Pickering, Lib.)** moved for leave to introduce Bill C-455, An Act to amend the Criminal Code (duty to provide assistance).

He said: Mr. Speaker, in April of this year a young man, Nick Brown, was brutally attacked and left to bleed to death in a Toronto subway. Apparently, there were witnesses but no one offered assistance or called 911.

One of my constituents, Debra Clinton, was so upset at this young man's death that she contacted me to ask if Canada had a law requiring bystanders to offer assistance in life and death situations. To our surprise, we learned that no such law existed in Canada and only existed in the province of Quebec, as well as a number of European countries.

The bill I am introducing today addresses this gap in our laws and also responds to recommendations made in the 1985 Law Reform Commission of Canada report. It seeks to amend the Criminal Code to make it an offence not to take reasonable steps to assist someone who is in imminent and overwhelming danger without a lawful excuse. I urge all members to support this bill.

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

\* \* \*

### FOOD AND DRUGS ACT

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP)** moved for leave to introduce Bill C-456, An Act to amend the Food and Drugs Act (mandatory labelling for genetically modified foods).

He said: Mr. Speaker, I am reintroducing this bill from the 38th Parliament. It is an act to amend the Food and Drugs Act with respect to mandatory labelling for genetically modified foods.

*Routine Proceedings*

[Translation]

This bill will ensure mandatory labelling of genetically modified foods. Canadian consumers have the right to know what they are eating.

[English]

Polls have shown that over 80% of consumers want to know what they are eating.

As predicted, the voluntary labelling standard introduced in 2004 has not resulted in any labels on genetically modified foods. There are many reasons why Canadians want to know if they are eating genetically modified foods. It is a matter of choice. For that reason, I am introducing the bill today.

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

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**INCOME TAX ACT**

**Mr. Brian Pallister (Portage—Lisgar, CPC)** moved for leave to introduce Bill C-457, An Act to amend the Income Tax Act (interest rates on debts owed) and to make a consequential amendment to the Income Tax Regulations.

He said: Mr. Speaker, for the last 12 years Revenue Canada has credited the interest on refunds owing to Canadians at a rate lower than the rate it has charged those same Canadians when they owed Revenue Canada. This bill proposes to make the rate the same for Canadians who are owed money and those who owe it, so that we equalize the treatment of Canadians under the Income Tax Act. I would urge members of the House of Commons to support that concept and this bill.

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

\* \* \*

**CERTIFICATES OF NOMINATION**

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, on a point of order, the government House leader a few moments ago gave notice to the House of two proposed appointments of officers. I wonder if the government House leader could give us the assurance that the committees to which these two appointments have been referred automatically will have the full opportunity to conduct any hearings that they consider to be appropriate with respect to the two nominees.

Of course, at the end of next week when the normal adjournment of Parliament would occur, the 30 day period that is provided for this matter would run beyond that date. I would like to have the government's assurance that if the committees deem it appropriate to hold hearings with respect to these two appointments, that whether the House is sitting or not, the committees would be at liberty to pursue the matters as they saw fit.

• (1010)

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, while I am not sure this fits into the rubric of motions I am very happy to answer the opposition House leader's question. He raised this issue earlier today in a discussion with me when we discussed the nominations.

Since that time I have taken steps to try to ensure that everything is done to allow those committees to be able to do their consideration of the nominations. Right now we are exploring what can best be done to facilitate their efforts if it is the ultimate decision of the committees to crystallize those nominations as final.

\* \* \*

**PETITIONS**

## ANIMAL CRUELTY LEGISLATION

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Mr. Speaker, in addition to the 112,000 signatures already submitted to the House on this issue, I would like to present several more petitions that call upon the Conservative government to introduce effective animal cruelty legislation, like my private member's bill, Bill C-373, and to vote against the ineffective placebo Senate bill, Bill S-213.

## MARC EMERY

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Mr. Speaker, I would also like to present a petition signed by Canadians calling upon the government not to extradite Marc Emery, who is wanted by the U.S. Drug Enforcement Agency for selling cannabis seeds.

## HIV-AIDS

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Finally, Mr. Speaker, I have the privilege of presenting a petition signed by my constituents on the subject of HIV-AIDS in Africa. The petition calls upon the Government of Canada to expedite the production and export of anti-retroviral drugs in Africa.

[Translation]

## STATUS OF WOMEN

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, I am very pleased and especially proud to rise here today to present two petitions containing 1,499 signatures from 75 women's groups in Quebec. These women feel betrayed by the Conservative government and its Minister for the Status of Women.

The Prime Minister has reneged on a promise he made on January 18, 2006, when he committed to taking action to support the human rights of women. The petitioners are calling on the government to re-open the 12 offices of Status of Women Canada, to bring back the court challenges program and to restore the original criteria for the women's program.

Basically, the petitioners hope that the Prime Minister will keep his word and respond positively to their concerns.

[English]

## WORLD POLICE &amp; FIRE GAMES

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, I am pleased to table a petition signed by over 100 residents of Burnaby and other communities on the Lower Mainland of British Columbia.

*Routine Proceedings*

The petitioners point out that the federal government has failed to extend financial support to the 2009 World Police & Fire Games, which are to be held on B.C.'s Lower Mainland. This failure does not recognize the important role law enforcement officers and fire personnel play in communities, often at great risk to their lives. It does not recognize the importance of developing relationships between public safety officers around the world, nor does it recognize the positive economic impact the games will have.

The petitioners call on the government to extend generous financial support to the 2009 World Police & Fire Games and at least match the funding that has been extended to the last Canadian host city of this important event.

## INCOME TRUSTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am pleased to present this income trust broken promise petition on behalf of Mrs. Janet Tieman from my riding of Mississauga South. She recalls that when the Prime Minister was reflecting upon his apparent commitment to accountability, 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. He imposed a 31.5% punitive tax which permanently wiped out \$25 billion of hard-earned retirement savings of over two million Canadians, particularly Canadian 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 assumptions and to apologize to those who were unfairly harmed by this broken promise, and to repeal the punitive 31.5% tax on income trusts.

## CORPORATE TAKEOVERS

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I am pleased to present three petitions. The first petition is from residents in Vancouver who are very concerned about the escalating number of foreign takeovers of Canadian companies. They point out that there have been over 10,000 from 1985 to 2002.

They call on Parliament to limit foreign ownership and takeovers, promote Canadian corporations and repeal the North American Free Trade Agreement.

•(1015)

## AFFORDABLE HOUSING

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the second petition is from petitioners in Vancouver who are pointing out that subsidies to co-op housing were cut under section 95 of the program. There are more than two million Canadians in desperate need of affordable housing.

The petitioners call upon the government to repay all the lost subsidies, to provide new assistance to co-ops and to build 200,000 new affordable co-op housing units and social housing units and also to renovate 100,000 existing units.

## FEDERAL MINIMUM WAGE

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the third petition is signed by hundreds of petitioners in Red Deer and

elsewhere who have joined thousands of others across Canada in calling for a federal minimum wage that was eliminated in 1996.

The petitioners call on the government to pass Bill C-375, in the name of the member for Parkdale—High Park, to re-establish a federal minimum wage and to set it at \$10 an hour so that people can be paid a fair minimum wage and have a quality of life. Thousands of these petitions are coming in from across the country.

## ANIMAL CRUELTY LEGISLATION

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, I am honoured to present a petition to the Minister of Justice regarding animal cruelty.

The Criminal Code has not been updated significantly since 1892 with regard to animal cruelty. Recently in Windsor we had a case where an animal was abused. A.K. had his ears cut back. It was that case which prompted the petitioners to ask that the law be updated.

The petitioners are calling on Parliament to act immediately and to provide a new modern animal cruelty act to protect animals in this country.

## INCOME TRUSTS

**Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Mr. Speaker, I am proud to stand and present this income trust broken promise petition on behalf of Howard Stevenson who remembers the Prime Minister reflecting on his apparent commitment to accountability when he said, “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 \$25 billion of hard-earned retirement savings of over two million Canadians, particularly Canadian 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 assumptions, to apologize to those who were unfairly harmed by this broken promise, and to repeal the punitive 31.5% tax on income trusts.

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## QUESTIONS ON THE ORDER PAPER

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

*Government Orders***GOVERNMENT ORDERS**

[English]

**BUDGET IMPLEMENTATION ACT, 2007**

BILL C-52—TIME ALLOCATION MOTION

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC)** moved:

That in relation to Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, not more than one further sitting day shall be allotted to the third reading stage of the Bill;

and fifteen minutes before the expiry of the time provided for government business on the day designated for the consideration of the said stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and in turn every question necessary for the disposal of the said stage of the bill shall be put forthwith and successively without further debate or amendment.

**The Deputy Speaker:** Pursuant to Standing Order 67(1) there will now be a 30 minute question period.

[Translation]

I invite all hon. members who wish to ask questions to rise in their places so the Chair has some idea of the number of members who wish to participate in this question period.

● (1020)

[English]

The hon. House leader of the official opposition.

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, I have four or five questions that I would like to address to the government House leader and I will attempt to put them all together at once and, hopefully, the answers could be forthcoming.

First, Standing Order 78 contemplates consultations to achieve an agreement on time allocation among all or, failing that, a majority of the parties in the House. I would like to ask the government why the government House leader did not consult with the official opposition on this particular matter.

I would point out to the government House leader that yesterday, in a debate about Bill C-52, I specifically indicated to him and to the House that from the perspective of the official opposition, we expected Bill C-52 to be disposed of today. I made that comment before the notice was given with respect to the minister's intention under Standing Order 78.

That being the case, having given that very clear overture, I would ask the government why there was no effort to consult about this matter and why there was no attempt to reach an agreement in advance of the minister taking the action that he has today.

Second, in the flow of events around Bill C-52 the government itself only got to its 2007 budget very late in this sitting, about the middle of March, and then the government only pursued debate on Bill C-52 sporadically. At one point there was a full, unexplained three week hiatus in the debate at second reading. Why did the government deliberately delay and avoid its own budget bill at several stages during its course through Parliament before we got to the situation that we are in today? What was the government's strategy in delaying its own legislation?

Third, in the committee proceedings on Bill C-52, the government first tried to avoid any scrutiny whatsoever by avoiding all witnesses being called to the committee. The opposition insisted on basic decent hearings and extracted a commitment from the government to hear at least some witnesses in a serious and dignified manner, especially those who believed that the government had not told them the truth. I am thinking here particularly of people who had invested in income trusts and a number of the provinces which believed they had been betrayed on equalization and the Atlantic accords.

The format for these committee hearings to hear these witnesses was unilaterally changed at the last minute by the Conservative committee chair, thus breaking the all party agreement on how to dispose of Bill C-52. Why did the government violate the agreement that was in place on how to hear these committee witnesses, especially any provincial premiers and especially Premier Calvert?

Fourth, and my final question, the Prime Minister and the government have defended Bill C-52 in blanket terms. They deny, for example, that this bill affects and changes the Atlantic accords but still they admit that discussions are indeed underway to fix the problem that Bill C-52 poses for the Atlantic accords. Either there is something that needs fixing or there is not. If Bill C-52 does not negatively affect the Atlantic accords, then what is being discussed with Premier MacDonald of Nova Scotia and will the same flexibility be shown toward Premier Williams of Newfoundland and Labrador and Premier Calvert of Saskatchewan?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, Bill C-52 is, of course, the first budget implementation bill. As a new government, I am very pleased that our budget 2006 had the usual spring implementation bill and the fall implementation bill and, together with this budget, reduces taxes for Canadians by \$40 billion or so over three years. It is a very substantial tax reduction and in fact four times higher—

● (1025)

**Hon. John McCallum:** You've raised income tax.

**Hon. Jim Flaherty:** The member for Wascana wants to talk again, Mr. Speaker, but I listened to him and I am sure he will listen to me.

**An hon. member:** Why?

**Hon. Ralph Goodale:** Answer the questions.

**Hon. Jim Flaherty:** Mr. Speaker, the member wants me to answer the questions but he continues talking. I will try to answer the question. What he does not want to hear is that the budgets that we have brought in reduced taxes by more than four times what was done in the previous budgets by the Liberal Party opposite.

A tax reduction is important, which is why Bill C-52 going forward is important for Canadians.

*Government Orders*

The question was about consultations among House leaders. I understand that there was an agreement to report the bill to the Senate by June 6 but, obviously, that has gone by. There was a comment about there being an attempt to move forward today by the opposition House leader. If he wants to move forward today, that is exactly what we are proposing to do, to move forward with Bill C-52 to third reading today. I am sure the opposition House leader will support that since he says that is something he wanted to do, which is to move forward today with Bill C-52 to a vote.

In terms of the timing of Bill C-52, which has been debated here at some length, there were discussions between the House leaders about the number of speakers. I am told that the Liberal opposition kept adding more speakers after saying that they would only have so many speakers. This elongates debate, which is a good thing.

As to whether there were other bills being debated in this place, yes, important bills about democratic reform of the unelected Senate that is dominated by Liberal senators who are, as I say, unelected. We are trying to reduce their terms somewhat from a lifetime appointment to age 75 without them ever being elected.

The other legislation that is in this House, which has been opposed and delayed repeatedly by the Liberal opposition, relates to crime. I come from the greater Toronto area and crime is an important issue for us. One would think that the Liberal opposition would have been anxious to pass a bill that would have a minimum sentence for the use of a gun in a criminal offence, particularly given what we live through in urban areas of Canada, particularly the greater Toronto area. However, the Liberals were not. Those bills needed to be brought to this place for debate so we could get them passed and we could strengthen anti-crime measures in the country, which does not seem to be of interest to the members opposite.

Another question had to do with what went on in the finance committee but I would leave that to the members of the finance committee to debate.

The last point raised by the member opposite had to do with the Atlantic accords and the sort of discussions that have been taking place. It is always interesting to hear these questions from the opposition Liberals because they are led by a leader who says that there is no fiscal imbalance between governments in Canada. In fact, he goes further and says, "Fiscal imbalance is a myth". Therefore, if the Liberals were the government they would do nothing on this subject, led by the current leader of the Liberals, and yet they want to ask questions about the Atlantic accords.

If we go back and look at the history—

**The Deputy Speaker:** I am sorry but I will not permit a lengthy debate. We have other people who were trying to ask questions. We had four or five questions from the Liberals already.

We will resume with questions and comments. The member for Winnipeg North.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, my questions have to do with the use of a very blunt instrument to achieve the government's agenda when it had many other avenues available to it to ensure that the budget was passed on a reasonable basis.

Today we are faced with a government that has chosen to bring in the heavy hand of closure on democracy and debate in this place. It is a measure that we regret. We know it was used hundreds of times by the Liberals but we thought the Conservatives were different. They said that they were different. They said that they believed in an open and democratic process. They said that they would not resort to these heavy-handed tactics and yet today they did so without having used all available means at their fingertips to move the process along.

My questions are threefold.

First, why did the government miss 11 days of opportunity to advance this bill through second reading? We know that between April 17 and May 11 there were 11 days when Bill C-52 could have been called for second reading debate. The government chose not to that and put us back on a schedule so we are at this point today.

Why did the government not use every opportunity, and the will of this House, to have a thorough and reasonable debate on Bill C-52, the budget implementation bill? Does the government have something to hide? Is it afraid of the developments that we are seeing today with respect to the Atlantic accord and Saskatchewan? Did they prevent the government from having the open debate back then? Was the government afraid that it would get out in the open? If that is the case, the government really hoisted on its own petard because it just created the circumstances for a much greater outcry from across this country.

Second, why is the government now using closure when the finance committee did its job in a very expeditious way? We took only five sittings to deal with this bill in terms of all of its ramifications, to have hearings and to do clause by clause. We were very responsible in that way and yet the government still brings in closure.

Third, why did the government not take advantage of our Standing Orders for consulting around the use of closure? The government has avenues for consulting with all parties, for seeking opinions and advice. Instead, the government chose to go immediately to the last resort measure in the Standing Orders, which is to unilaterally impose this motion on Parliament.

• (1030)

**Hon. Jim Flaherty:** Mr. Speaker, I understand the concerns mentioned by the member. I also understand that 22 concurrence motions have been brought in with respect to debate on this matter.

The member talked about thorough and reasonable debate. I understand that 30 speeches in total have been given by Liberal members on Bill C-52 and 24 speeches in total by the NDP. This includes a series of members from both of the Liberal Party and the New Democratic Party who have spoken more than once to this issue, which is their right.

However, when the member raises the issue of reasonable debate, I think it is reasonable to look at the number of speeches that have been given, the number of concurrence motions that have been brought forward and the number of members who have spoken more than once with respect to Bill C-52.

*Government Orders*

With respect to consultations, I understand that the government House leader and the deputy government House leaders have had a series of discussions with their opposition counterparts with respect to the progress of the bill.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, because there are many questioners, I will just ask one question.

At report stage not one Conservative member spoke to the five government report stage motions. Only a few minutes after the debate commenced at third reading stage, a Conservative member rose to move that the question be now put. The finance minister simply said that the Liberals spoke so many times and that the Conservatives spoke so many times. The record will show that the Conservatives are not even speaking in support of the budget, not even exposing themselves to questions from hon. members about the matter.

Why is it that at the finance committee, HDR Decision had pointed out to the minister that his so-called tax leakage on the broken promise of income trusts was erroneous and that it did not include legislative tax changes that would be in effect in 2007? It means that it was a mistake in the minister's calculations and the minister should have corrected that. Not only has the minister not corrected it, but he has not even admitted that he made a mistake in his calculation of the tax leakage on that and several other points.

Why is it that the minister and the Conservative Party have failed to address the important questions that have been raised by parliamentarians?

**Hon. Jim Flaherty:** Mr. Speaker, the member opposite is correct that Bill C-52 does address a very serious inequity in the Canadian tax system, that is, it would introduce a tax on distributions from certain publicly traded income trusts and limited partnerships, effective beginning with the 2007 taxation year. I thank the members of the NDP for supporting that measure.

Unlike the member for Mississauga South and his colleagues, we believe in tax fairness. This is an issue of some corporations that were paying the normal corporate tax rate and some that were choosing to become income trusts so they would not have to pay their fair share of taxes in Canada, which simply means that unless we change the law this advantage would be taken by certain corporate entities over some other corporate entities. It means that other people would have to make up the taxes so that we would have proper funding of health care, education and other important priorities of Canadians.

There is no mystery to this. It is quite straightforward. As I say, I thank the NDP for seeing the light. I regret that the Liberal opposition, including the member for Mississauga South, has failed to see the importance of tax fairness for Canadians.

With respect to speaking to the bill, I am told that at report stage the member for Calgary—Nose Hill, who is my parliamentary assistant, spoke to the bill.

Of course, the government members have the advantage of working directly in making sure that we answer their questions and that I can answer their questions concerning the budget bill, but also, they see the absolute importance of getting this bill passed before the end of June so that the transfers, the important Canada social

transfers for important parts of provincial agendas, can be transferred to the provinces and territories. They see that clearly. Regrettably, it does not appear to have been seen by the members opposite, including the member for Mississauga South.

• (1035)

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I appreciate the opportunity to ask a number of questions. I am very concerned by the questions that have been brought forth by the opposition. Clearly there was an agreement in place at the finance committee whereby this bill would be put forth by June 6 to the Senate to be passed so that the very important transfers for the provinces could be made. They are transfers for the environment, health care and patient wait time guarantees, things that really matter to the government. They may not matter to the opposition, but they certainly matter to the government and to Canadians from coast to coast.

I am really concerned about what was mentioned by the member for Mississauga South when he said that government members have not stood on the budget. I stood here on Friday and gave a long speech on the budget. I took questions on the budget. Quite frankly, I was honoured to do so because it is a great budget for Canada.

My question is for the finance minister. Quite simply, if the budget is not passed by June 30, what will be lost? I ask him to please tell Canadians what they stand to lose by the obstructionist tactics that are being employed by the opposition in the House today. What would be lost?

**Hon. Jim Flaherty:** Mr. Speaker, I thank the member for Peterborough not only for the good question, which actually gets at the factual issues here in the House and the factual consequences, but also for his speech on this bill last Friday and for his hard work in the House of Commons finance committee on many issues, including Bill C-52.

What happens if this budget bill does not pass? When we talk about the environment, this will not happen: \$1.5 billion to support provincial and territorial governments to reduce greenhouse gas emissions and air pollutants. In health, this will not happen: \$612 million to support provinces and territories to put in place a patient wait times guarantee, which is vitally important to all of us across Canada.

In terms of training and post-secondary education, there is to be \$570 million for Ontario for post-secondary education and training, which is very important to the people of my home province of Ontario. In terms of the territories, there is to be \$54 million for the Northwest Territories to cover payments related to the previous formula arrangements. It very important to the territorial governments that they gets the funds to which they are entitled so they can carry on with day to day government in Canada's north.

In British Columbia, and these are important environmental initiatives, there is to be \$30 million to promote environmentally sustainable practices in the spirit bear rainforest and Queen Charlotte Islands areas, which are beautiful areas of British Columbia.

Again on training, there is to be \$21 million for Manitoba and \$18 million for Saskatchewan for labour market training.



*Government Orders*

As I say, all of these things will not happen unless we pass Bill C-52.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I want to begin by saying that what began as a tendency of the government and then turned into a trend has now turned into a measure of desperation as it has complete and utter disregard for the Standing Orders in the House in terms of how it is bringing business forward.

I would like to follow up on what was said by the member for Winnipeg North, who pointed out that the Standing Orders are being used in a way that is not intended. Standing Order 78(1) makes it clear that a minister of the crown can seek agreement from all parties for time allocation. That was not done. Standing Order 78(2) makes it clear that the government can seek a majority of representatives for time allocation. That was not done.

Today the government now is asking for time allocation, without any consultation, but Standing Order 78(3) makes it very clear that this is to be done on the basis that an agreement could not be reached. I have to point out to you, Mr. Speaker, and to other members, that no agreement was sought.

Here we have another example of the government ignoring and disregarding our Standing Orders, even in how it uses this procedure. I find that very objectionable. I think the government should be accountable for that. The government should respond to that and tell this House why it is disregarding the Standing Orders in terms of how it brought forward this time allocation.

Second, why is time allocation required for Bill C-52 in the first place? As we have heard time and time again, this House has a calendar to sit until June 21. We have heard that the finance committee dealt with the bill in good order, heard witnesses and brought the bill back to the House. It was the government itself that either was incompetent or deliberately did not wish to bring this bill forward at second reading. There is a clear indication that there were 11 sitting days when the government could have brought this bill forward if it is as urgent as the government claims.

I bring this to the government's attention again because here we are now, the Conservatives are desperate, and they are using time allocation. They are not consulting with the parties as they should under the Standing Orders. They now are trying to rush this through when nobody in this place has held up Bill C-52.

We are asking only for reasonable and timely debate. One day at report stage cannot be characterized as stalling. I would ask those questions of the government.

● (1040)

**Hon. Jim Flaherty:** Mr. Speaker, while I thank the member for her questions, she raises the point of reasonable and timely debate. She is a member of the New Democratic Party. There are 29 members of that party in this place. I understand that a total of 24 speeches were given by that party on this bill. One would think that tends toward a fulsome debate on a particular bill.

With respect to moving the bill forward and consultations and agreements, as I mentioned earlier, there was an agreement between the government and the Liberal Party, the official opposition, to move Bill C-52 to the Senate by June 6. That agreement was broken

by the Liberal opposition. That is one of the reasons, of course, why we have to move forward.

The government kept asking the other parties in this place how many speeches would be given. Some of the other parties kept adding speakers, so we have come to a place where, as a responsible government, what does one do? We have these very substantial large transfers from the federal government to our government partners in Canada in the provinces and the territories. We need to get them out. The Liberal opposition apparently does not feel any urgency to work with our partners in Confederation for this to happen. In fact, the Liberal opposition broke its agreement to move this bill to the Senate by June 6.

For all of these reasons it is our duty as a government to move forward and make sure that the country works well as a federation in the fiscal sense, that is, that transfers happen for these important areas of government activity, for the people of Canada and of course for those relying on transfers relating to the environment, the Canada social transfer and the other important transfers.

**Hon. Robert Thibault (West Nova, Lib.):** Mr. Speaker, we know a couple of facts. We know that yesterday the Prime Minister said that there would be no side deals negotiated. We know that the Minister of Finance said in the *Chronicle-Herald* that there would be no deals negotiated.

The government knows that it will get its budget vote this week. It knows there is no urgency. But there is one fact that changes, because we know the Prime Minister said there would be no negotiations but we now understand that there are negotiations. Such is the nature of the Prime Minister and the flip-flops.

Today we have the premier of Nova Scotia in Ottawa. Could it be that this is a ploy to force the premier of Nova Scotia to take a lesser deal quickly in the negotiations that are ongoing as we speak?

● (1045)

**Hon. Jim Flaherty:** No, Mr. Speaker.

**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 want to speak for a few moments about the allegations we have been hearing this morning as to the fact that there has not been ample time given for debate on Bill C-52. I want to underscore a point first made by my colleague, the hon. Minister of Finance, when he pointed out quite correctly that in this House on 22 occasions there have been concurrence motions brought forward by members of the opposition parties.

If we take a look at what concurrence motions actually do, we will see that they allow three hours of debate on that particular concurrence motion but that they in effect prevent three hours of debate, per concurrence motion, for government legislation. In effect, then, 66 hours that could have been used to debate important pieces of government legislation were absolutely boycotted by members of the opposition, because they felt they wanted to usurp the responsibility of the government to enter debate on legislation.

Any time I hear members of the combined opposition complaining about lack of meaningful debate, it is their own fault, and they have done it for purely political reasons—

*Government Orders*

**The Deputy Speaker:** Order. It is a time for questions. That is what it says in the Standing Orders. If the member has a question for the Minister of Finance, he should put it now.

**Mr. Tom Lukiwski:** Mr. Speaker, my question is simply this. Since I understand, from hearing comments in the media today from some of the unelected, unaccountable Liberal senators, that those senators may be willing to block Bill C-52 when it finally gets to the Senate, could he tell me if there has been any precedent in Canadian parliamentary history for this occurrence?

**Hon. Jim Flaherty:** Mr. Speaker, I am unaware of any such precedent, but it is an excellent question which relates to democratic reform and the need to reform the other place, with senators there who are unelected, some of whom seem to think that it is within their purview to delay money bills from this place, this place where we are all elected to act on behalf of the people of Canada and to make sure that in a fiscal sense the economic federation works well.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, over a year ago, in fact in May of last year, when the Minister of Finance came before the finance committee, I asked him a question.

I asked, “Would you have signed the Atlantic accords?”

His official response was this: “I don't have an answer for you on that”.

The answer came in budget 2007. It is clear to Atlantic Canadians from the tip of Nova Scotia to the tip of Newfoundland and Labrador that the Atlantic accord has been torched. It has been ripped out of the hands of Nova Scotians. It has taken away the future of Nova Scotia as well as that of Newfoundland and Labrador. Finally this week, the premier of Nova Scotia, Rodney MacDonald, joined the chorus—

**The Deputy Speaker:** Does the hon. member for Dartmouth—Cole Harbour have a question for the Minister of Finance? There are only about two minutes left.

**Mr. Michael Savage:** Mr. Speaker, my question for the minister now is this: will he tell us if he has been negotiating a side deal with Nova Scotia to fix the Atlantic accord?

**Hon. Jim Flaherty:** No, Mr. Speaker. I have had discussions since March 19, the day of the budget, with the minister of finance of Nova Scotia, with the acting minister of finance of Nova Scotia subsequently, and with the premier, with respect to implementation, because Nova Scotia and Newfoundland and Labrador are in a unique situation in Canada because they have these accord agreements.

The other provinces and territories do not, so they are the only two jurisdictions that have a choice to make between continuing with the accord just as it was before March 19, right to the end of their entitlement under the accords, if they choose to do that, or electing to enter the new O'Brien formula.

That is an issue of some complexity. That requires some analysis. We have had a series of discussions concerning the implementation and the choices to be made.

We made an early decision, at the request of the province of Nova Scotia, and in fact during the first week after March 19, because the

Nova Scotia budget was to be delivered on the Friday and this budget was earlier in the week, on March 19. The concern of the government of Nova Scotia was that it felt it was asked to make a sudden choice and it needed more time.

We said to go ahead and elect into the modified O'Brien formula, the new formula, which it did for this year, this 12 month period, and receive an extra \$95 million for the people of Nova Scotia, and then take time to consider its choices. In fact, that is what the government has been doing and we have been doing in discussion with it.

● (1050)

**The Deputy Speaker:** Order. It is my duty to interrupt the proceedings at this time and put forthwith the question on the motion now before the House.

The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The 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 nays have it.

*And five or more members having risen:*

**The Deputy Speaker:** Call in the members.

● (1135)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 200*)

## YEAS

## Members

Abbott	Ablonczy
Albrecht	Allen
Ambrose	Anders
Anderson	Arthur
Asselin	Bachand
Baird	Barbot
Batters	Bellavance
Bernier	Bezan
Bigras	Blackburn
Blais	Blaney
Bonsant	Bouchard
Boucher	Bourgeois
Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinoogee
Brunelle	Calkins
Cannon (Pontiac)	Carrie
Carrier	Casson
Chong	Clement
Cummins	Davidson
Day	DeBellefeuille
Del Mastro	Demers
Deschamps	Devoille
Doyle	Duceppe
Dykstra	Emerson

*Government Orders*

Epp	Faille	Lee	MacAulay
Fast	Fitzpatrick	Marleau	Marston
Flaherty	Fletcher	Martin (Esquimalt—Juan de Fuca)	Martin (Sault Ste. Marie)
Freeman	Gagnon	Masse	Matthews
Galipeau	Gallant	McCallum	McDonough
Gaudet	Goldring	McGuinty	McGuire
Goodyear	Gourde	McTeague	Merasty
Gravel	Grewal	Murphy (Moncton—Riverview—Dieppe)	Nash
Guay	Guimond	Neville	Owen
Hanger	Harper	Pacetti	Patry
Harris	Harvey	Pearson	Priddy
Hawn	Hearn	Proulx	Redman
Hiebert	Hill	Regan	Robillard
Hinton	Jean	Rodriguez	Rota
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)	Russell	Savage
Khan	Komarnicki	Savoie	Scarpaleggia
Kotto	Kramp (Prince Edward—Hastings)	Scott	Sgro
Laforest	Laframboise	Siksay	Silva
Lake	Lalonde	Simard	Simms
Lauzon	Lavallée	St. Amand	St. Denis
Lemay	Lessard	Stoffer	Szabo
Lévesque	Lukiwski	Telegdi	Thibault (Rimouski-Neigette—Témiscouata—Les
Lunn	Lunney	Basques)	Tonks
Lussier	MacKay (Central Nova)	Thibault (West Nova)	Volpe
MacKenzie	Manning	Turner	Wasylycia-Leis
Mark	Mayes	Wappel	Wilson
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)	Wilfert	
Miller	Mills	Wrzesnewskyj— 101	
Moore (Port Moody—Westwood—Port Coquitlam)			
Moore (Fundy Royal)			
Nadeau	Nicholson		
Norlock	O'Connor		
Obhrai	Oda		
Ouellet	Pallister		
Paquette	Perron		
Petit	Picard		
Plamondon	Poilievre		
Prentice	Preston		
Rajotte	Reid		
Richardson	Ritz		
Roy	Scheer		
Schellenberger	Shipley		
Skelton	Smith		
Solberg	Sorenson		
St-Cyr	St-Hilaire		
Stanton	Storseth		
Strahl	Sweet		
Thompson (New Brunswick Southwest)	Tilson		
Toews	Trost		
Tweed	Van Kesteren		
Van Loan	Vellacott		
Verner	Vincent		
Wallace	Warawa		
Warkentin	Watson		
Williams	Yelich— 156		

**NAYS**

## Members

Alghabra	Angus
Atamanenko	Bagnell
Barnes	Bélangier
Bell (Vancouver Island North)	Bell (North Vancouver)
Bevilacqua	Bevington
Black	Bonin
Brisson	Casey
Chan	Charlton
Chow	Christopherson
Coderre	Comartin
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cuzner
D'Amours	Davies
Dewar	Dhaliwal
Dhalla	Dion
Dosanjh	Dryden
Eyking	Folco
Godfrey	Godin
Goodale	Graham
Guarnieri	Holland
Hubbard	Ignatieff
Jennings	Julian
Kadis	Karygiannis
Layton	LeBlanc

**PAIRED**

## Members

Allison	André
Benoit	Cardin
Crête	Finley
Gauthier	Guergis
Kenney (Calgary Southeast)	Malo— 10

**The Deputy Speaker:** I declare the motion carried.

[*English*]

I wish to inform the House that because of the proceedings on the time allocation motion, government orders will be extended by 30 minutes.

## THIRD READING

The House resumed from June 11 consideration of the motion that Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, be read the third time and passed, and of the motion that this question be now put.

**Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC):** Mr. Speaker, I will address some comments with respect to the budget bill.

The budget would restore fiscal balance in Canada, cuts taxes for working families, invest in priorities like agriculture, health care, education, infrastructure, the environment and reduce our national debt. It is fair, it is principled and it is good for the long term.

The budget would invest in agriculture, including a \$400 million immediate one time payment to address the rising costs of production, a \$600 million one time payment to enact a simpler, more responsive income stabilization program for farmers, with a new savings account type program being cost shared on a 60:40 basis with the province, and a \$2 billion announcement in new incentives for renewable fuels. All in all, it is a pretty decent budget for all of Canada, and Saskatchewan as well.

*Government Orders*

The budget is also a historic one in that it acknowledges and addresses the fiscal imbalance by giving \$39 billion over seven years to the provinces in additional funding. The provinces now have the additional resources they need to meet their many pressing needs. Each province, including Saskatchewan, would benefit with this transfer.

Federal support for Saskatchewan would be \$1.4 billion in 2007-08, including \$226 million under the new equalization formula, \$756 million under the health care transfer and \$342 million for the Canada social transfer that includes additional funding for post-secondary education and child care and \$75 million for infrastructure. In total, budget 2007 would provide the residents of Saskatchewan with over \$800 million in new money.

It is in this context that the equalization formula and the amount payable to Saskatchewan under it should be viewed. The purpose of equalization is not a permanent entitlement, nor should it be. As a province's economic fortunes improve, its equalization payments will decline. Conversely, as a province's economic fortunes decline, its equalization payments will increase.

The current formula, as requested by many provinces, includes a higher equalization standard of 10 provinces. A province like Saskatchewan would get the greater of the amount it would receive by fully excluding natural resources under one option or by including 50% of natural resource revenues under another option. Should Saskatchewan's economy, economic fortunes, resource revenues or production levels decline, equalization payments would continue where 100% of natural resources would be excluded.

The fiscal capacity cap would ensure a receiving province would not end up with a fiscal capacity higher than a non-receiving province. That is how equalization should work. Obviously, one would always like an even better and more substantial deal under equalization, but one has to take into account the context of the need for a principle based approach and the overall amount a province like Saskatchewan receives as well as the benefits flowing to Saskatchewan by virtue of the many provisions in the budget. Saskatchewan has received the largest per capita gains of any province under the fiscal balance package in 2007-08.

The budget contains many more provisions. For example, farmers and small businesses would benefit from an increase in the lifetime capital gains exemption, from \$500,000 to \$750,000. Manufacturing and processing firms would benefit from a two year 50% straight line write-off for investment in machinery and equipment. All of us would benefit from the tax back guarantee, where money saved from paying less interest on the debt results in personal tax reductions.

Our government has allocated \$22.4 billion to our national debt in just two years. With these payments alone, the government will save \$1.1 billion in interest payments in 2007-08 and nearly \$1.3 billion in 2008-09, all of which will go toward tax reduction.

There are more things I want to say about equalization, but I want to highlight what I call the height of hypocrisy. All things must be taken in their proper context. I know there is great temptation to dumb down complicated issues to single issues and to focus exclusively on those issues.

The equalization issue falls within the context of the budget and is not a stand-alone document. Its purpose is to ensure that the provinces that have not are helped by those that have, so Canadians across our great country can generally expect comparable or the same types of programs and services regardless of where they live. There is, by nature, a give and take in that process, with the best interests of all Canadians at stake, which by its nature requires some movement and some give and take for the benefit of all.

• (1140)

First and foremost, the promise was to fix the fiscal imbalance and to get things in proper alignment to ensure the provinces could meet their provincial obligations, and equalization was part of that. Many, myself included, have argued for, and quite vociferously I might add, for the exclusion of all non-renewable resources from the equalization formula. Why? Simply put, it would mean more money. Everyone wants more money.

I have always said that one should try to substantially achieve the goal of exclusion and do everything possible to that end, but in the end a fair and equitable solution must be found to balance that interest with the good of all of Canada.

As hard as that may seem, the approach is broader, it is bigger than any one province or any one premier or any one reporter or news media for that matter. For the Randy Burtons and Murray Mandryks of this world, who see the issue in isolation of all the facts and out of the context of decision-making, perhaps they should look beyond their very narrow focus. Where were they, the Premier of Saskatchewan and the member for Wascana when the previous equalization formula was in play?

Saskatchewan lost billions of dollars while the member for Wascana was finance minister, including a time when the current Premier of Saskatchewan was watching from the sidelines. The member for Wascana will say that he delivered \$700 million, but what he forgets to say is that Saskatchewan lost billions right under his nose and he did nothing about it. In fact, as one expert indicated, \$1.08 for every \$1 of oil that left Saskatchewan was lost, and in some cases more.

*Government Orders*

Where was the member for Wascana when the Atlantic accord was being signed by the previous Liberal government? Why was he not making a similar deal for Saskatchewan? It is the height of hypocrisy for him now to say that he would do it differently. Thirteen years of evidence shows differently. In fact, the member for Wascana put together the expert panel, resulting in the O'Brien report. For him to suggest he would have done anything other than accept the report, is utter nonsense, totally unbelievable and the height of hypocrisy. Saskatchewan will not be fooled. It would be far worse under the previous Liberal government and the unamended O'Brien report, which the member for Wascana would surely have accepted.

For the moment, Saskatchewan's economy is hot. We are doing well, despite any financial mismanagement. I know the premier would like to get his fingers on more money, not to develop Saskatchewan but to try and win an election he cannot win. It is interesting to note that the premier, along with the member for Wascana, sat on their backsides while the Atlantic accord was signed and made no noise until after the fact. Let us be frank.

The formula is taking place within the context of a budget vote. One has to take it in that context. Would one be prepared to vote against the government and have an election call? The hypocritical member for Wascana, including the Leader of the Opposition, along with all of their members would run, with their tails between their legs, rather than vote down the budget and call an election.

Only when they knew there were sufficient numbers for the budget to pass, did they decide to vote against the budget, with all the rhetoric that goes with it. They know that and so does everybody in the House. That includes their NDP cousins, who blow hot and cold, both blowing and sucking at the same time, on the equalization issue. Yes, they with their Manitoba cousins are saying that oil and gas should be included. Yes, they with their Saskatchewan cousins are saying that oil and gas should be excluded. All things to all people, but hypocritical as well.

Where is the spirit of nation-building? Where is the spirit of nationhood, where one goes against his or her better interests to ensure that nationhood works? It is called something simple. It is called greed. Give me, give me, but not if it costs me something.

We should be developing Saskatchewan and its resources. We should be growing our province so we can help others, so we can produce income and wealth. We should not be standing on a street corner with cap in hand looking for a handout. The current premier is trying to weasel a win for himself and he will go to long lengths to do it.

We are moving in a new direction in Saskatchewan. We have a new vision. We will not only become self-sufficient, but we will be leaders in our country and, in some instances, in the world.

This week the Minister of the Environment, the Minister of Natural Resources and the chair of the Standing Committee on Industry, Science and Technology will visit my constituency. Weyburn, Saskatchewan has the world's largest CO<sub>2</sub> storage project. Estevan is the proposed site of the world's first zero emission coal-fired power plant. Midale, Saskatchewan, in the oil patch, has some of the most enhanced oil recovery technology that exists in the world.

It is time for the Premier of Saskatchewan to get on with the program and quit whining. Even Janice MacKinnon of the previous NDP government indicated that we needed a principled approach in equalization and that any side deals, in the kinds that were accorded, were done with an end in mind that was not helpful to the good of nationhood.

● (1145)

Our premier asked for an equivalent formula where oil and gas was included under the five province average. From what has happened in Atlantic, a 10 province average may it even make that better. That is what the equalization formula has. Yes, it has a cap, but it is for the purpose to ensure that those that contribute to equalization do not have a lower fiscal capacity than those that receive.

This is the way it should work. It is a matter of ensuring that all Canadians receive the benefits of similar programming.

**Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.):** Mr. Speaker, I am a little distressed to hear the members running against the premiers of their provinces. I cannot understand it. It seems like the neo-Conservative government is set to pick a fight with the provinces. That is not the way to run the federation.

My question for the Parliamentary Secretary to the Minister of Citizenship and Immigration is this. He very well knows that hundreds of thousands of undocumented workers are in Canada. If we add up the totality of their numbers, it is anywhere from 200,000 to 500,000.

The House has very clearly expressed its wish to have a moratorium on deportation of undocumented workers who are assisting in our economy. I notice the government has increased the funding for removals by \$120 million.

When we consider that its actions of having created a crisis in the Immigration and Refugee Board, we have a huge shortage of adjudicators in the immigration appeal division. This means we have thousands of criminals who have status in our country. The government is trying to deport them, but that deportation cannot happen.

Why go after in increased funding for getting rid of undocumented workers who assist in the economy and not do what the citizenship and immigration committee said, which is putting a moratorium on undocumented worker deportations and at the same time focus on getting rid of the criminals, which the government should be doing?

● (1150)

**Mr. Ed Komarnicki:** Mr. Speaker, I will continue on my line of the height of hypocrisy. The previous government, of which the member was a part, deported over 100,000 undocumented workers under its watch, under its nose, and did nothing.

We have put \$307 million to integrate settlements of immigrants. We have also put new programs in place to allow temporary foreign workers and skilled people to come in to Canada legitimately. We are doing an extensive study in that regard.

Insofar as the adjudicators are concerned, they will be in place before long, and the member needs to stay and watch.

*Government Orders*

However, I want to make this point. The height of hypocrisy the member raises in that area equally applies to the member for Wascana. During his tenure, if he had the equalization formula in place of which I speak, Saskatchewan would have received an additional \$5.2 billion that it had not received over all the years he was finance minister, in those 13 years—

**The Deputy Speaker:** Further questions and comments, the hon. member for Scarborough—Agincourt.

**Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.):** Mr. Speaker, the hon. member talks about hypocrisy. Could he explain to the House the hypocrisy of the government and also his personal hypocrisy, when the Parliamentary Secretary to the Minister of Citizenship and Immigration—

**The Deputy Speaker:** I am sorry. You cannot refer to people's personal hypocrisy. You can refer to the government. You can accuse the collective of all kinds of things, but it is unparliamentary to accuse any member of being a hypocrite.

**Hon. Jim Karygiannis:** Mr. Speaker, last week the member voted and spoke against allowing people to come from areas under strife and natural disasters. A protocol was set by the Liberal government, especially after the tsunami and after the earthquake, to expedite family class, as well as spouses, parents and grandparents to come into Canada. The member, who is a member of the government, voted against the committee's recommendation.

I wonder if the member could explain the hypocrisy of the government and certainly the hypocrisy of the Department of Citizenship and Immigration which is going down that route right now.

**Mr. Ed Komarnicki:** Mr. Speaker, it does not have very much to do with that but it does indicate the height of the hypocrisy of the previous government. We have to take things in context. When we look at the dissenting report that was made, it explains itself quite well. I would encourage the member to read it and take things in proper context, as should be the case with the equalization formula within Bill C-52 be taken into account.

In fact, if the government were to go down on a confidence vote, that member and all other members would be running from the House ensuring that the government did not go down because they cannot face an election. They are afraid to do that and we need to take this in the full context of where it is. We will be supporting the budget and the government because we have confidence in it. It will change the direction of this country and it will change it for the better. Canada will not be any worse off, as it would have been under the previous government.

**The Deputy Speaker:** Hopefully we have heard enough about hypocrisy from both sides of the House. We will resume debate with the hon. member for Markham—Unionville.

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, I would like to focus a bit on the process. Some of the members may know that on June 5 the government issued a press release on its website entitled, "Liberal obstruction could hurt families, taxpayers". The first sentence read that with just a few weeks left before Parliament rises "for the summer, obstructionist tactics being employed by [the Liberals]...could result in the loss of billions of dollars...".

Mysteriously, that press release was taken off the website after it was pointed out by our side that it was the government that had obstructed and delayed the passage of Bill C-52 in a matter of weeks.

I wanted to put that on the record and go through a quick timetable to demonstrate the point that it was far from the Liberals obstructing the passage of this bill. It was the government side, which, presumably, is why it took down the press release from its website after it had been up there for a very short time.

First, on March 19 the budget was finally tabled in the House, much later than most budgets but, coincidentally, only seven days before the Quebec election. The first delay was to produce a budget that was so terribly late by the standards of most years.

March 20 to March 23, the usual four days of debate occurred on the budget document, which is perfectly normal. On March 29, the budget implementation bill was tabled in the House of Commons. March 30 to April 23, the budget was debated at second reading on four out of six sitting days. The time span here includes a two week parliamentary break, which is also normal.

We now come to a real abnormality. Between April 24 and May 11, the Conservatives took the unprecedented step of removing Bill C-52 from the legislative agenda for 15 consecutive sitting days, three weeks in total. That was the only significant delay the budget experienced and it was 100% the fault of the Prime Minister, his government House leader and his government.

We have asked on a number of occasions, and I believe the House leader asked the finance minister earlier today, for an explanation of the three weeks in a row, the 15 consecutive days, during which the government simply yanked the budget bill out of the legislative process. We have not had any answer at all.

Therefore, if there is one reason for a significant delay in this budget bill and a significant delay in getting all that money out to Canadians, it is not on this side of the House. It is a combination of a super late budget in the first place and those 15 consecutive sitting days.

I will continue on with the chronology. On May 14 and May 15, the budget was finally brought back for second reading and was passed in short order. May 16 to May 30, the members of the finance committee sat extra hours outside their usual meeting time in order to pass the budget through committee stage as quickly as possible. They met on five of the next possible sitting days and got the budget through. June 4 and June 5, the government's own report stage amendments were debated and voted on. From June 7 to today, June 12, we are currently on the fourth day of the third reading debate.

I have gone through the full chronology and I would simply say that it is incontestable that the two delays of this budget were from that side of the House and that in other respects this budget bill has moved expeditiously through the various stages of committee hearings.

*Government Orders*

In terms of the substance of the budget, I would like to quickly summarize the points I have made in previous remarks on this budget. For me it is really summed up with the two words “incompetence” and “dishonesty”. I think those two forces interplay with each other in a number of aspects of this budget.

On the first of those, one has to cast one's mind back a number of years when the Minister of Finance was a senior member of the Ontario government and at that time the Ontario government ran on a platform of a balanced budget.

● (1155)

Lo and behold, after that government lost and the auditors came in, they found there was a deficit of \$5.6 billion. For a government to run on what turned out to be a \$5.6 billion deficit is not only fiscally incompetent, but it is also dishonest to pretend to be running on a balanced budget when it is not.

I would give a second example. It was clear to every Canadian who paid income tax that budget 2006 contained an increase in income tax. Again, that is incompetent because there is not an economist on the planet and I think very few Canadian taxpayers who would prefer an income tax hike to get a penny off the price of a cup of coffee. It is also dishonest when the government continues to repeat that this is an income tax cut when everybody knows, all the journalists and all taxpayers, that it is absolutely incorrect. The government makes that statement not once, not twice but interminably.

The third example is the equalization. Here we have the spectacle of that famous statement by the Minister of Finance to the effect that the long, tiresome era of bickering between federal and provincial governments is over. It lasted about 30 minutes until he was red in the face in a debate with the Newfoundland premier on television, and it continues to this day, which is perhaps day 80 or something thereabouts of the budget debate, whereas it is well-known that a good budget and a successful budget is out of the news cycle in three days, and here we are on something in the order of day 80 and it is not even clear whether another member from Nova Scotia may vote against the budget today.

Here are blatantly broken promises to the Government of Nova Scotia, the Government of Newfoundland and Labrador and to the Government of Saskatchewan. For all the words of the member from Saskatchewan who preceded me, he essentially ignored the only relevant point, which is that the government blatantly broke a promise to the people of Saskatchewan. One wonders why there is not even one Conservative member from Saskatchewan who would stand and vote against the budget on behalf of his or her constituents, as did at least one and possibly more members from Nova Scotia.

On interest deductibility, we have gross incompetence of a finance minister entirely out of his depth. The incompetence became clear and he withdrew, but he withdrew in an incompetent manner because he focused on double dipping when all the experts are in agreement that the real issue is something called debt dumping. Not only that, but the manner in which he withdrew he alleged that only he had read the budget properly and all of those tax experts out there, whose job is to read and to analyze budgets, had in fact got it wrong. Again, here is a case of incompetence but not even a willingness to admit that any error was made.

Finally, the mother of all broken promises is income trusts. Again, we have seen a comedy of errors, a comedy of unintended consequences in terms of not just a broken promise, but a grossly incompetent execution of that broken promise.

In conclusion, I would simply reiterate that we on the Liberal side will be very proud and happy to vote against the budget. We certainly have not given up on the income trust issue. It will be an election issue in the next election, whenever that may be, and we are confident of victory. We will bring a sensible income trust policy to Canada and significant relief to those hundreds of thousands of Canadians who took the Prime Minister at his word and, as a consequence, lost some \$25 billion of their hard-earned savings.

● (1200)

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, I would like to comment and maybe correct the record a little bit. The member who spoke said that the Liberals were so interested in seeing this bill pass and that we are creating obstacles.

I want to remind him that between the calling of Bill C-52 at second reading on April 23 and May 4, we debated the Excise Tax Act, we debated the senate consultations, we debated the firearms offences, we debated the age of consent, and we debated dangerous offenders. We had the Liberal opposition day on residential schools. We had the NDP opposition day on Afghanistan. We had the Bloc opposition day on greenhouse gases.

After the bill was introduced on March 30, for four consecutive days the Liberals had all the time and spoke relentlessly. For four full days the debates were ongoing. As most government bills do, we allowed them to debate the bill for four full days.

How can he say that they showed signs of passing this bill when in fact they showed no signs? They were always creating obstacles in debating this very important budget bill. I would like the member to comment on where he is coming from.

● (1205)

**Hon. John McCallum:** Mr. Speaker, I do not know if we on the opposition side are supposed to express deep gratitude to the government for deigning to allow us four days of debate on the budget. This is standard parliamentary practice, so that involved no delay whatsoever. Four days of debate are perfectly normal, standard practice.

As I mentioned in my speech, if there is any delay in getting money out to Canadians, those two delays are the government's fault. First, it is extraordinarily late to have a budget in this House as late as March 19. If we look back over the years, budgets have almost always been substantially earlier than that. Second, there were 15 consecutive days between April 24 and May 11 when the government simply yanked the budget off the agenda.

Those are measured in weeks and many days. Those are the sources of delay and nothing the hon. said that I could fathom would suggest in any way that the opposition was guilty of any delay.

*Government Orders*

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, I always enjoy listening to my colleague when he speaks. He is a man of great pedigree when it comes to financial matters and he uses that well in this House. I agree with everything he said except I have one little issue.

He said the mother of all betrayals was the income trusts. That was a huge one, but members will have to forgive me, particularly this week, if I suggest the mother of all betrayals was the Atlantic accord. However, there are lots of broken promises with this government, including the income trusts and Atlantic accord.

He talked about incompetence. I would also add regifting of successful Liberal initiatives. If there is one thing we have seen that the government cannot stand, it is programs that work if they have a Liberal pedigree, programs such as EnerGuide and I am not sure if my hon. colleague followed the summer jobs fiasco. Last week we had the officials at the HRDC committee who admitted that the program has been badly mismanaged and botched up.

We had the spectacle of organizations like the Autism Society of Nova Scotia, diabetes and cancer groups, boys and girls clubs, and youth and recreation groups, all being told they did not qualify. Some of them got 19 or 20 out of 70. Lo and behold, when the opposition, primarily the Liberal opposition but lots of opposition said, "Wait a second, that is crazy", somebody turned the light on. I wonder if he has any thoughts on that. And could it possibly get any worse with these guys?

**Hon. John McCallum:** Mr. Speaker, I thank my colleague for his very wise comments and I would like to just acknowledge that I think he is probably the most knowledgeable person in this chamber on the subject of post-secondary education. He has brought much light to this subject when confronted with those forces of darkness that sit across the way. I guess, at least for this week, I would concede that the Atlantic accord is the number one betrayal. Perhaps when we get into the summer and the fall, we will put it on an equal footing as equal mothers of all betrayals—

**The Acting Speaker (Mr. Royal Galipeau):** Resuming debate. The hon. member for Kildonan—St. Paul.

The hon. member for West Nova is rising on a point of order.

**Hon. Robert Thibault:** Mr. Speaker, we are discussing a very important matter here. As you have heard, there is great consternation in Atlantic Canada and people are nervous about this betrayal on the accord. I think it is a very important matter and I would ask you, Mr. Speaker, to seek quorum.

**The Acting Speaker (Mr. Royal Galipeau):** I thank the hon. member for West Nova. We have quorum.

Resuming debate. The hon. member for Kildonan—St. Paul.

• (1210)

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, I rise today to speak on this budget that is so important to Canada and so important to my riding of Kildonan—St. Paul and indeed to Manitobans.

Our budget will reduce the tax burdens on working families, and this budget will protect our environment and modernize our health care system. This is a very important budget that has to be passed by

the end of this month. I must say that this government will provide equal treatment to Canadians and this is what this budget delivers.

Through budget 2007 we are providing the provinces and territories with well over \$39 billion in additional funding to restore fiscal balance in Canada. We are returning equalization to our principled, formula-based program. I would like to take a moment to talk about how this does apply to my province of Manitoba.

Restoring the fiscal balance will provide Manitobans with \$3.1 billion in 2007-08 and this includes \$1.8 billion under the new equalization system. It will provide Manitobans with \$807 million under the Canada health transfer. It will also provide Manitobans with \$350 million for Canada social transfers including additional funding for post-secondary education and child care, and \$83 million for infrastructure.

I would like to ask my fellow members of Parliament and the opposition to support Manitoba. I would encourage them to listen to Manitobans. Even the premier of Manitoba said this federal budget contains good news for our province and I would encourage the NDP members from Manitoba to do what is right for the people of Manitoba and support this important budget.

The NDP premier of Manitoba said, "So, I actually think the compromise is supportable by Manitoba. I think that it is difficult to get 13 separate leaders of provinces to agree on a perfect solution. And I think the consensus in the report that was produced by the former Liberal government, acted upon by [the] Prime Minister, is the appropriate way to go. And it treats hydro at least equally to oil and gas. And from that perspective I disagree with the member from Nova Scotia and his position, and I agree with [the] Prime Minister in his position".

Here in the House we have NDP members of Parliament who are opposing this budget and complaining about it. The fact of the matter is the NDP premier of our province fully supports it. It is obvious that we have to look at what this does for our province.

We believe that paying down the national debt is important for Canadians and our government is lowering our national mortgage by \$9.2 billion on top of the \$13.2 billion we have put against the debt since elected. This is equivalent to \$700 in debt relief for every individual Canadian. Through our tax back guarantee, lower debt will mean lower interest payments which will mean lower taxes. This is a good start because we believe as a government that Canadians pay too much tax.

In my riding of Kildonan—St. Paul parents struggle daily with the challenge of raising a family. With higher costs of living, housing and energy, it is not easy. We need to make it more affordable for people to have children and to raise them. As a result we have created a working families tax plan and that is important to families all across our nation.

It has four components. First, for families with children it includes a brand new \$2,000 per child tax credit for children under age 18. That will help families get ahead. This will save families in Manitoba \$54.1 million.



*Government Orders*

Second, we are ending the marriage penalty through an increase of the spousal and dependant amounts to the same level as the basic personal amount to provide up to \$209 of tax relief to a supporting spouse or single taxpayer supporting a child or relative, saving Manitoba residents an estimated \$8.4 million. This is a lot of money.

• (1215)

Third, we are helping parents save for their children's education by strengthening the RESP program. As the mother of six children all of whom have gone through university, I know what this means to Canadian families and to Manitobans.

Fourth, we are helping seniors by raising the age limit for RPPs and RRSPs to 71 from 69 years to save Manitoban taxpayers \$1 million. This is getting direct results for hard-working Canadians.

Welfare is a difficult situation many Canadians face. Too many people feel trapped on welfare. A single mother with one child who takes a low income job can lose almost 80 cents of each dollar she earns because of higher taxes and reduced benefits for drug and dental coverage.

To help people get over this welfare wall, we are investing more than \$550 million a year to establish a working income tax benefit. This measure will help remove barriers that discourage people from enjoying the dignity and independence that comes with a job. This new working income tax benefit of up to \$500 for individuals and \$1,000 for families will reward work. It will strengthen incentives to work and will benefit Manitoba workers to the tune of \$18.9 million.

I would like to remind the member for Winnipeg North what she said about the working income tax benefit. She said:

It's an important program that goes in the right direction.

I would hope that this means she will be supporting this initiative and supporting the budget. This budget is very important. It has to be passed by the end of the month or a lot of people will miss out.

The budget includes a new long term plan for infrastructure that delivers \$33 billion over the next seven years. There is an estimated \$17.6 billion in base funding which consists of the gas tax fund and the increase from 57.1% to 100% in the rebate that municipalities receive for the goods and services tax they paid in 2007-08.

Base funding for Manitoba is forecast to be \$46 million. The Government of Canada is providing \$26.8 million of gas tax funding for municipalities in Manitoba in 2007-08. This is very important to Manitobans. There have been so many plans in terms of the infrastructure advantage from this government that really benefit Manitoba.

Manitoba will benefit from the enriched \$1 billion Asia-Pacific gateway and corridor initiative. The Red River floodway is very important to the province of Manitoba and in preventing the flooding of the city of Winnipeg. There is a recent federal commitment of \$170.5 million to complete the expansion of the Red River floodway. This will enhance the level of protection enjoyed by the residents of the city of Winnipeg. Members will remember that there was a very big flood a few years back which threatened the whole city.

Preserving and protecting our environment is a priority for our government. We have made tremendous strides in this budget.

In order to protect Lake Winnipeg, the Red River and other Manitoba rivers we are establishing a new national water strategy. It is all centred on the budget that needs to be passed by the end of June. This national water strategy will improve municipal sewer and water facilities.

The new Canada ecotrust for clean air and climate change will provide support to those provinces and territories that identify major projects, as we have done in Manitoba, that will result in real reductions in greenhouse gas emissions and air pollutants. Canada's new government intends to provide Manitoba with almost \$54 million through this initiative. Water quality in Lake Winnipeg has deteriorated. This budget will provide \$7 million over the next two years to Environment Canada in our province.

Unless Bill C-52, the budget implementation act, is passed in the House of Commons and Senate by June 30, the critical funding for Manitoba and for my constituency will be lost.

When elementary schools, such as Bird's Hill School or Maple Leaf School in my riding, write letters about their concern for the environment, how would I explain to students, our country's future leaders, that \$54 million to reduce greenhouse gas emissions and air pollution was lost because opposition parties in the House of Commons voted against the bill? At my next seniors round table discussion at Donwood South or Carriage House North when one of my constituents asks why parliamentarians gave up \$27.9 million to help reduce patient wait times in Manitoba, how would I explain that?

• (1220)

Without that funding, how do I explain that we are working toward ensuring that all Canadians receive essential medical treatment within clinically acceptable wait times? And what about the over \$21 million for labour market training? All this money will be lost. It is critical that the games in this House of Commons stop and that the opposition parties get on board.

The population in my province of Manitoba is waiting for this budget to pass. They look forward to the passage of this budget. The future of this budget is in the hands of parliamentarians here today on Parliament Hill. It behooves us to be responsible and pass this budget and see that Manitobans get that money.

**Mr. Dennis Bevington (Western Arctic, NDP):** Mr. Speaker, I rise to speak in this shortened debate. I guess I am privileged to speak to the budget, no thanks to the Bloc members. Over the years when it has been in their interests, they have always spoken against closure and here they are supporting closure. I find that to be rather self-centred.

*Government Orders*

Yesterday I was amused to listen to the hon. member for Fort McMurray—Athabasca castigate me for supporting political games on the budget. We should consider that against what the Conservatives have been pulling in the House, particularly their little stunt last Friday.

If the member is looking for examples of bad news, I suggest he should talk about the Conservatives' treatment of Atlantic Canada. He might also talk about his support for the Conservative climate change plan which exempts the tar sands in his own riding from meeting the air emission standards that are so desperately needed in that part of the country. That to me is a real example of how a member is not supporting his constituency. The hon. member's statement yesterday was like much of what we hear from the government, not the complete story.

I am opposed to this budget as a whole, both as a Canadian and a northerner. My opposition is based on the fact that average Canadians do not get much help in the budget. My opposition is based on the fact that aboriginal people do not get much help in the budget. My opposition is based on the fact that it is an incomplete deal for northerners in the budget. My opposition is based on the fact that only large corporations really get help in the budget.

By taxing average Canadians to death while allowing their corporate friends to pay less and less tax, the Conservatives, like the Liberals before them, have ended up sucking an extra \$14 billion from the pockets of Canadians. They have dedicated \$9 billion of that to debt repayment even though Canada has the lowest national debt of any of the G-7 countries.

Our economy continues to produce good numbers resulting in huge government revenues largely by increasing the tax burden on ordinary Canadians. Working Canadians have paid over the last decade to put the government's fiscal house in order. That job is done and the benefits should flow back to average Canadians.

The numbers are staggering. We have the opportunity now not to increase the prosperity gap as has been going on for the last 15 years, but to bring it back to the way it was in the past where the middle class, the average Canadian, had a much better chance of success in this country.

The Conservatives say that the budget returns benefits across the country. They point to the revamped funding formula provided to the three territories this year, the so-called fiscal rebalancing. To be honest, the new formula funding arrangement is better than the formula imposed by the Liberals. I am glad to see the base amount has been increased so we are no longer using 1985 numbers. I am glad to see a more fair system for calculation of the formulas being used, unlike the perverse system imposed by past governments, but I am concerned that the new formula still uses population in its calculation. Multiplying the average southern cost of a program or service by the territories' population does not reflect the real cost for the provision of that service in the north.

The government as well has agreed to raise the NWT borrowing limit from \$300 million to \$500 million, a move that was long overdue and was really essential in providing just the basic tools for our territorial government to operate. Our present borrowing limit is strained with utility and mortgage debt. In reality the capitalization

costs in western Canada have almost doubled in the last five years. This amount still remains inadequate for what the north has ahead of it with the scale of development potential.

Yesterday the member for Fort McMurray—Athabasca went on and on about how I was delaying a one time payment of \$54 million to our territorial government. This amount is simply an accounting correction, what in business is referred to as a credit note. The amount that the new formula increased the actual transfer of funds is listed in the budget, \$10 million over what would have happened. We can see that the amounts are not that generous or that significant.

● (1225)

To northerners, there are many things missing in the budget. For starters, where is relief for northerners from the high cost of living? For some time we have been calling for an increase in the northern residents tax deduction. When I asked over a month ago whether the government would bring some tax fairness to the people of the north, this was the response by the Minister of Indian Affairs and Northern Development:

At this point we are focused on economic development in the north. That is the key to create jobs and employment opportunities. There is the Mackenzie Valley pipeline in particular and the \$500 million socio-economic fund.

Creating jobs that cannot be filled by northerners does not help the working families of the north one little bit. It does nothing to build the north. From his response it is clear that the minister is more interested in helping the oil companies of Calgary and the Petroleum Club than the working families in Old Crow or Tuktoyaktuk or Pond Inlet.

In the budget speech, the finance minister stated that the capital gains exemption was in need of an immediate increase because it had not been changed in 20 years. The same thing applies to the northern residents tax deduction. It has not been changed in 20 years. It is not keeping up with inflation. It is not fair to northerners, but of course it was only average northerners who wanted this change and not necessarily the business elite.

The northern residents tax deduction did change a bit. The change is a cynical pork-barrelling addition of the southern part of the government whip's riding. The government members knew what was going on but chose to do one small shameful thing.

The NWT got no action on resource revenue sharing. The resources of the NWT rival those of nations such as South Africa or the United Arab Emirates, but not one cent of those royalties has helped the people of the north directly.

*Government Orders*

For more than a generation Canada has been saying that it is willing to hand over control and ownership of these riches. However, the government is just like those of the past and it continues to delay. The current excuse is that we need to restart negotiations. Every day Canada delays fulfilment of this promise is another day that millions of dollars, whether from the diamond fields or the oil and gas fields, are lost to the people of the north.

I hear the minister offering up royalties to the oil companies for the pipeline. To promote this pipeline, he is offering up the royalties that the people of the NWT have a share in. I would say to the minister that he should offer up something that is his to offer. He could offer something in the way of subsidies to a multinational oil company, and that is his to offer, but not the royalties that northerners will need to develop their territory and their region of this country, just as every other region has used its own royalties in the same fashion. The people of the Northwest Territories do not mind hearing "mañana" when on vacation in Mexico, but they are tired of hearing it from Ottawa when it comes to ownership of resources.

Another budget item that is quite worrisome to northerners is on page 186. On that page the Conservative government lays out its plan for negating its commitments under the land claim agreements and for silencing the voice of northerners when it comes to environmental assessments.

According to the budget, a law written to implement the portion of land claim agreements whereby aboriginal people are granted a say in how their land is used must be changed, because the pro-industry minister feels it is too restrictive to large corporations. It is clear that the minister's purpose is to gut the very little protection that aboriginal people and other northerners have under the Mackenzie Valley Resource Management Act and make it open season for rampant development. It is clear from this statement in the budget that the Conservatives will not let anything get in the way of exploitation, even if it means going back on the word of the Crown.

The Mackenzie Valley Environmental Impact Review Board has recently turned down an application by Ur-Energy to prospect for uranium in the Thelon Basin, an area of the north for which there is unanimity among northerners about the need for its protection. This decision has been roundly attacked by the mining industry, which is spreading the falsehood that the board overstepped its bounds.

However, subsection 64(1) of the Mackenzie Valley Resource Management Act, which created the board, is an act of this Parliament and the responsibility of this Parliament, and it states:

A board shall seek and consider the advice of any affected first nation...respecting the presence of heritage resources that might be affected by a use of land or waters or a deposit of waste proposed in an application for a license or permit.

● (1230)

The board did what it was constituted to do. The minister should do his job and support the interests of the people whose land is under threat. He should forget about the arrogant statement in the budget on the government streamlining the regulations, going against the word of the Crown and not playing fair with the constitutional rights of aboriginal people across the north.

This is all in the budget. How can I as a northerner support these kinds of things in any document that comes before this House?

I have to admit that I am not hopeful this government will keep its word to the working people of the north, because it did not keep its word of the Crown on the Atlantic accord. This is a budget that is not for everyone, and it is not for me.

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, I have to comment. The people of the Northwest Territories have one representative in Ottawa. They trust the member for Western Arctic to stand up for them and their interests, but to me he is playing political games that needlessly jeopardize the funding benefits for his own riding.

The NDP member for Western Arctic does not see it that way. He voted against a budget that his own premier called good news. Now he is supporting his leader's efforts to delay the budget bill. This will cost the Northwest Territories over a staggering \$64 million. This includes \$54 million to cover the payments related to the previous formula arrangements, \$5 million to reduce greenhouse emissions and air pollution, and \$4.5 million to help reduce patient wait times.

The people of Yellowknife, Hay River, Inuvik and Fort Smith sent him here to make Parliament work. As he stands here today, is he willing to cost his riding \$64 million only so his party can get a cheap media hit? Is it all worth it?

**Mr. Dennis Bevington:** Mr. Speaker, it seems to me that I have heard the hon. member's question before in this House at a different time. The people of the north understand this royalty game that is going on here in Canada. I am sure that I have great support when I stand here and say that we do not want to continue to be ripped off for our royalties. This budget does not identify how that is not going to happen.

When we talk about the equalization formula and the arrangements between provinces and territories, sometimes we in the north feel like second-class citizens, like the government is giving us something. The government is saying to us that it is giving this to us and we should be grateful.

We want our own way in the Northwest Territories, just as it is in the other provinces. We do not want to have government officials and politicians telling us that we should be grateful for something that every Canadian receives. I have no doubt in my mind that the people in the north will support me in what I am trying to say for them in this House.

● (1235)

**Hon. Robert Thibault (West Nova, Lib.):** Mr. Speaker, I ask the hon. member for Western Arctic if he remembers, as I do, that in the national election campaign the Prime Minister promised a guarantee on wait times. He promised that if people could not get in within a specific wait time for hip replacement surgery, for example, or for eye surgery, cancer treatment or cardio surgery, they could fly anywhere in North America and get that service. It would be there.

*Government Orders*

I wonder if in Western Arctic there has been anything done on wait times beyond what had been done on the Canada-provincial accords by the previous government. If there has been some improvement for Western Arctic as opposed to West Nova, I think our people will want to move there, because they are not getting those services in Nova Scotia.

**Mr. Dennis Bevington:** Mr. Speaker, that question really does speak to something in my speech, which is that I talked about the formula and the recognition that population is not the way to determine costs. We have incredible costs for health care in the Northwest Territories. They are exacerbated, of course, by distance, transportation costs and our inability to maintain professionals in the north. These things are all real problems for us.

The wait times we are faced with are sometimes about getting diagnoses. In many cases, people are sitting in little communities and waiting months simply to see a nurse or a nurse practitioner so they can get the first analysis of what is going on with their health. That is the real situation of health care in many places in the north.

Yes, if we take a per capita allocation of resources for these important things in terms of health care, our wait times will not decrease. Our wait times will become not better but worse, and the ability of the northern health care system to provide decent service across the north to all the very remote communities will remain one of our biggest concerns.

**The Acting Speaker (Mr. Andrew Scheer):** I do not think we have time for another question, so we will move on. Resuming debate, the hon. member for West Nova.

[*Translation*]

**Hon. Robert Thibault (West Nova, Lib.):** Mr. Speaker, I am pleased to rise in this House to discuss the federal budget again and to raise a few other points.

It is unfortunate that so few members have the opportunity that I have today. The time allocated to a debate on a very important aspect of government has been limited. How will programs be implemented? How will services be provided to Canadians? I believe these questions deserve a good debate and some good discussion.

I have the honour to be a member of the House Standing Committee on Finance, where the Conservatives wanted to eliminate the opportunity for Canadians to appear before the committee to share their opinions on budget 2007. I found that most unfortunate.

We had to negotiate to bring even a few people before the committee, and even then, their testimony was restricted. For example, Premier Calvert was given only a few minutes despite having been promised a whole hour.

[*English*]

What has been interesting to me in this debate today is not the question of whether or not this budget represents a betrayal to Canadians. The only discussion has been on what is the biggest betrayal. Is it the income trusts or is it the Atlantic accord? What is it? The fact that there are so many betrayals is very worrying and the fact that nobody can argue that Canadians have not been betrayed.

The government has flip-flopped on the issue of summer jobs. What bothers me is not the fact that the government has flip-flopped.

It is the fact that there are some issues that it refuses to flip-flop on because it comes out instinctively with an incompetent position, which causes us to fight all the time within committees and within this House to get the government to understand and to get the item out in public so the government will be forced to retract its position or improve it.

We have mentioned many examples in the House of government flip-flops but I will name one that might not get much attention. There is a small area of the scallop fishery in my province called area 29. There has always been a huge debate as to who would fish there. Is it the inshore? Is it the Full Bay? Where does the Full Bay begin? Where are the offshore scallop taken? It has taken a long time to come to some accommodation.

When I was minister of fisheries, we came to an agreement on sharing within area 29 between the Full Bay fleet and the inshore fishermen. Having been asked by the Full Bay Scallop Association to maintain the current position, a letter was sent saying that the current sharing formula would be maintained in area 29. A few days later we found out that the minister was appointing a panel to revisit the allocations in that area, again causing consternation within the fleets. This is another example of the government's flip-flops. It is perhaps not one that gets national attention, but it is one that is very important and symptomatic of what we have seen.

We have seen cuts to summer jobs which has hurt little community organizations that need summer students to operate. Thank goodness for the work of the member for Dartmouth—Cole Harbour who brought this to the floor. All Liberals MPs worked very hard with him and we were able to get the Conservatives to retract on that. However, we are still not sure of how we will do in future years. This year the cut was only \$11 million, and we saw the impact of that. Next year the government is forecasting a cut of \$59 million. What will that mean?

Foreign investment is another issue on which the government has flip-flopped. The government came out with a knee-jerk reaction in the budget saying that an individual could not deduct for tax purposes any interest expense for investments outside of Canada. The government knee-capped Canadian industries that must compete internationally with other companies. It is a global market out there. We had to embarrass the Conservatives at committee to force them to retract on that decision.

Now the government is talking about stacking and about double-dipping. Nobody wants any corporation, Canadian or otherwise, to evade taxes but it is important that our corporate sector become competitive internationally. We worked very hard on that.

The issue of income trusts has been discussed many times. There is no doubt in my mind that we had to take action in that sector because there were problems. The Governor of the Bank of Canada pointed that out very well at committee, as did many others. He also said that it was an excellent vehicle for certain sectors of the economy and that there was a demand for that type of investment in the capital markets.

*Government Orders*

Rather than solving the problem, the Minister of Finance came out with a nuclear bomb, when a surgical strike would have been appropriate, and completely crushed the whole sector, eliminating \$25 million of capital savings of mostly seniors across this country. He killed a very important sector and caused these companies and corporate assets to be sold abroad. The minister had an opportunity to retract and make changes. The member for Markham—Unionville made an excellent proposal that was adopted by the committee that would have solved that problem.

I have also mentioned the issue of the Digby wharf in the House many times. For over a year and a half now the government has had the arbitrator's report. It knows that the error was an error by the Department of Transport. It is not a huge amount of money on a national basis to solve the problem and give this port back to the people where it belongs.

I want to spend a bit of time on the question of the Atlantic accord, which is a huge betrayal because, like income trusts, the Prime Minister promised not to touch it. Further, when the Conservatives were in opposition they were so in favour of the Atlantic accord that they wanted it split from the full budget so they could vote in support of that element but not in support the entire budget.

● (1240)

In last year's budget, the government sent out a message that it did not like the Atlantic accord and that it was not very well received in certain parts of the country. We could debate that. We could debate as to the value of that type of an agreement between the provincial and the federal government or special agreements with any province, but that is not a matter to debate. That debate happened in the House a year and a half ago and the Conservatives agreed to it. An agreement was signed between the federal government and two provinces and that agreement should be honoured.

A promise was made by the Prime Minister to the people of Saskatchewan and that promise should be honoured. A promise was made in the campaign by the Prime Minister to the people of Atlantic Canada that the accord would be maintained, and that promise should be honoured.

It is those flip-flops and betrayals that we object to and the way that people are treated.

We had the member for Central Nova stand in the House, when I questioned him before the first vote on the budget, saying that if Nova Scotians did not like the budget that he would see them in court. We thought that was some buffoonery until yesterday when we heard the Prime Minister make the same challenge, so we now know that it is the position of the Government of Canada.

While the Minister of Finance said that we would have peace in our time and that the bickering between the federal and provincial governments is over, the Conservatives have now gone fully 100% to the American way and the judiciary can resolve all these discussions. We will sue one another rather than discuss and negotiate.

We then had the same highly placed minister of the government stand in this House and say that there would be no whipping, no flipping, no hiring, or firing and that no member of caucus would be expelled for voting his or her conscience and voting against the

accord. The member for Cumberland—Colchester—Musquodoboit Valley did not have a chance to make it to the curtains after he showed courage by voting in favour of the people of his province before he was expelled from his caucus.

What does the member for Central Nova, the Minister of Foreign Affairs, say in the media after that? He said that he did not think anyone would vote against the budget. He did not mind misleading the House because he thought no one would take him up on it, no one would make him show his cards. Well, one member had the courage and we now know what I believe is an egregious misleading of the House by a member saying that there would be a free vote when there was not.

We then heard from members within the Conservative caucus that they had to stay within caucus because they were negotiating and trying to find accommodation between the federal government and the accord provinces and that the discussions were ongoing.

On Saturday, in the *Chronicle-Herald* in Nova Scotia, we see a letter signed by the Minister of Finance of this country saying that no such discussions were happening, that it was impossible and that there could not be some discussions. What is more, we learned that the Prime Minister's Office had written a letter and tried get the member for Central Nova to sign it, which would have been a complete suicide note.

However, I want to help the member for Central Nova, the member for South Shore—St. Margaret's and the member from Newfoundland to find a resolution to this problem. I want to give one last opportunity to the Conservative government to honour its accord. Therefore, I seek unanimous consent of the House for the following motion: That the previous question on Bill C-52, the budget implementation act, 2007, be deemed withdrawn and that the bill be recommitted to the Standing Committee on Finance for the purpose of reconsidering those clauses dealing with the Atlantic accord and equalization.

● (1245)

**The Acting Speaker (Mr. Andrew Scheer):** Does the hon. member for West Nova have the unanimous consent of the House to move this motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

[*Translation*]

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, I would like to thank my colleague from Nova Scotia for his comments, which were particularly important for people in Atlantic Canada.

Looking at everything the Conservative government has done—signing agreements, making promises—it is clear that if it changes its mind, it will say whatever it wants and break its promises and agreements.

With a government that does things like that, New Brunswickers should be afraid right now. Consider child care, where the Conservatives cut \$116 million that was supposed to go to parents and children in New Brunswick. It is clear that people in New Brunswick have many other needs too.

*Government Orders*

Should the people of Madawaska—Restigouche, whom I represent, and the entire population of New Brunswick be afraid that the Conservative government will take the promises it has made and the agreements that have been signed and toss them in the trash whenever it feels like it?

[English]

**Hon. Robert Thibault:** Mr. Speaker, before I answer the member's question, I should point out that when you asked for unanimous consent there was not one Conservative member from Atlantic Canada or anywhere else who offered to support unanimous consent and get the situation resolved.

[Translation]

In response to the question asked by the member for Madawaska—Restigouche, in my opinion, all the provinces and regions of Canada should be concerned.

The Government of Canada is a permanent institution, and the Prime Minister and cabinet ministers will change, but Canada will remain Canada, the country, the Dominion of Canada and the federation. If this country signs an agreement, an accord or a contract with a province, an individual or an institution, it should be honoured, regardless of who the Prime Minister is.

I cannot understand how my friends in the Bloc could vote for this budget, which destroys the agreement with two provinces, because the Bloc members claim to defend their province's rights. One of these days, this Conservative government will destroy the agreement with the Government of Quebec, just as it has done with Nova Scotia, Newfoundland and Labrador and Saskatchewan. It is important to recognize this.

It is a good thing the Liberal members from New Brunswick and Prince Edward Island supported their colleagues from Nova Scotia and Newfoundland and Labrador.

• (1250)

[English]

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, could it be that the Bloc understands fiscal imbalance better because the finance critic of that party never accepted it? I wonder if the member understands that this is the best deal that any province, including Nova Scotia, which he said was not getting a good deal, could possibly get.

For the member to get unanimous consent, he must remember that his NDP friends are not even on board with him when it comes to the fiscal imbalance. The NDP leader has said that he does not believe there needs to be a resolution of the so-called fiscal imbalance between Ottawa and the provinces. He fears that some provinces will use the extra money to reduce their taxes, instead of improving social services.

In 2005, the NDP leader challenged the then prime minister that he was willing to agree to anything in their backroom deal. He never raised equalization or the fiscal imbalance as a concern.

Does the member not wonder whether he is all alone on this particular issue and that he does not understand fiscal imbalance,

much like the Bloc, which he says that he cannot understand why it is supporting it?

I also would suggest that the member obviously does not understand the summer student program. It is about the students, first and foremost, about students getting good, high quality jobs. I think the member needs to understand that and think outside the box.

**Hon. Robert Thibault:** Mr. Speaker, what I understand is the balance between responsibility and integrity, which the Prime Minister has not met. He made a promise to the Provinces of Nova Scotia, Newfoundland and Labrador and Saskatchewan and he did not honour that promise.

I know and understand the Gaelic proverb "there is no greater fraud than a promise not kept".

This was sent to my house by the Prime Minister when he was in opposition. In it he said, "That's why we would leave you with 100 per cent of your oil and gas revenues. No small print. No excuses. No caps".

The Premiers of Newfoundland and Labrador and of Nova Scotia are telling us that it is not 100%, that there is small print, that there are excuses and that there are caps.

What I understand is integrity, honesty and keeping promises.

**Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC):** Mr. Speaker, it is a pleasure today to address Bill C-52, the budget implementation act. It seems the Liberals and the NDP have been unable to imagine a better, safer and stronger Canada, which budget 2007 has asked us to aspire to be.

The constituents of Blackstrap get it. They can envision that Canada and they have embraced the budget. In fact, the budget is well received throughout Saskatchewan, where it largely is seen as a blueprint for better and more prosperous times. It has not hurt that Saskatchewan is a big winner in budget 2007. It is receiving the largest per capita gains of any province with the new fiscal balance package.

I do not believe there has ever been a better budget in Canadian history that has been subjected to such a barrage of misinformation, blatant partisan criticism and wholesale misrepresentation.

For instance, almost three months after the release of the budget, members of the opposition in the House of Commons as well as members of the Saskatchewan NDP government continue to claim that the government has failed to keep its promise to Saskatchewan to exclude non-renewable resources from the equalization formula.

That erroneous information has been repeated so often by so many politicians and written in so many political commentaries that it has been endowed with a sense of truth, but nothing could be further from the truth. The government has kept its promise. The Prime Minister has kept his promise.

Saskatchewan Conservative MPs are voting for the budget because the budget delivers for Saskatchewan. I have made my support of the budget very clear in the House, in letters to the editor and in columns published.

*Government Orders*

The budget gives us none of us any cause to worry. For those of us in Saskatchewan, the budget is about the tale of two leaders.

The first is of the Prime Minister, a visionary who had the courage to solve the fiscal imbalance and determine an equalization formula that is fair to all provinces, based on a 10 province standard.

The other is of the Premier of Saskatchewan, a standard politician who has spent \$300,000 on a provincial advertising campaign called "Imagine", but lacks the vision to see his province move beyond a have not status. He is a critic for criticism's sake. He will not embrace the future because he is too attached to the past. Partisan to the end, he will not acknowledge a promise kept by his political opponent, so he insists a different promise was made.

First, the government has kept its promise. Saskatchewan can exclude natural resources in the calculation of equalization revenues. The Finance Minister further clarified the equalization formula when he first reminded people that our government did not negotiate side deals with any individual province or territory and that we could not run the country on side deals.

Second, the federal government is currently consulting, not negotiating, with Nova Scotia about the implementation process and the benefits of budget 2007 to determine the process of maintaining our guarantee that no province will be worse off under the new system.

Our government is not in the midst of making any side deals for political expediency. Equalization has been restored to a principles based program for the first time in many years. Equalization has been restored to a truly national program. That is what all premiers asked us to do and that is what all Canadians expect us to do.

Restoring fiscal balance brings federal support for Saskatchewan to \$1.4 billion in 2007-08, including over \$800 million in new funding. That is more new funding on a new per capita basis than any other province.

Under the old Liberal equalization program, Saskatchewan would have received zero dollars this year. Under budget 2007's new, strengthened equalization, it will receive \$226 million per year. That is more now than it had before to fund health care, education and other important public services.

It was that self-proclaimed defender of Saskatchewan, the member for Wascana and former finance minister, who began this ad hoc process of doing side deals with some provinces and not others in 2005.

To set my position straight, I always believed in a fair, principled transfer to all province. Saskatchewan never sought special treatment; just a fair deal. I believe the Prime Minister worked out a fair deal for all provinces, including Saskatchewan.

It is a sad day for Saskatchewan when the NDP premier suggests the government has not kept its word to Saskatchewan. Not only did he choose to misrepresent the situation, but he chose to wage his war in the media with sound bites, clips and one-liners that were less representative of the truth. When dealing with an issue as complex as equalization, a little more substance, time and debate is required.

● (1255)

At first the premier insisted that Saskatchewan had been forced to include non-renewable resources into the calculation of its equalization. Then when that was revealed to be false, he insisted that a cap on equalization dollars was never envisioned. A fiscal cap was always envisioned because the very concept of equalization implied a cap.

We cannot have equalization without a cap because the level of equalization would constantly rise and equalization receiving provinces would then develop a level of prosperity beyond that of provinces not receiving equalization. Some provinces would be more equal than others and the levels of have not provinces would exceed that of have provinces and have provinces would then expect equalization funding.

The no cap argument is absurd. Only because it remains a dominant news story and the opposition's favourite criticism of the budget, it is worth examining the history of equalization in Canada.

Canada's equalization program has been in place since the mid-1950s. It has always been and continues to be a complicated formula. While many changes have been made throughout the program's history, the basic approach involves assessing the fiscal capacity of provinces to deliver public services.

Equalization provides unconditional transfers to less well off provinces to assist them in providing services to local citizens. Checks and balances have always been built into the formula. Measuring the fiscal capacity of the provinces and ensuring the formula is figured out fairly and equally between the provinces is where the term cap originates.

Why Premier Calvert claims he is surprised about the cap is unclear. In the pre-2004 equalization formula, before the member for LaSalle—Émard's government went to its ad hoc ideal approach, there always were internal checks and balances to ensure that equalization payments did not lift have not provinces to a higher total fiscal capacity than contributing have provinces. This would not be fair.

The pre-2004 budget was based on the fiscal capacity of only four provinces: Ontario, Quebec, Manitoba and British Columbia. Due to its volatile economy, Alberta was taken out of the old formula to make calculations more viable. Since 2004, the federal approach to equalization was ad hoc, involving side deals for certain provinces. The provinces, collectively, with the Council of the Federation's provincial body, called for equalization review and reform.

The provinces wanted a new formula based approach, a 10 province standard and a predictability of funding. Therefore, the finance minister was not exaggerating when he described this budget as historic. Our government has taken equalization payments in a historic new direction, which includes a new formula with a principled 10 province standard. It is stable, it allows for long term planning and a seven year framework and it is exactly for what the provinces, including Saskatchewan, were calling.

*Government Orders*

However, the Saskatchewan premier seems not so much protective of equalization dollars as he is addicted to them. He is utterly afraid of his province ever achieving a have status and not requiring equalization dollars to meet priorities. He seems unable to perceive Saskatchewan growing beyond his limitations. In fact, the former Saskatchewan finance minister recently revealed his government needed equalization dollars to higher provincial civil service salaries.

No wonder the *StarPhoenix* in Saskatoon today reports that the highest paid Saskatchewan crown corporation executive actually lives in Vancouver. He receives an annual salary of \$313,000.

What is going on in the front pages of our news in Saskatchewan has been analyzed by the Atlantic Institute for Market Studies. It has examined the provincial public services across Canada and has found that many use equalization to inflate the size and wages of their public services. AIMS has found that in Saskatchewan, for every 1,000 of population, 109 are public servants. In fact, it is the highest ratio per capita in Canada. Statistics Canada says that Ontario gets by with 67 per 1,000 and Alberta with 73.

That is where the extra money is going and that is why Saskatchewan is closing schools. Rural taxes for schools are very high, and the provincial government is closing schools every week. Schools there are the heart and soul of our communities in Saskatchewan. Meanwhile its population continues to decline drastically. The leader of the Saskatchewan Party was recently quoted as saying that since 2001, Saskatchewan's population declined by 10,000 residents, the size of Weyburn, Saskatchewan.

• (1300)

In 2004 the Saskatchewan Chamber of Commerce pointed out that the labour laws did not help us either. The chamber reported in its publications that Saskatchewan's labour standards act had not been amended since 1995 and pointed to labour laws as a provincial barrier to growth.

The budget is all about fixing fundamental problems and meeting fundamental needs. Budget 2007 invests in families, seniors, small business and farmers and it puts Saskatchewan at the forefront of a revitalized stronger Canada.

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Mr. Speaker, I was carefully listening to the hon. parliamentary secretary, the hon. member for Blackstrap. She mentioned equalization payments.

I come from a province called British Columbia. When we look at our budget documents, in the first two years, starting this year, B.C. is the only province that gets less money according to the new formula. The amount is \$339 million.

Would the hon. member like to comment on that? Why is B.C. ignored in the budget?

**Mrs. Lynne Yelich:** Mr. Speaker, I tried to express this in my opening remarks. It is way too complicated for this formula to be done on an ad hoc basis, much like what had happened with his party and how it dealt with it back in 2005. Perhaps that is why he is questioning why his province has not been understood.

His party always speaks like it believes there is a problem, but his former finance minister did not think so. He said:

This may be an opportune moment for me to address an issue that remains a preoccupation with some of our critics, both at the provincial and federal levels. That is the allegation of a fiscal imbalance in Canada. With the greatest of respect, I do not agree.

That came from the former finance minister of the previous Liberal government. He also said:

With the greatest of respect for those who hold other views, I have to tell you that I do not subscribe to the notion of a vertical fiscal imbalance in Canada.

Maybe he should ask how the last deals were done, and maybe British Columbia might get an answer.

• (1305)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I will always remember the statement of the finance minister who said that the years of bickering with the provinces were over and there was peace in our times.

The member for Blackstrap stood and basically lambasted Saskatchewan and the Premier of Saskatchewan, saying that the premier was “addicted to equalization”. She also outlined a scenario in which Saskatchewan's population had declined and the province was rundown.

I have never heard a member of the House speak so poorly about a province or region in our country in 14 years of being a member of Parliament, except once. That was when the Prime Minister referred to the Atlantic provinces as having a culture of defeatism, referring to their so-called addiction to EI.

Would the member maybe reconsider her slanderous remarks of the Premier of Saskatchewan and maybe apologize to him on the record before this matter gets any further.

**Mrs. Lynne Yelich:** Mr. Speaker, perhaps I could have another 10 minutes and I will repeat my speech because I was not talking about that. In fact, my province has some hope. It is the leadership of the province, the visionless leader. This is why the equalization debate gets so distorted because that is exactly how those members interpret everything we say.

We are talking about a province that has so much potential. Nobody cares more about the province than the Conservative MPs who are in the House. We are working hard to ensure the budget gets through so Saskatchewan will be a leader again in mining. My riding is a leader in potash. I am very proud of our riding, but I am not proud of the leadership of the province. I think he speaks for himself by his actions.

**Hon. Raymond Chan (Richmond, Lib.):** Mr. Speaker, after 16 months of Conservative minority government, it is now very clear that the Prime Minister and his party are dishonest electoral opportunists and are more concerned with holding the reins of power than they are interested in the—

**The Acting Speaker (Mr. Andrew Scheer):** The hon. member for Edmonton—Sherwood Park on a point of order.



*Government Orders*

**Mr. Ken Epp:** Mr. Speaker, I think if you check the record you will find that the member just said directly that the Prime Minister was dishonest. That is unparliamentary. It is also despicable. I ask that you ask him to retract those words unequivocally.

**The Acting Speaker (Mr. Andrew Scheer):** I would urge all members to deal with a great deal of caution when talking about honesty and truthfulness. I did not specifically hear the member for Richmond make that direct comment. I certainly will take a look at the blues. I would urge, however, the member for Richmond, if he did say words that were unparliamentary, to retract them and to try to stay away from imputing motives on any other hon. member.

• (1310)

**Hon. Raymond Chan:** Mr. Speaker, I could rephrase that by saying that the Prime Minister and his party members are electoral opportunists who are more concerned with holding the reins of power than they are interested in the health and welfare of our nation.

In a word, budget 2007 is so divisive because it has pitted province against province, the rich against the poor. It is full of broken promises. It has slashed and burned effective programs only to later re-brand them and replace them with sad imitations.

The Conservative budget has taken gross advantage of British Columbians to pay for political gains in Quebec and central Canada. Keith Baldrey from my local newspaper, the *Richmond News*, stated:

—the new budget provides each British Columbian with \$163 over the next two years—compared to a whopping \$446 per Quebec resident over the same period.

My constituents are crying foul, and they are not the only ones. B. C. Revenue Minister Rick Thorpe said this about budget 2007: “The budget was more about politics in Quebec and Central Canada than it is about strategic importance for British Columbia and Canada”.

According to the government's own official budget tables, B.C. is the only province that will receive less funding two years in a row in major federal transfer payments. B.C. is losing in the Prime Minister's divisive funding game, down \$1 million this year and \$339 million last year.

At the same time Quebec is getting a \$3 billion increase in this budget for this year alone.

But do not just listen to me. Jeffrey Simpson from the *Globe and Mail* stated, “[Quebec] will be getting more than \$7-billion in additional payments in coming years, meaning that, by definition, about \$5.5-billion will be transferred from elsewhere”. Don Cayo from the *Vancouver Sun* said, “Quebec is the big winner. Indeed, when it comes to equalization, it's the only significant winner”.

Budget 2007 is so unfair and unjust that it does nothing for students, for the poor and for the most vulnerable. The budget does not put a penny in the pockets of Canada's undergraduate students and the vast majority of students get nothing at all.

This budget does nothing to address the shortages of affordable housing in our communities. Laurel Rothman, the National Coordinator for Campaign 2000, said:

There's not a word on affordable housing, which is important not just for low- and modest-income families but for the health of our neighbourhoods across this country

Budget 2007 is so unfair that it actually increases the gap between the rich and the poor. It does nothing for single working mothers because people making less than \$30,000 per year cannot benefit from the Conservative's so-called child care plan.

In 2006 the Conservatives promised 125,000 new child care spaces over five years. Sixteen months into its mandate, Canadian families are realizing this promise was not worth the paper it was printed on. There have been zero spaces created in the past year.

The budget contains no broad-based tax relief for low and average income Canadians and ignores the problem of poverty in our communities. It does increase the tax rates on Canada's lowest income earners for the second year in a row, from 15% to 15.25%, to 15.5%.

Taxes began to go up literally the day the Conservative government took power. The Conservatives have also decreased the amount that can be earned tax-free in 2006.

The budget's tax hike on the first \$35,000 of income will cost Canadians \$1.4 billion, which actually cancels out the benefit of the Conservative's so-called child care benefit.

With such a large surplus inherited from the former Liberal government, why should the working poor be forced to pay off the Prime Minister's big spending and political promises?

• (1315)

The Conservative government has spent more in this budget than in any other budget in Canadian history. Andrew Coyne, from the *National Post*, said on *CBC Newsworld*:

With this budget, [the Minister of Finance] becomes officially the biggest spending finance minister in the history of Canada. That's after inflation and population growth is taken into account. They've now increased under this Conservative government; we've now raised spending by \$25 billion in two years.

With such a large budget, it is shocking and shameful that the budget is so irresponsible. It is irresponsible because it has no strategy to deal with three of the most important challenges that our nation is facing today: the global competitiveness of our economy, the huge social deficit, and climate change.

This budget is a long sad story about irresponsibility and missed opportunities, all for the benefit of the Prime Minister's short term political interests and all at a great cost to Canadians.

John Bennett of the Sierra Club of Canada has repeated the fact that:

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

*Government Orders*

The government and its budget has failed to help Canadians safeguard our environment and to effectively address climate change. It has cut back our commitment to renewable energy from 5,500 megawatts to 4,000 when we should be increasing our support for clean and sustainable energy production.

The Conservatives have kept tax breaks for new oil sands expansion in place until 2015, but has slowed our plan to clean up Canada's lakes and waterways. The Conservative plan reduces funding to our provincial partners by half. It has cut effective energy saving plans only to relabel, repackage and then resell them to Canadians with smaller budgets and less impact.

The simple fact is that in this budget there is no effective Conservative plan to address Canada's environmental responsibilities or to make sure that polluters pay for using our atmosphere as a free garbage dump.

On global competitiveness this budget has failed. Journalists from *The Vancouver Sun* have stated, “—rather than focusing on creating the right conditions under which all Canadians can prosper, [the] budget resorted to picking winners and losers”. This budget contains no broad-based relief for average and low income Canadians and it also fails to position Canada for the 21st century global marketplace.

In 2005 the former Liberal government initiated the CAN-Trade strategy that provided a \$485 million investment over five years to help Canadian businesses succeed in emerging markets. It should be no surprise that the Conservatives scrapped this program and have now replaced it with a mere \$60 million—

**The Acting Speaker (Mr. Andrew Scheer):** Questions and comments. The hon. member for Edmonton—Strathcona.

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, I was astounded while listening to the member's speech, which focused on nothing positive. He was focusing on negative rhetoric that he should stop to ask himself about.

He mentioned help for lower income families, child care, the environment and, what I think was done intentionally, he refused to even check back on his own government's record. In all of these particular areas, the Liberals failed Canadians so miserably that we had to start cleaning up the mess on this side.

How many spaces did his government create for child care? The Liberal government promised it for a decade. What did it do for the environment? Let me remind the House that it went 33% over the Kyoto targets. It is outrageous.

One thing he did fail to mention and I know that the constituents in his riding of Richmond have great links with Asia. Overall, we set some unprecedented funding in infrastructure. Over \$800 million is flowing into the province of British Columbia when it comes to the Asia-Pacific gateway initiative. Maybe he should comment on how his constituents would welcome that sort of funding, especially because we value that trade link with Asia-Pacific.

Perhaps he can comment on something positive. I would like to hear something positive from the member.

● (1320)

**Hon. Raymond Chan:** Mr. Speaker, let us talk about British Columbia and how this budget was so untruthful on the funding for B.C.'s Asia Pacific gateway project.

In the 2006 budget, the Conservatives cut the Liberal funding by hundreds of millions of dollars in the first five years. In this budget, the finance minister partly restored the funding that he had cut the year before, then added \$450 million in new funding and hailed it as proof that B.C. is somehow a big winner. The problem is that B.C. will not start receiving the new money until four years from now.

After studying the budget in detail and reviewing the responses from across the nation, I can only agree with most analysts that the Conservatives' 2007 budget is very divisive, unfair, unjust, untrue and irresponsible.

**Mr. Lloyd St. Amand (Brant, Lib.):** Mr. Speaker, I listened with interest to my colleague's speech. He is a gentleman who has an intuitive grasp of and a real passion for social justice issues. He well understands, arguably as much as anybody in this chamber, that one of our tasks in government is to slowly but surely narrow the gap between those who have and those who have not. I am sure he is as disappointed as I am that the gap between those who have and those who have not certainly has been widened as a result of this budget rather than narrowed.

I am thinking particularly about single seniors. I would like to ask my colleague about this. As much as the Minister of Finance talks about pension splitting, which yes, to an extent will assist senior couples, there is no mention whatsoever of and certainly no provision in the budget for single seniors, 70% of whom are women, obviously living alone and struggling to get by. I am wondering if the hon. member could comment on how that will impact on his riding. Certainly it has impacted on mine.

**Hon. Raymond Chan:** Mr. Speaker, I thank my hon. colleague for his very precise question. I could not agree more that the impact of this budget was so badly felt in my riding. This budget was so unfair that it actually increased the gap between the rich and the poor.

There is no mention of affordable housing. My riding is supposed to be an above average riding, but we do have poverty in my riding. There are many people waiting to get into suites that they can afford. Also, because they are not in good living conditions, this has impacts on their health, particularly for the single women, as the member said.

One thing we should try to do is make our economy more competitive so that more people can get into jobs that pay better. The sad thing is that we do not see this in this budget. As Nancy Hughes Anthony, president of the Canadian Chamber of Commerce, said:

We don't see any broad-based tax relief either for taxpayers or businesses. The government promised in November that they were going to make Canada more competitive and control spending and I think they broke that promise—

**The Acting Speaker (Mr. Andrew Scheer):** Order, please. We will have to move on to the next speaker.

Resuming debate, the hon. member for Edmonton—Strathcona.

*Government Orders*

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, I am very proud today to rise in the House of Commons and have the honour of speaking on Bill C-52. Unlike the previous speaker, I will focus on some really positive initiatives that I think Canadians are very proud of when they look at our government.

Once again, I am proud of the excellent work that the finance minister has done in constructing a budget that meets the needs of ordinary Canadians. Our budget package provides a plan that will aspire to create a stronger, safer and better Canada. This will be achieved through restoring fiscal balance, reducing the tax burden on working families, investing substantially to protect the environment, and promoting our health care system.

In communicating with my constituents from the riding of Edmonton—Strathcona, I have received tremendous support for this new budget. Edmontonians feel confident that Canada's new government is continuing to speak to their needs by providing a focused fiscal agenda, something the previous Liberal government failed to do for 13 years.

Specifically, budget 2007 speaks directly to the students at the University of Alberta, to business owners and entrepreneurs on Whyte Avenue, and to ordinary parents and grandparents who put a premium on family. It is these individuals who get up every morning and go to school and to work in order to better their lives and those around them. Canada's new government wants to help them be successful.

In the past, the previous government sought to impose one size fits all solutions for very real problems. Our vision is different.

[*Translation*]

Canada's new government does not claim to have the answer to every problem or to be better prepared to address all the problems ordinary Canadians have.

• (1325)

[*English*]

Canada's new government is willing to listen to Canadians, get an understanding of their issues and provide them with the resources necessary to achieve their goals and realize their dreams. That is what Canada's new government has done and what Canada's new government will continue to do.

Students at the University of Alberta will benefit exponentially from the money allocated in this year's budget. Building upon the targeted tax relief outlined last year, budget 2007 will invest substantially to improve Canada's post-secondary education system. Our government will allocate \$1.3 billion to science and technology research, coupled with a 40% increase in funding for Canada's post-secondary institutions.

In addition, budget 2007 outlines 14 supplementary monetary investments that will specifically target areas of R and D, employment training and post-secondary scholarships. All of these investments will ensure students at the University of Alberta are receiving a world class education and the necessary skills to compete in a globalized economy.

I am proud to say that Canada's new Conservative government has once again delivered for students.

Students graduating from university, technical schools and other institutions of higher learning want to know that employment will be attainable immediately upon graduation. That is why budget 2007 proposes a number of measures that will enhance infrastructure and the necessary resources for business to succeed.

For example, a small business owner on Whyte Avenue in my constituency can expect to benefit from the government initiative to reduce the paper burden by 20%. Less time will be spent on excessive government red tape and bureaucracy, and more time can be spent on driving the economy, thus creating jobs.

Furthermore, the capital gains tax exemption for small business owners will be increased to \$750,000 from \$500,000. Undoubtedly, this will help business people in Edmonton—Strathcona reap additional benefits from their investments.

Additionally, budget 2007 speaks to the needs of ordinary families across Canada and in my riding of Edmonton—Strathcona. Since taking office, our government has always made working families a number one priority and I am proud that we have proven that once again in this budget.

Working families in my riding can expect to receive a new \$2,000 per child tax credit for children under the age of 18, along with the elimination of the marriage penalty on single earning families.

Additionally, Canada's new government also wants to help parents save for their children's post-secondary education. That is why the Minister of Finance has transformed the RESP program to allow parents to contribute more on a yearly basis and has increased the lifetime contribution limit. Education is important to Canada's new government and we want to help parents help their children to succeed.

Finally, budget 2007 sets out comprehensive funding to reduce greenhouse gases and improve air quality. Undoubtedly this is something that will benefit all Edmontonians by making a cleaner, healthier environment.

Some examples of these environmental initiatives include: rebates of up to \$2,000 on new fuel efficient vehicles; investments in biofuels; the \$1.5 billion ecotrust to help clean up our land and water; \$22 million to enforce environmental protection laws; and, of course, a new national water strategy.

[*Translation*]

In closing, I would like to say that the government cannot spend Canadians' money better than they can spend it themselves. This budget recognizes that Ottawa can do more with less and Canadians can do more with more.

I am delighted that my constituents finally have a government that recognizes the need to support them in their choices by giving them more resources with which to shape their own future.

*Government Orders**[English]*

In short, by offering a broad based fiscal plan that targets their specific needs, budget 2007 will make a difference in the lives of Canadians and particularly the lives of people in Edmonton—Strathcona.

I cannot emphasize enough the fact that I have heard from so many people who are pleased to see a focused fiscal plan. I have had a number of phone calls and emails over the last number of weeks and months since the budget was tabled in the House, with particular examples of how families feel that the government understands their concerns and needs. In particular, there is a breadth of knowledge and there is the diversity of my riding, with Canadians who range from seniors to students to business owners. They all feel that this budget was very focused in its delivery and that it aims to help a number of them.

In particular, I will emphasize the University of Alberta. It is clear from the work done in the previous budget and then in this budget that we can see the support this government is giving to the future, particularly when we see what is happening in Edmonton and in Alberta with their current economic growth and the challenges we are facing in managing that growth. This government has implemented a number of measures to support that growth and to build on it to enhance what is happening with all the growth in Alberta.

I think back to the last budget when we made simple changes that were never made by previous governments, one being to allow foreign students the chance to work off campus. So many of them come to this country looking for new opportunities.

My family still operates a small business, as members know. I had very humble beginnings before I came to this place. I ran a small business on Whyte Avenue for a number of years. A number of our family members and others benefited from this change last year, especially in a really hot labour market where we have had a challenge in finding and retaining people.

Now we are able to have that opportunity for students who are looking for new or better opportunities in coming to Canada. Not only is it an opportunity for them to make the most of their education, but it is also an opportunity for them to then afterwards get value from that education by being in the Canadian workforce. Hopefully many of them will decide to remain here in Canada and we will benefit from those skills.

Our government even has opened up the opportunity for them to be able to look at staying here. Unfortunately, the previous government talked a lot of talk when it came to immigration opportunities and supporting students, but it really delivered very little. That seems to be the legacy of the previous government. That is something we wanted to change when we took office.

We have had a Prime Minister and a finance minister with clear leadership. When they put certain directions or changes on the table it is to deliver real results. Not only have we seen that in the budget, but we have seen environmental changes put in place. The previous government's record is unacceptable. As I mentioned earlier to the member for Richmond, a 33% increase in emissions under the Kyoto protocol is not real results. We are looking to improve air quality and

the health of Canadians in working with them to implement those changes.

That is why many of the changes we have implemented in budget 2007 will help to actually integrate Canadians in working with their governments and helping shift behaviour. Those changes will benefit Canadians in the long term with real results, something that has been missing in this country for a number of years. That is the type of feedback I am getting from my constituents, who are proud to see a government and a finance minister with the vision to lead, for a change, and not follow.

• (1330)

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, it was quite interesting to listen to the member go on about all the government's accomplishments. Let me tell him that I am very proud of the accomplishments of our government. A big accomplishment was producing an \$11 billion surplus that was left to the current government in regard to deciding what its priorities were. Clearly we know where its priorities lie, and they do not lie in serving a lot of the people referred to by the member in regard to the area he represents.

Clearly he understands what it is like today for many of our communities that are struggling and also for individuals who are struggling. Some of those individuals have been hit on the income trusts. Some of them are the same families that the hon. member referred to. They saved for many years for their retirement and invested their life's savings in income trusts. They believed what the government and the Prime Minister committed to and made additional investments only to find out very soon that millions of dollars in savings were lost for many of those people. I think the loss figure last quoted is \$25 million.

I wonder what the hon. member says and feels about that whole issue and how it was handled. He seems to be very proud of his finance minister, contrary to a lot of what we read elsewhere. I would like to know what the hon. member thinks about those issues and about those people who lost their savings and are struggling to get by.

• (1335)

**Mr. Rahim Jaffer:** Mr. Speaker, I would like to start off by disagreeing with the hon. member. There are many segments of the Canadian population who are proud of the finance minister's initiatives on tax measures, on help to families and in a number of areas that I spoke about. I think there is some really strong delivery when it comes to results. I think the member may have missed that part of my speech when I talked about results, something which we did not see from the previous government.

It is astounding that we still see members of the previous government, that bungled the whole income trust file prior to it being voted out by Canadians in the last election, stand up to defend large corporations not paying their fair share, which is putting more burden on Canadians. It is astounding in this day and age that we still see members like her stand up and defend that and defend their friends in big corporations.

*Government Orders*

Our finance minister took a leadership stand to bring fairness to the tax system, to bring balance to the tax system. In doing so, we actually implemented something that I know one of the members of her party has been so strongly behind and has somehow become completely silent on: pension splitting for seniors. These measures offset many of the negative effects initially of the income trust changes.

If we look now at the markets the value of the income trusts have come back up to a very significant level. It is a shame that we still see members like her defending corporations not paying their fair share of taxes.

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, speaking about broken promises, I remember in the last election there was a big fanfare. The Prime Minister said that he was going to provide \$50 million to prevent youth crime. There would be activities for young people. It was not just about being tough on crime but he said he would also do a lot for young people to prevent them from joining gangs and so on. I do not see one word in the 2007 budget about youth crime prevention. Where is that \$50 million?

I saw in the 2006 budget, the old budget, that there was an investment of \$10 million a year but there is nothing booked for 2008, and there is nothing in the 2007 budget. There was some mention in the 2006 budget, but what happened to that campaign promise of \$50 million per year to prevent crime? It disappeared. That is another broken promise.

**Mr. Rahim Jaffer:** Mr. Speaker, I know my time is short but I simply throw it back in the member's court and ask, where is she on supporting mandatory minimum sentences, where is she on a number of our justice bills that we put forward to get tough on crime? Members of her party talk the tough talk during an election but when it comes to actually putting their money where their mouths are here in this place, we have introduced a number of bills, but they are being held up in committee by members like her. I would like to see the member stand up and actually support those bills.

To address her concern about the \$50 million, we have outlined in our budget a number of initiatives that actually will prevent crime and will support our law enforcement officers. We have a lot of credibility on those particular issues of justice, unlike the hon. member who just spoke.

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Mr. Speaker, I am happy to speak in the debate on the budget bill.

A little while ago in my riding of Newton—North Delta I had the opportunity to attend the Surrey Children's Festival Breakfast, an annual event organized by Sheila McKinnon, who does such great work in our community. This event gives the people in Surrey and Delta an opportunity to celebrate the most important citizens we have, the future of our families, the future of our communities.

That event was the perfect opportunity to reflect upon all this budget represents and all it denies for those children in the coming years. Many of them are first generation Canadians. Their parents were newcomers to Canada, many of whom qualified to come here as professionals. They had high-paying jobs before they arrived here and were told they met the standards to be qualified professionals

here in Canada. Now they are working far below their earning potential and have no hope in finding positions they were educated for before they came to this wonderful country.

The budget scrapped all plans to provide for a one stop agency to deal with the foreign credentials recognition problem that we face day in and day out. That was probably because the government discovered it did not work. If the government members were honest, perhaps they would admit that they knew it would not work all along. Any real consultation with licensing bodies, trade organizations and educational institutions would have told them that a lot earlier, but like most things with this budget, the Conservatives clearly chose not to listen. If they had consulted at all, this would not be the situation.

We see the same thing happening in the Atlantic provinces. The government simply chooses not to listen.

Two budgets later, the parents of these children are no further ahead in getting the jobs they came to Canada for. Even if all those children became doctors, health care professionals and skilled tradespeople, we still would not have enough here in Canada to fill the gap.

By 2020 we will not be able to produce enough tradespeople and professionals here. We will be relying on immigration. Members might think I am talking about immigrants, but this is not an immigration problem. When I talk to the businesses in my riding about the labour shortage in British Columbia, I listen to them. This government is not listening to their concerns about getting recognition of the credentials of those technicians and tradespeople so that they can be productive members of our society. Members might think that this budget would have addressed that problem and would have made it a priority. Once again they would be disappointed to learn that they are wrong.

In fact this is a budget that cares very little about what we are really facing in the future, even though time and time again all the research tells us that the future of our country and of our economy lies in more and better immigration and immigration services than we provide.

People like Mumtaz Khan and Monica Verma in my riding, who run the Self Employment and Entrepreneurial Development Society, SEEDS, not only for new Canadians but for men and women who want to start new small businesses, can tell us that in four short years we are going to run out of professionals and skilled workers. This budget does nothing to address the fact that the answer is in new Canadians. The answer is to deal with the backlog of immigration applications. What does the budget offer? Nothing.

*Government Orders*

● (1340)

The answer is to deal with family reunification. Extended families can offer some of the child care services that the government is so unwilling to provide. What does the budget offer? Again, the budget offers nothing.

The answer lies in speeding up citizenship processing times and also the refugee applications. Again, the budget offers nothing.

New Canadians now realize they have to work around the government, a government that fails them time and time again. The government fails not only new Canadians. We can see resentment coming from all provinces, starting with Atlantic Canada and going to Saskatchewan and British Columbia. That is why the government is trying to push the budget forward. The government wants the resentment that is coming from different regions to be taken out of the public eye.

We know what it takes to ensure a real future for Canadians. The government's budget is a denial of the realities that hard-working Canadians face every day.

Let me return to the children at that breakfast. We are now two budgets into the government's mandate that denied child care, a mandate that said parents should have the right to choose whether to have child care or not. The first budget gave them a \$100 cheque each month and what was supposed to be funding for new spaces. This budget does nothing more.

In my province, a little research will show what this has meant. Not a single new child care space has been created. None of that money has ever been accessed. In fact, many spaces have been closed down in the last year.

After two budgets, parents who have nothing but an extra \$100, which is also taxed, could not afford to put their children in these child care places, even if they existed. These same parents, perhaps like myself, would like to bring their parents over to look after their children, and this budget fails on that front too.

We see the vicious circle the budget has put in place with its failures: children without child care; parents who cannot find the jobs in their chosen fields, and who cannot even look to their own families to provide the care the government denies because their family members cannot get into this country sooner and faster.

The government is failing to meet the future, to honour its potential with a budget like this. What is worse, this is only one example of how the impact of this failure is being felt by hard-working Canadian families in my constituency right now.

I have not even gone into the failure of a viable so-called green plan the government is talking about so our children and their children could have a livable environment.

I have not even gone into the budget's failure to address the rising population of young native Canadians and what it will mean for their future.

The point is that with this budget, we are a long way away from the 11% increase in after tax income that working families received under the previous Liberal government. Under the previous Liberal

government there was real child care, money for child care spaces and more money for real solutions to foreign credentials recognition, and not the fake solutions of the two Conservative budgets, and not the kind of budget that would look to the one area of funding for our young people to get them into the workforce, the summer jobs program.

With all these cuts, this is a budget that imagines that hard-working Canadian families do not want real vision and leadership. The government is thinking that way in planning for our future. We can only go on with the vision, but not the cheque writing strategy.

● (1345)

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, I listened with interest to what the hon. member had to say. I suggest that perhaps the member was not listening when we were making the announcements with respect to foreign credentials recognition and working toward interprovincial standards for designations. The member can be assured that the government is moving forward on that. As a grandson of an immigrant family, I am very proud of that.

One thing I did not hear mentioned in the member's statement was productivity. We know there are major productivity challenges in Canada. This budget makes significant investments toward improving Canada's overall productivity in post-secondary education, in the skilled trades, in critical infrastructure like the Pacific Gateway, something the member should care about a great deal.

Why does the member stand in the House and not mention anything about the effect of the Pacific Gateway, the effect of investing in productivity in our country and what it will mean for future generations? I want to believe he believes in future generations. I know families in Canada do. Why is he not standing up for productivity in Canada?

● (1350)

**Mr. Sukh Dhaliwal:** Mr. Speaker, in fact, I am very proud to be Canadian by choice, and the only for reason for that was because we had a bright future in Canada.

The member has asked me three questions. The first question was on credential evaluation. I came to this country as an engineer. I had to go through a lot of difficulties. That is why I personally understand the issues and the problems.

The Conservative government, when it wanted to buy votes, promised to set up an agency that would solve the problem. It knew at that time that it would not work. That is why there is no money now. It has cancelled that.

**Mr. James Moore:** That's wrong. It's in the budget.

**Mr. Sukh Dhaliwal:** Those members should not be yelling at me, Mr. Speaker. They should be yelling at their own members who are leaving that side of the House to sit on this side. They should be worried about the vote on that side.

*Government Orders*

We have to come up with a real solution to the problem of foreign credentials for the businesses that are suffering right now. We had put \$62 million into that program.

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, it is indeed a pleasure to speak in this chamber today to Bill C-52, the government's budget implementation bill.

I am particularly pleased to speak because I want to ensure I have the opportunity to dispel some of the half-truths and outright fallacies being propagated in debate, particularly today, by members of the opposition.

The first thing I want to talk about is the complete untruth that somehow we have been stifling debate on this important bill. We have heard it from the member for Wascana and the member for Vancouver East. They have consistently stated that the motion we brought in for time allocation today was an attempt to further curb debate on this very important bill. I assure members that is the furthest thing from the truth.

In fact, I point out, particularly for the members opposite, we have so far debated Bill C-52, this year's budget implementation bill, for 15 days. On the last two budget implementation bills presented by the previous government, now the official opposition, in the two years combined, the government had only allocated 14 days debate between the two years. In other words, to put things in context, we have spoken more days on this one bill than the last two budget implementation bills by the previous government combined.

For them to say that we have been curtailing debate is an absolute fallacy. Nothing could be further from the truth.

Now that we have that settled and put it to rest, let us talk about the bill itself and some of the benefits that apply to Canadians.

In particular, we know now that the fiscal imbalance situation, a concept that the previous government, and the leader of the official opposition in particular, failed to recognize, has been put to rest. More money has been paid to provinces in the form of transfers, whether they be health transfers or post-secondary education transfers, than has ever been done before, and we are very proud of that.

In addition, we have brought in initiatives to help families with child tax credits. We put money toward infrastructure. We put money toward a biofuels industry. We put money toward agriculture to help our farmers who have been suffering a decade long of income crises, from one crisis to another. We have provided Canadians from coast to coast with a type of budget, presented by the type of government, that they deserve, for the first time in 13 years.

What I really want to talk about in the few moments I have before we get into question period is the question that has been predominating the airwaves today, and that is, the entire topic of equalization, whether it be the Atlantic accord or equalization as it sort of plays itself out with all the provinces besides Newfoundland and Labrador and Nova Scotia. I will give a particular perspective and insight into what it has been doing to Saskatchewan because Saskatchewan has been unfairly portrayed as a province that has been hurt by the new equalization formula changes.

Again that is, at best, a half-truth, and I would suggest a complete fallacy if members really want to know the truth. Saskatchewan has not only resulted in receiving \$878 million in new money, which is a \$230 per capita payment, the highest of any province in Canada, but the changes we have made to the equalization formula itself are actually there to protect Saskatchewan in an essence of fairness across the board.

Let me explain what I mean by that.

The changes we have made in budget 2007 to the equalization formulation are, as promised, 100% removal of non-renewable natural resources after extensive consultations with the provinces. Both of those elements we talked about in the election platform. We promised to make those changes, and we did.

Now the question seems to be, particularly for members opposite, is that somehow we treated the province of Saskatchewan unfairly because we put a fiscal capacity cap on the formula.

Let me just say what a fiscal capacity cap is all about. This is nothing more than something that maintains a convention that has been in effect with the equalization program for the last 50 years.

Since equalization was first announced in Canada in 1957, and later enshrined into the Constitution in 1982, there has never been an instance in those 50 years where a province that receives equalization payments ends up with a higher fiscal capacity than a province that has paid into the program. Why is that? It is a matter of absolute fairness. Because the name "equalization" means simply that all provinces should have equal abilities to deliver services at relatively the same level of taxation.

● (1355)

This program is not intended to make a have not province richer than a have province. In fact, I point out that had the program, which introduced in budget 2007, been in effect in the 1990s, when Saskatchewan was considered a have not province, Saskatchewan would have received an additional \$4 billion in revenue.

These figures are not my own making. These figures come from the department of finance in the province of Saskatchewan. Why is that? Because with a have not province, at least in the particular case of Saskatchewan, the \$400 million a year that it would have received over that decade would not have put its fiscal capacity higher than that of Ontario. In other words, Saskatchewan would have received 100% of all the benefits flowing from their non-renewable national resource revenue.

What happened? Why did Saskatchewan not receive it? Because the previous Liberal government did not address the equalization program, even though there were repeated calls from the province of Saskatchewan to consider at least removing non-renewable natural resources from the formula. The previous Liberal government did absolutely nothing.

*Statements by Members*

The member for Wascana is proud to stand in the House and say that when he was the minister of finance, he gave close to \$800 million in his last budget to the province of Saskatchewan, and he did. Why? To try to redress all the inequities hoisted upon Saskatchewan for the previous decade.

Even with that \$800 million, he was woefully short of treating Saskatchewan fairly. As I mentioned just a few moments ago, had the provisions we have placed in budget 2007 been in place during the 1990s, Saskatchewan would have received \$4 billion in additional revenues.

Unless the member for Wascana commits to coming up with another \$3.2 billion to give to Saskatchewan, what he did over 13 years amounts to absolutely nothing in terms of fairness. What we have done is redress that. We have made the equalization formula not only principled, but fair to each and every province.

I hear a lot of chirping on the other side and them saying “not true”. It absolutely is true. The member for Wascana knows it. I know it. I hope the people from Saskatchewan know it as well.

That is not the only thing these changes have done in terms of equalizing and ensuring that the equalization formula is more professional and a principle based program.

I understand that we have to go to question period. I will have a few moments left after question period and I look forward to continuing this discussion then.

**The Acting Speaker (Mr. Andrew Scheer):** The hon. Parliamentary Secretary to the Leader of the Government in the House of Commons will have about two and a half minutes after question period to conclude his remarks.

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## STATEMENTS BY MEMBERS

[English]

### WARKWORTH COMMUNITY SERVICE CLUB

**Mr. Rick Norlock (Northumberland—Quinte West, CPC):** Mr. Speaker, I rise today to pay homage to the Warkworth Community Service Club, which was founded in 1947 by several businessmen in the village of Warkworth.

As a member and former president of the club, I am proud to recognize in this place the 60th anniversary of this great organization which has contributed so much to the life of the greater Warkworth community.

With well over 100 members, the Warkworth Community Service Club has helped build an arena, built and runs a medical centre and a modern pavilion. It has also helped build the Millennium park and trail. It contributes to the sustainability of the local Scouts and Guides, youth sports associations, as well as the beautification of the Warkworth village. These are but a few of its many accomplishments.

I say hats off to all service clubs, especially the Warkworth Community Service Club, that make Canada the best place in which to live and raise a family. I wish the Warkworth Community Service Club a happy 60th.

● (1400)

### ATIKOKAN SNO-HO CLUB

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Speaker, I rise today to congratulate the Atikokan Sno-Ho Club on its receipt of the Canadian Council of Snowmobile Organizations' excellence award as Canada's outstanding snowmobile club for 2007.

This prestigious award is designed to recognize the club that distinguishes itself in management, trail quality, safety, promotion, development and community outreach. The award was presented at the International Snowmobile Congress on June 9 in Minneapolis, Minnesota.

The Atikokan Sno-Ho Club's accomplishments include upgrading the trail to make it part of the Trans Canada Trail system, developing and promoting the new international circle tour, and publishing a new district trail map.

I ask all members to please join me in congratulating the Atikokan Sno-Ho Club on this significant achievement.

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[Translation]

### HAITIAN MEMORIAL

**Mrs. Vivian Barbot (Papineau, BQ):** Mr. Speaker, on May 18, the Montreal Haitian community gathered to commemorate the 204th anniversary of the Haitian flag and to inaugurate Place de l'Unité, a Haitian memorial in the Saint-Michel neighbourhood.

This public space was designed by the Haitian-Quebec cultural association, La Perle Retrouvée. They have installed statues of Toussaint Louverture, Jean-Jacques Dessalines, Catherine Flon, Alexandre Pétion, Sanite Bélair et Henri Christophe, six historical figures who contributed to the birth of Haiti, the first black republic in history.

This place of gathering and solidarity will allow the Haitian community in Montreal to celebrate its culture and to perpetuate the memory of the heroes of independence.

My Bloc Québécois colleagues and I congratulate La Perle Retrouvée for this vibrant testimony to the Haitian flag and the courage of our ancestors, and to the settlement of the Haitian community in Quebec.

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[English]

### FIREFIGHTERS' FUND

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, the Conservative government reneged on a commitment it made when it voted in favour of an NDP motion calling for the establishment of a national benefits fund for firefighters.

In the United States, firefighters' families are compensated \$275,000 in the event of death or total disability. In Canada, the vast majority of fire departments do not have benefits to provide for the families of fallen firefighters. This can mean real hardship for the families.



Such is the case with George Copeland, a firefighter in the city of Windsor who was injured permanently while doing his job. This is not how Canada should treat those citizens who put their health and lives at risk for the safety and security of the rest of us.

It is time for the government to do what it voted for and establish a national fund for firefighters. The Prime Minister should respect the votes in the House of Commons and, most important, respect the Copeland family and act now.

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#### NATIONAL RIVERS DAY

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, residents of the upper Ottawa valley who celebrated National Rivers Day this past weekend by boating on the Ottawa River may soon look forward to an eagerly anticipated event: the reopening of the beautiful sandy beaches that line the Ottawa River where CFB Petawawa fronts the river. The shoreline, over the years, was the location of military training exercises and was identified as a legacy site eligible for the DND UXO and legacy sites programs.

I am pleased to invite all members of the public to a community meeting hosted by DND on Thursday, June 14, at 7 p.m. at Troyes Cinema on base. The purpose of the meeting is to explain what work has been completed and what precautions, if any, boaters should take once the beaches are officially reopened for public use.

I am pleased to recognize the leadership that Lieutenant-Colonel David Rundle, CFB Petawawa Base Commander, has played on this and many other issues during his posting to Petawawa. On behalf of the Petawawa community, we wish him well on his next posting. We will miss him.

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#### NO-FLY LIST

**Hon. Raymond Chan (Richmond, Lib.):** Mr. Speaker, the no-fly list is just another ineffective Conservative headline stealing scheme. The no-fly list, as it is, will only catch the dumbest of terrorists who have not falsified their IDs before checking in for their flight.

It forces every Canadian 12 years and older to produce a government issued ID for domestic flights, which will only increase the backlog in passport offices and others. I was just told, because of questioning in the committee, that they will be changing that to 17 years and older. It will infringe on the civil liberties and rights to privacy of Canadians by passing information on to private air carriers which, in turn, can be easily ascertained by foreign governments.

Finally, one of the most fundamental problems with the no-fly list is that no one will be told why they are on the list and, thus, it will be extremely difficult to defend oneself. I call upon the government—

● (1405)

**The Acting Speaker (Mr. Andrew Scheer):** Order, please. The hon. member for Blackstrap.

#### Statements by Members

#### PARLIAMENTARY LIFE

**Mrs. Lynne Yelich (Blackstrap, CPC):** Mr. Speaker, there are special requirements for any woman fulfilling the duties of a member of Parliament. As a wife and mother, I am aware of the necessary sacrifices when family events occur in the constituency and parliamentary duties keep me in Ottawa.

My daughter, Ivana, turns 18 today and I am unable to be with her or for her pre-grad events. It is difficult to be far away. I want to thank my children for their understanding and patience.

It has not always been easy for them, but they have supported me, as has my husband, through this entire time knowing that there are times when the many miles of this vast country must separate us.

Even now there are some, if not many, who may question a mother sitting in the House of Commons while there are still children at home. This lingering attitude often pushes us to stretch our lives to the limit to accommodate both Parliament and family.

I am thinking of our girls today, Ivana, this year's valedictorian who is preparing for graduation after combining athletic achievement and academic excellence, and Elaina, who has established a career as a teacher and a marriage with her husband.

My family has adjusted, coped and succeeded, despite the challenges of my parliamentary life. I am proud of their sacrifices as I am so very aware of my own.

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[Translation]

#### MONTCALM REGIONAL COUNTY MUNICIPALITY

**Mr. Roger Gaudet (Montcalm, BQ):** Mr. Speaker, today I would like to highlight the 25th anniversary of the Montcalm Regional County Municipality.

On the evening of May 26, an anniversary celebration was held in honour of the Montcalm RCM. Some 340 citizens were present to celebrate its 25 years of service to the public. Municipal officials were present, including 30 of the 45 mayors of the RCM, in addition to several economic, cultural and community organizations. At the same time, a tribute to the memory of the mayors was a reminder of how many people shaped the future of the various municipalities.

The Montcalm RCM is now recognized in the area for its dynamism. We are confident that, in future, the RCM will continue to improve its services and to make regional development a priority.

*Statements by Members***THE ENVIRONMENT**

**Mr. Steven Blaney (Lévis—Bellechasse, CPC):** Mr. Speaker, at the G-8 summit in Germany, our Prime Minister invited all the countries to adopt a common strategy for fighting climate change. This initiative is consistent with our green plan, which will allow Canada to reduce its greenhouse gas emissions by 20% by 2020 and reduce atmospheric pollution by 50% by 2015.

Unfortunately, through their powerlessness, the Bloc members were complicit in the Liberal inaction and the 35% increase in greenhouse gas emissions in the country. While the Bloc will never actually be able to do anything about this and just keeps talking, we want and can take action and are indeed actually doing something. In fact, Quebec's environment minister recently reiterated that the \$350 million from the Canada ecotrust will allow Quebec to achieve the objectives of its action plan.

Fortunately, we now have Conservative MPs from Quebec and a government that is getting things done in the interest of the country through a concrete plan, mandatory standards for all industry sectors and greenhouse gas reduction targets that are realistic and will be met.

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[English]

**NOBLE METAL PROCESSING CANADA**

**Mr. Lloyd St. Amand (Brant, Lib.):** Mr. Speaker, on Sunday, June 3, I was pleased to join Noble Metal Processing Canada in celebrating the 10 year anniversary of its facility in Brantford, Ontario.

Noble Metal Processing Canada, a division of Noble International, is North America's largest laser welder, providing high quality products to the North American automotive industry.

Over the past 10 years, the facility in Brantford has grown to employ 140 people, all of whom are dedicated, outstanding employees. I had the privilege of touring this facility and was greatly impressed by the high level of knowledge and innovation that have been combined at the site.

Noble Metal Processing Canada is a justifiably very well regarded manufacturing facility in Brant. I wish it many more successful years in Brantford.

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**JUSTICE LEGISLATION**

**Mr. Ed Fast (Abbotsford, CPC):** Mr. Speaker, Canadians are worried about crime. While the opposition claims that our crime rate is going down, Statistics Canada reports that serious violent crime is going up, not down. The murder rate is the highest in almost a decade. Aggravated assaults are up 10%, assaults using a weapon are up 5% and attempted murders are up a whopping 15%.

Our new Conservative government takes crime seriously. We are eliminating house arrest for violent offenders, imposing tough mandatory minimum sentences for gun crimes and longer sentences for repeat sex offenders.

The opposition parties? They allow arsonists to spend their jail time in the comfort of their homes. They vote against tough minimum sentences for gun crimes. They oppose longer jail terms for repeat sexual offenders like the balcony rapist.

There is only one party that takes crime seriously and that is our new Conservative government. While the Liberals and their friends remain soft on crime, we are making sure Canada's streets and communities are safe.

\* \* \*

• (1410)

**WORLD DAY AGAINST CHILD LABOUR**

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Mr. Speaker, around the world, hundreds of millions of children are forced to work dangerous jobs so they and their families can survive. These tasks put children's health, safety and their very lives in jeopardy.

Today, people from every part of the globe are participating in World Day Against Child Labour to end this shame. This year the focus is on eliminating child labour in agriculture where nearly 70% of child workers are found. Over 132 million children toil from sunrise to sunset on farms sowing and harvesting crops and spreading dangerous pesticides.

Canada cannot continue to turn a blind eye to this exploitation. We are part of an international community and we committed to spending 0.7% of GNI on development. For decades, successive Liberal and Conservative governments failed to fulfill this obligation. The government must demonstrate its willingness to better the lives of children around the world and meet this goal now.

\* \* \*

**HOUSING**

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, the homes at the decommissioned Kapyong Barracks site in my riding of Winnipeg South Centre have been vacant for several years.

The government is maintaining these homes at a cost of a quarter of a million dollars annually and at the expense of the Canadian taxpayers, while it could help address the rental housing shortage in Winnipeg.

During committee of the whole on May 17, I asked the Minister of National Defence about the transfer of lands, buildings and houses on the Kapyong Barracks and the minister thought that it had already been transferred. However, that is not so.

I have written to the minister's office four times on this matter since March 3, 2006 and so far there has been no action. Three times I have requested a 10 minute meeting with the minister and so far there has been no action.

Manitoba's senior minister, the President of the Treasury Board, now says that Kapyong is not his problem. The Minister of National Defence seems to think that it is not his problem.

This is a problem for the residents of Winnipeg. Again I ask members opposite, who is minding Manitoba?

\* \* \*

[Translation]

#### MARCEL PEPIN

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the City of Montreal wanted to honour Marcel Pepin by naming a street after him where dozens of affordable houses are being built in the Rosemont area.

Marcel Pepin was the president of the CSN from 1965 to 1976 and chair of the Angus revitalization committee when the plants, better known as the Angus Shops, closed their doors for good.

Marcel Pepin, a progressive union leader and sovereigntist, died in 2000. Instrumental in the Quiet Revolution, he helped build modern-day Quebec. He grew up in a modest home and became an icon in the union movement, devoting his life to the advancement of the working class. To his dying day, Marcel Pepin spoke out publicly in defence of the rights of Quebec, the less fortunate and workers, whether they were unionized or not.

As a former secretary general of the CSN, I salute his memory and the Bloc Québécois joins me in congratulating the City of Montreal on this initiative to keep the memory of this great fighter alive.

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#### THE LAVAL NEWS

**Ms. Raymonde Folco (Laval—Les Îles, Lib.):** Mr. Speaker, on May 31, the weekly *The Chomedey News* changed its name to reflect its new reality. For a number of years, *The Laval News* has been distributed not only in Chomedey, but also all around Laval, for example, in Sainte-Dorothée, Laval-sur-le-Lac and parts of Fabreville and Laval-Ouest. This development is surely due to the excellent work of its employees.

On May 25, at its gala of excellence, the Quebec Community Newspaper Association recognized the *The Laval News*, giving it three awards.

Nancy Girgis won the top award for best environmental story and took third place in the best business story category. Graphic designer Bala Thanabalasingam won first place for the best advertising insert.

Congratulations to the recipients and to the whole *The Laval News* team for their hard work and their commitment to putting out a quality newspaper for our entire area.

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[English]

#### THE BUDGET

**Mr. Gary Goodyear (Cambridge, CPC):** Surprise, surprise, Mr. Speaker. Today another Liberal senator has said that he and his unelected, unaccountable Liberal dominated buddies will delay the passage of the budget past the June deadline.

Over \$4 billion will be lost if those Liberals continue with their selfish partisan games: \$1.5 billion to reduce greenhouse gases and air pollution, lost; \$225 million to conserve ecological sensitive

#### Oral Questions

lands, lost; \$600 million to address patient wait times guarantees, lost; \$30 million for the Rick Hansen Foundation to help those with spinal cord injuries, lost; \$570 million to Ontario's labour market training, lost; and \$135 million for developmental assistance in Afghanistan, lost.

The Leader of the Opposition should stand up right now and encourage his Liberal senators to pass the budget so that these investments in Canada are not lost. Canadians are waiting.

### ORAL QUESTIONS

● (1415)

[Translation]

#### ATLANTIC ACCORD

**Hon. Stéphane Dion (Leader of the Opposition, Lib.):** Mr. Speaker, it is easy to make the case that the Prime Minister broke his promise to two Atlantic provinces.

Clause 4 of the Atlantic accord stipulates that “the equalization formula as it exists” is to be used in the calculations.

Yet, the budget introduces a new equalization formula that does not include the accord. Only the previous formula takes the accord into account.

In light of the evidence, will the Prime Minister—or anyone from the government—admit that he reneged on his promise and broke his word, which he gave to two Atlantic provinces?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, this government respects the Atlantic accords in the budget so completely that there are absolutely no changes to anything that was signed in 2005, nor has anything been taken away from the provinces. Our consultations with Nova Scotia are to address the implementation process and the advantages of budget 2007. The budget offers many advantages.

**Hon. Stéphane Dion (Leader of the Opposition, Lib.):** Mr. Speaker, as I have proven to the minister, he is mistaken.

[English]

Yesterday, it was doublespeak again from the Prime Minister. Yesterday in question period he said, “What we will not do is provide a new, enhanced side deal for any province”. But in the press conference just before, he said the opposite. He said that he was “—somewhat surprised by the decision that Nova Scotia has taken to put an end to such discussions”.

That is doublespeak. Is the government now, or was it ever, negotiating a deal with Nova Scotia, yes or no?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, let me be clear that what we have been discussing with the province of Nova Scotia are questions of implementation. It has options to consider, whether it wishes to proceed under the old Atlantic accord formula or the new enriched one.

*Oral Questions*

It is really those negotiations and consultations on the new enriched formula that we had with the provinces that led to the correction of the fiscal imbalance.

That means that a province like Nova Scotia will be getting more than \$2.4 billion in 2007-08 under that fiscal balance package including: \$1.3 billion for equalization, \$130 million for offshore accord offsets, and \$639 million for the Canada health transfer, a lot of really good things for Nova Scotia.

**Hon. Stéphane Dion (Leader of the Opposition, Lib.):** Mr. Speaker, so we do not have an answer. We do not know if the Conservatives are negotiating, yes or no, but we will know.

Earlier this year the Conservative member for Regina—Lumsden—Lake Centre said, “If you want to say we didn't fulfill the commitment or keep our promise, fair enough”.

Will the Prime Minister say “fair enough”, or “I am sorry”? At the end of the day, it is a matter of trust. Three provinces have been betrayed. Who is next? Does the Prime Minister not realize that when he breaks his word to one region, or two, or three, he breaches the trust of all Canadians?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, I think the member for Regina—Lumsden—Lake Centre was referring to the fact that unlike the previous government that did not believe there was a fiscal imbalance, fair enough. We had a government here that did and was looking to change the equalization program.

For that member's province of Saskatchewan, he saw that the federal budget does a lot for Saskatchewan, \$1.4 billion in total including: \$226 million under new equalization, \$756 million under the Canada health transfer, and \$324 million under the Canadian social transfer. There is more, and more, and guess what? None of it ever came from the member for Wascana.

• (1420)

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, this is a government in disarray, reeling from the fallout of its own dishonesty. Conservatives will not even show their faces in the House.

We have a powerless minister for Nova Scotia who cannot speak up for his province. We have a desperate Minister of Finance who will do anything to avoid yet another U-turn on his budget. We have a Prime Minister who has broken his word so many times he cannot be trusted.

This is not open federalism. This is open warfare. Why will the Prime Minister not take the first step to getting control over the situation and admit that he broke his promise to Canadians?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, our government is very proud of always keeping our commitments. We are particularly proud of our program of open federalism, of correcting the fiscal imbalance, and of correcting the situation where the provinces were not well off.

Does the House know what it is? It is a real contrast with the program of the leader of the Liberal Party who said the following and I am reading from an old newspaper article here:

“Premier John Hamm's Campaign for Fairness on offshore royalties was flawed from the start”, [the] Intergovernmental Affairs Minister said Tuesday. “I suggested to stop arguing about the past,” [he] said after meeting with Hamm for more than an hour. “It's a mistake to link (the offshore) to equalization payments, because then other provinces want—”

**The Speaker:** The hon. member for Etobicoke—Lakeshore.

[*Translation*]

**Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, the Minister of Foreign Affairs is supposed to be the voice of Nova Scotia in cabinet, but he was powerless when the Prime Minister's Office sabotaged negotiations with his province.

When the minister refused to sign the declaration of war written by the Prime Minister's director of communications, the Minister of Finance did so.

Is this the famous open federalism? It seems more like open war.

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, not at all. The Minister of Foreign Affairs is a strong voice for Nova Scotia. He has delivered the goods. For example, under our budget, the province of Nova Scotia will receive more than \$2.4 billion in 2007.

[*English*]

In fact, the people of Nova Scotia will also do very well under the budget. They will get a new \$2,000 child tax credit which will save Nova Scotia parents \$39.6 million. A lot of Nova Scotia parents are thanking the foreign affairs minister for delivering on that.

\* \* \*

[*Translation*]

#### **EXPENSES OF THE FORMER LIEUTENANT GOVERNOR OF QUEBEC**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the reports of the two auditors general concerning the expenses of the former Lieutenant-Governor of Quebec confirm our worst fears: no accountability; no supporting documentation; meal and accommodation expenses claimed twice; skiing, golfing and fishing trips taken at taxpayers' expense; parties and receptions for friends. In short, in 10 years, Canadian Heritage paid \$1.7 million to the former Lieutenant-Governor, including \$700,000 for “questionable” or unjustified expenses.

Will the government comply with the main recommendation of the auditors general and demand that this money be reimbursed?

*Oral Questions*

**Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, we are deeply concerned by the Auditor General's report, and we are reviewing her observations and recommendations.

Of course, Canada's new government is committed to accountability and transparency. Its goal is to produce real results and ensure that taxpayers' money is well spent.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Auditor General criticized the laxity of the Department of Canadian Heritage, which approved all these unjustified expenses.

Will the government change the audit procedure so that parliamentarians can invite any lieutenant governor and the Governor General to explain and justify his or her expenses before the Standing Committee on Public Accounts?

•(1425)

**Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, it was the government that asked the Auditor General of Canada to examine the expenses of the former Lieutenant-Governor of Quebec. We will work with the Government of Quebec to determine how best to respond to the two reports.

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**MINISTER OF THE ECONOMIC DEVELOPMENT  
AGENCY OF CANADA FOR THE REGIONS OF QUEBEC**

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, following Lise Thibault, the Minister of the Economic Development Agency of Canada for the Regions of Quebec is giving us another example of breaking the rules. A letter from the House of Commons payroll department confirms that an hon. member cannot hire an employee working for a department. According to the *Members' Allowances and Services Manual*, "Members...may not hire a person already employed by...a federal government department...or anyone receiving employment income from the Consolidated Revenue Fund".

Will the Prime Minister ask the minister to reimburse the money paid to his employee in violation of the House of Commons rules?

**Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, there are rules for the riding's operating budget and other rules for the ministerial office.

As the Minister of Labour, when I incur an expense it is the Department of Labour that takes care of it. When I incur an expense for the Economic Development Agency of Canada, it is the Economic Development Agency of Canada that takes care of it. When Mr. Giguère did work for the riding, the riding's budget covered the expense and when it involved the ministerial office, then the ministerial office covered the expense. The initiative was approved by the department's financial controller.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, again according to the manual, the contract awarded by the Minister of the Economic Development Agency of Canada for the Regions of Quebec could be in violation of a revenue agency guideline, which requires the MP to make

deductions at source when a person hired on contract is, in fact, an employee.

Does the minister acknowledge that by wanting to give his riding assistant a contract, he violated more than one guideline?

**Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, I want to remind the hon. member that there were two responsibilities: one for the riding office and the other for the ministerial office. What should have been paid by Ceasar was paid by Ceasar and the ministerial office assumed its responsibilities. The initiative was approved by the department's financial controller.

That said, perhaps the hon. member could explain how the hon. member for Montcalm managed to spend \$100,000 in travel expenses? That represents 600 km by car per day, six hours a day, 365 days a year.

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[English]

**THE BUDGET**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the government's improvisation around equalization shows very clearly why the Conservatives just simply cannot be trusted.

He broke his promise to the people of Atlantic Canada. He broke his promise to the people of Saskatchewan. Now he is bullying his cabinet and he is bullying his backbenchers to force them to vote. The Prime Minister cannot stand up for Canada if he is going to break his promises.

My question is this. Will the Prime Minister let his members stand up for the Canadians that they represent or is he going to force them to stand with him and break their promise to their constituents?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, of course, they are standing up for their constituents when they vote for this budget implementation bill. This bill delivers to Canadians the things that are important for them.

What I want to know is why the leader of the NDP wants to oppose this budget implementation bill when, if it does not pass by the time we finish off here this spring, if we do not get it through, we are going to lose \$612 million for patient wait time guarantees? This is important for the health of Canadians. Why is he against supporting money for the health of Canadians?

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, that is simply hogwash.

Let me ask the Conservative members sitting here today this question. Is there a single one of them that is going to stand up, the Conservative members from Saskatchewan, is there a single one of them that is going to stand up for their constituents, or are they going to break their promise just like their Prime Minister is doing?

*Oral Questions*

The fact is the promise was made to the people of Saskatchewan during the election. It was laid out as clear as can be. Is the Prime Minister going to let them stand up for their constituents or is he going to force them to stand with him and break his promises, or is he going to stand alone in the end?

• (1430)

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, as we can all see, all the members have stood up as they are going to stand up tonight when they vote for a budget that delivers the things that Canadians want, things like \$1.5 billion to help the environment to help the provinces.

The NDP stands up every day and claims to care about the environment. What is the leader of the NDP telling his members to do? He is standing here and telling members of other parties to get up and vote against \$1.5 billion to combat climate change. I never thought I would see it happen, but wonders never cease to amaze me when it comes to the NDP here in Ottawa.

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**ATLANTIC ACCORD**

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** Empty threats, Mr. Speaker.

Newfoundland and Labrador and Nova Scotia signed a deal in 2005 and it must be followed to the letter. Now the Prime Minister wants to send a bill to the taxpayers for a court battle just to satisfy his own ego. Perhaps now is the time to bring back the court challenges program.

When will the Prime Minister do the right thing, stand up, and follow through on his promise and stop bullying these provinces?

**Hon. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I know how much fun it is to be in opposition, but this is an important issue. Mischaracterizing him does not help.

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

**The Speaker:** Order. I cannot hear a word the parliamentary secretary is saying. There is far too much noise. We are going to have to have a little order so members can hear the answer that the parliamentary secretary is giving because the hon. member who asked the question has a supplementary. How is he going to ask a supplementary if he cannot hear the answer.

The hon. the parliamentary secretary.

**Hon. Diane Ablonczy:** Mr. Speaker, mischaracterizing this issue does not help.

The fact of the matter is there is some disagreement and we know that. The Prime Minister is trying his best to make sure that there is a meeting of minds because we want to have everyone happy with what is going on. This may not be possible. There are options. We have talked about options. What we really want is to make sure that people come together for the good of all Canadians.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** There you have it, Mr. Speaker, a slight disagreement, certainly the understatement of the year by far.

The minister for Newfoundland and Labrador is now on record as saying his government did break its word on the Atlantic accord. Here is what he said:

People at home are saying that the Prime Minister broke a promise. It was not the Prime Minister; it was the party and then the government. I am not denying that.

That statement was made by the Minister of Fisheries.

If the Prime Minister takes the province to court, will the Minister of Fisheries come forward and be the chief defence witness for the province of Newfoundland and Labrador?

**Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC):** Mr. Speaker, unlike the hon. member and his colleagues who sit on the backbenches and snipe whenever they have a chance, we are the ones who do stand up for the province.

We have never denied that in our blue book as government we said to the provinces that we will take non-renewable resources out of the equalization formula if they wanted it. It was the provinces that said to us, "We do not want it. Give us a formula that is predictable, that is fair". We gave it to them. It is called the O'Brien formula.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, the premier of Nova Scotia now agrees with every Nova Scotian, except perhaps two, that the Conservative government cannot be trusted.

The Atlantic accord has been cast aside and no one is standing up for Nova Scotia at the cabinet table. The finance minister mocks Atlantic Canadians when he denies breaking the promise, when he denies side deals and when he speaks of better choices.

Nova Scotians want what they had. They want what they had signed in 2005 and what was killed in 2007.

Will the minister stop insulting Nova Scotians with false choices and give us the only choice we want? Give us back the Atlantic accord.

**Hon. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, of course the member knows that no such thing happened. In fact, budget 2007 keeps in place the equalization formula that was in place at the time that the 2005 accords were signed. There is no cap in that system.

In addition, the government moved to a new equalization formula, which gave every single province more money, including the province of Nova Scotia, and gave Nova Scotia a choice as to which one it wanted. I do not know why the member thinks that is unfair.

• (1435)

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, less than a month ago we heard from a minister that no MPs would be expelled for voting their conscience. Last week we heard a minister say that was because he did not think anybody over there had a conscience. Today as Nova Scotians rise up against the Conservatives over the accord betrayal, they are saying, "Stand up for us today. Stand up for Nova Scotia".

*Oral Questions*

Are MPs on that side free to vote their conscience for their constituents, or are they ordered to vote against Nova Scotia, to vote against Newfoundland and Labrador, and tonight put the final nail in the coffin of our Atlantic accord?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, as I said, our members are all going to be standing up enthusiastically supporting an outstanding budget.

I want to know where that hon. member was with respect to standing up for his province back in 2002. A report from Broadcast News said, “The federal intergovernmental affairs minister”—who is now the Liberal leader—“says Ottawa has had enough of Nova Scotia’s campaign for fairness. The province wants to keep equalization payments even as it takes the new revenue from offshore development”. The Liberal leader, as he now is, told reporters that would not be fair. I have heard him use that phrase before, “it is just not fair”.

\* \* \*

[Translation]

**NATURAL RESOURCES**

**Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ):** Mr. Speaker, the Conservative government eliminated the EnerGuide program, claiming that it was inefficient, and then it proposed a poorly thought out version of the same program a year later. Now it is difficult for people anywhere—the North Shore, the Gaspé, even in Longueuil—to find an accredited evaluator. The plan was not well thought out.

The minister had a year from the end of the EnerGuide program to the launch of the new ecoEnergy program. Can he explain why he did not take the time to ensure that the necessary resources were in place before launching his new program?

[English]

**Hon. Gary Lunn (Minister of Natural Resources, CPC):** Mr. Speaker, in fact, we have put in all the resources that are required. We are very proud of the record of the new eco-energy efficiency program. In fact, 40% of the homeowners today are receiving grants that are 25% higher than under any previous program. Ninety per cent of all dollars spent on this program are going directly to retrofits which in turn are actually helping to reduce greenhouse gases and are making a positive impact on the environment.

We all know the record of the tired old Liberal government and that is greenhouse gases—

**The Speaker:** The hon. member for Beauharnois—Salaberry.

[Translation]

**Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ):** Mr. Speaker, it seems like the minister is not up to date on his file. In addition to having transition problems, the program is unfair because it is not available to all of the people of Quebec.

What does the minister plan to do to ensure that all Quebecers in all regions have access to the program within a reasonable period of time, thereby respecting their desire to help reduce greenhouse gases?

[English]

**Hon. Gary Lunn (Minister of Natural Resources, CPC):** Mr. Speaker, this program is not only available to Quebecers, it is available to every single Canadian. It is achieving results, something on which Canadians demanded action, from this government, unlike the old Liberal Party. We all know the Liberal Party’s record on the environment. Greenhouse gases skyrocketed to 35% under the direction of the now Liberal leader. The Liberal Party’s record was a disaster. We are getting the job done.

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[Translation]

**AGRICULTURE AND AGRI-FOOD**

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, as of July 12, all Quebec and Canadian cattle producers who export their products to the United States will be subject to very strict health standards to ensure food safety. However, American producers can export their cattle to Canada without having to adhere to similar standards.

How can the Minister of Agriculture and Agri-Food justify this?

[English]

**Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, I just came back from Paris a week or two ago where we got for the very first time, and this is important—

**Some hon. members:** Hear, hear!

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

**The Speaker:** Order. I know hon. members are glad to welcome the minister back, but he is here to give an answer now, and we will want to hear the answer.

The hon. the Minister of Agriculture has the floor.

● (1440)

**Hon. Chuck Strahl:** Mr. Speaker, I just came back from an unnamed city in Europe.

The designation we got from the World Organisation for Animal Health, the OIE, is that Canada under the BSE ruling is now a controlled risk country. This means we have the same risk as the United States, the very best risk possible. This means we will be able to sell products around the world.

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, we have a double standard here. The minister has been travelling and is not aware of this. The minister must realize that by not requiring the same of the United States, he is favouring American producers over Quebec and Canadian farmers.

What is the minister waiting for to impose the same standards on the Americans as the ones imposed on us in order to protect public health? Is he the Minister of Agriculture of the United States or of Canada?

*Oral Questions**[English]*

**Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, we are working closely with our American friends and with other countries around the world to make sure that the border is fully open for cattle over 30 months. The rule 2 which is making its way through the system down in the United States will open the border fully. We are confident that is going to move forward. Of course I have constant contact with my American counterpart to make sure it goes through.

We are confident when rule 2 is proclaimed that Canadian cattle will finally move back and forth across the border the way they used to. That would make for money in Canadian farmers' pockets.

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**VETERANS AFFAIRS**

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, the litany of broken promises by the government to the people of Nova Scotia is broad and deep, but there is one that stands out even more shamefully than the rest. That is the promise made to a constituent of mine, Joyce Carter, who received a written promise from the Prime Minister who said that upon taking office he would extend VIP benefits to all veterans and their widows, not some, not a few, not most, but all veterans and their widows.

Why did the Prime Minister break his promise to Joyce Carter?

**Hon. Greg Thompson (Minister of Veterans Affairs, CPC):** Mr. Speaker, what really gets me in that question is the hypocrisy of the Liberals. For 13 years they purposely and deliberately took benefits from veterans.

As I told the House and I told the member himself, we have a health care review under way and we are going to enhance those benefits but only once the review is completed.

We are not going to be like the Liberals and take benefits away from veterans which they did for 13 years.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, for the record, I asked this same question over a year ago in the House. Nothing was done then and nothing still remains done.

Mrs. Carter is now a year older but she is a year wiser and she is wise to the fact that the Prime Minister holds no credibility. His word is no good.

When will somebody on that government bench show some courage, turn to Mrs. Carter and tell her that the government is finally going to deliver on the written promise that was made by the Prime Minister? Tell her.

**Hon. Greg Thompson (Minister of Veterans Affairs, CPC):** Mr. Speaker, again this goes back to the hypocrisy of the Liberals. The Liberal member would know that in the last year alone we have brought over 12,000 new entries into the VIP system.

He never tells that to Mrs. Carter or anyone else. He should do the math. The Liberals did not do their job in 13 years. We will get the job done but only after our health care review is completed so it will be the best service to the veterans and the widows. It will be consistent and good delivery to those people.

**Hon. Albina Guarnieri (Mississauga East—Cooksville, Lib.):**

Mr. Speaker, yesterday the Prime Minister told Nova Scotians that if they wanted him to keep his word, they would have to go to court.

Veterans affected by agent orange are already going to court as the Prime Minister continues to stall a compensation package in cabinet.

I ask the Prime Minister, will he finally pay up, or does he plan to betray veterans the same way he betrayed Nova Scotia, Newfoundland, and Saskatchewan?

● (1445)

**Hon. Greg Thompson (Minister of Veterans Affairs, CPC):**

Mr. Speaker, the member is the former minister who was in a total state of denial during her time in office, as was the Liberal government for 13 years, even going back to the days of Pierre Trudeau. We will have a resolution to this without their help. The Liberals did absolutely nothing except deny it for 13 years and many years before that. This file goes back 40 years. She of all people would know that. She sat in her place and did nothing all the time that she was minister.

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

**The Speaker:** Order. There seems to be excessive noise today. Hon. members could perhaps calm down so that we can hear the exchanges that are taking place in the House from the members who have been recognized to speak and not from everybody else. The hon. member for Mississauga East—Cooksville now has the floor.

**Hon. Albina Guarnieri (Mississauga East—Cooksville, Lib.):**

Mr. Speaker, the minister is a broken record defending his broken promises.

In addition to stalling a \$3 billion election promise on agent orange, the minister has reversed his pre-election position that agent orange disability claims should be automatically approved. In fact, in just the last fiscal year, over 700 agent orange claims have been rejected while only 19 have been approved.

Why has the minister taken so long to deliver so little after promising so much?

**Hon. Greg Thompson (Minister of Veterans Affairs, CPC):**

Mr. Speaker, as you well know, this file has been around for 40 years. The Liberals fell asleep on it. We are going to get it done.



*Oral Questions*

Here are examples of the hon. member's record as minister. The Liberals cut VIP services to allied veterans. They did that. They cut burial programs for veterans. The member did that. The Liberals cut travel rates and treatment benefits to veterans. She did that on her watch. The Liberals cut \$59 million from veterans in 1995 and another \$11 million in 1998. That is their record. It is pathetic.

We will get the job done on agent orange as well.

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**CANADIAN WHEAT BOARD**

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, the agriculture minister has been doing such a great job of answering questions today that I want to give him another chance.

During the last election, our party campaigned on greater marketing freedom for western farmers. We recently held a plebiscite on barley in which a clear majority of growers, 62%, told us they wanted greater freedom of choice.

For far too long producers have been forced to sell their crops through the single desk monopoly of the Canadian Wheat Board. Can the Minister of Agriculture tell the House when barley growers will finally have their freedom to choose how they market their own grain?

**Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, I am pleased to say that on August 1 western Canadian barley farmers will finally have the freedom to choose how they market their grain.

This change is about creating opportunity for farmers. It is about certainty for farmers. It is about creating profitability for farmers. Sixty-two per cent of barley producers cannot be wrong.

As for those people who refuse to listen to farmers, who say that they are friends of the Wheat Board or friends of the big grain companies, they are sure as heck not friends of the farmers. It is time to let barley farmers make a profit for a change.

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**ABORIGINAL AFFAIRS**

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, after 140 years of attempted assimilation, with first nations stripped of their lands, their rights, their hopes and their dignity, today's land claim announcement is a half measure in bringing about true reconciliation.

Where is the apology on residential schools? Where is the action on indigenous rights at the UN? Where is the housing strategy? Where is the clean water strategy? Where is the action to lift first nations children out of poverty?

After years of empty broken promises by Liberal and Conservative governments, why should anyone trust the government to get the job done for first nations?

**Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC):** Mr. Speaker, to correct the hon. member, there has

not yet been an announcement with respect to reform of the specific claims process, but there will be one in the fullness of time.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, the rumour mill is running wild over the land claims, so let us talk about settling land claims. It is only one step in the long journey to reconciliation.

Shamefully, Canada is one of only two countries in the world that opposed the rights of indigenous peoples at the UN. As well, despite the House of Commons adopting a motion of apology for the residential schools tragedy, the Prime Minister has yet to issue one.

Will the minister today commit to dropping objections to the UN declaration and call on the Prime Minister to make a full apology to first nations for the residential schools tragedy?

• (1450)

**Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC):** Mr. Speaker, perhaps the hon. member could devote some of this new-found enthusiasm and fervour for human rights to the subject of first nations, particularly first nations women in Canada.

Bill C-44 has been before a committee of the House, including before the hon. member, for 83 days at this point, I am told. It is nine words long, including complicated words such as "is" and "the". To this point, not a single amendment has been proposed by the hon. member or anyone else.

Perhaps she could dedicate the same enthusiasm to protecting first nation women in Canada.

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**ROYAL CANADIAN MOUNTED POLICE**

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, on the RCMP pension scandal, the minister said he wanted fast answers and announced his half measures investigation instead of a full judicial inquiry.

That report, the Brown report, is due on June 15, but there is no sign of any report and no sign of the answers Canadians want, this despite the minister's promise to make the full report public.

Can the minister guarantee that the Brown report will be available this Friday as promised and made public in its entirety as promised? We hope this will help restore some public trust.

*Oral Questions*

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, on the issue of public trust, I was interested to see a poll three days ago about the RCMP. It indicated that over 80% of Canadians have very high confidence in the RCMP.

On the issue of the report, my colleague opposite stated that the report is due on June 15 and members have not seen it yet, but it is not June 15 yet. June 15 is coming. I have said all along that the report would be public and of course that report will be totally public.

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, this is just not a good day for Conservative promises, so I hope that happens on Friday.

Even if this report is made public, the fact remains that new allegations continue to surface. There are many problems within the RCMP that need to be addressed.

We are in the last two weeks of the sitting of this Parliament. We know that Commissioner Busson will retire in just a few days. Will the minister guarantee to Canadians that a new RCMP commissioner will be named and on the job without any interruption?

**Hon. Stockwell Day (Minister of Public Safety, CPC):** First of all, Mr. Speaker, I want to thank Commissioner Busson. As the first female commissioner of the RCMP, she has done a tremendous job in the role. She will continue in that role until a new commissioner is named. That will be happening fairly soon. I cannot say the exact date, but it is going to be happening soon, and I think Canadians will be pleased with that.

I think Canadians are also going to be pleased with the results of the Brown report. We are taking an approach that gets us some answers in a relatively short period of time in order to deal with issues that are of concern to men and women in uniform and to Canadians. We want that done in a short period of time. We do not want to take up years and millions of dollars as the Liberals have done.

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**AFGHANISTAN**

**Hon. Ujjal Dosanjh (Vancouver South, Lib.):** Mr. Speaker, yesterday the Minister of Foreign Affairs told us that his government is “working closely” with the Afghanistan Independent Human Rights Commission and the Red Cross regarding allegations of torture.

Under the detainee agreement, the Red Cross has no obligation to monitor detainees. The human rights commission is a paper tiger with no power to compel production of evidence. How can the Minister of Foreign Affairs expect an independent investigation by the Afghan government in a country full of corruption?

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, it is disappointing to hear what a short term and narrow view the Liberals are taking in terms of the accomplishments being made in Afghanistan when we consider that for decades or perhaps centuries it has been a feudal society with successive regimes that have had little or no respect for human rights.

Now, in a period of a few short years, largely because of the work of Canadians and others, there is actually an Afghanistan human

rights commission. It is opening its prison facilities there, with wide open access to us and to other individuals coming in there, and with registries for the prisoners. There is huge progress being made. It is not perfect, but he should acknowledge progress.

**Hon. Ujjal Dosanjh (Vancouver South, Lib.):** Mr. Speaker, for over two months the official opposition has been asking questions in the House regarding the allegations of torture by the Afghan detainees. Yesterday, of course, the government came full circle in its stories with the Minister of Foreign Affairs suggesting that the Red Cross is involved in the investigation. It is not and the Red Cross said so the last time.

With the allegations of torture to be investigated by a system that is rife with corruption, will the minister guarantee a full, fair and independent investigation of the serious allegations of torture?

• (1455)

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, we are committed to that whole process. Again, I would encourage members opposite to acknowledge every now and then, just occasionally, what positive things are happening.

At the committee meeting last week, we were there for two hours and those members continued to try to split hairs and talk about some problem with the facts. In terms of detainees who have expressed concerns about allegations of torture, the foreign affairs minister said that two plus four equals six. I said that four plus two equals six. All they could say was that we were not saying the same thing.

Why do we not start acknowledging the great progress that is being made in Afghanistan and acknowledge our troops—

**The Speaker:** The hon. member for Abitibi—Témiscamingue.

\* \* \*

[Translation]

**ABORIGINAL AFFAIRS**

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, Amnesty International has denounced Canada's systematic opposition to negotiations of the rights of indigenous peoples at the United Nations. Of the 47 member countries of the Human Rights Council, only Russia and Canada voted against the Declaration on the Rights of Indigenous Peoples last June.

Why has the government, and particularly the Prime Minister's office, been using all its political and diplomatic artillery to undermine the rights of aboriginal peoples this past year?

**Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC):** Mr. Speaker, I appreciate the hon. member's question. If the Bloc members say they are in favour of human rights, they should support Bill C-44 dealing with the rights of women and children. We still have not heard from the hon. member on this matter.

*Oral Questions*

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, the minister should stop trying to use blackmail. The government has systematically ignored the repeated recommendations of the Standing Committee on Aboriginal Affairs and Northern Development, as well as the many aboriginal organizations that have asked it to adopt the UN declaration.

What is the reason for this change in international aboriginal policy?

[*English*]

**Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC):** Mr. Speaker, it is important that the record of the House be clear on this. The government has not changed the policy of the Government of Canada relative to the UN declaration on the rights of indigenous peoples. This government continues to maintain the position that has been held by governments in the past, namely, that we have not yet arrived at a text that is acceptable to the Government of Canada.

We have not yet arrived at a text that provides appropriate recognition of the Canadian charter, the many treaties that have been signed, and other statutes and policies of the Government of Canada, and we continue to work with our aboriginal partners to try to achieve such a text.

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**CONSERVATIVE PARTY OF CANADA**

**Hon. Garth Turner (Halton, Lib.):** Mr. Speaker, the member for Cumberland—Colchester—Musquodoboit Valley was thrown out of the Conservative caucus for doing what an MP should do and that is to represent his constituents.

The member for Wellington—Halton Hills left the Conservative cabinet because he is a man of principle and he could no longer follow the Prime Minister.

The member for South Shore—St. Margaret's is struggling to stand up for his voters against relentless pressure from the PMO.

My question for the Prime Minister is this: what does he have against honest MPs doing their jobs?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, we very much believe that a government should keep its promises and members of Parliament should keep their promises. That has been a big theme for the Liberals today and we respect that theme.

I respect the member for Halton and I would like to respect the promise he made when he said that anyone who crosses the floor should go back to the people for ratification. I invite him to respect those words as much as we respect his words.

\* \* \*

**THE ENVIRONMENT**

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, the Prime Minister recently returned from the G-8 with a major international agreement to fight climate change. This agreement

brings the largest emitters to the table, countries such as China, India and the United States.

It is interesting that the Liberal leader, the president of the did not get it done club, has not had anything to say about Canada's great success on the world stage even though last week he was misleading Canadians about our position on climate change.

Could the Minister of the Environment tell this House and all Canadians how important this agreement is in the global fight against climate change?

• (1500)

**Hon. John Baird (Minister of the Environment, CPC):** Mr. Speaker, the member for Peterborough will be very interested in reading a press release from the World Wildlife Fund, which states, "The support by the [European Union], Japan and Canada to cut carbon pollution 50 per cent by 2050 means we are a step closer to taking real action" on climate change. It states, "The fact that the [United States] has signed up to this agreement is significant".

Let us listen to Mary Simon, an Inuit leader in Canada, who said, "I am encouraged by the work of our Canadian Prime Minister...and German Chancellor Merkel for their efforts to shoot for absolute CO<sub>2</sub> reduction". She said, "The Canadian government has recently shown some positive movement on this issue of climate change, and we welcome that".

\* \* \*

**JUSTICE**

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, Jordan Manners was shot dead in his school. I have here a question from his uncle Greg, who says: "A lot of people are quick to jump out and say, 'Let's stop the violence!'. But when the time comes to act, a lot of people just jump out. If it were your loved ones that got taken from this world, what would you do? Do you love them enough to take action while they're still here and alive to appreciate?"

Will the Prime Minister treat Jordan like one of his own children, take immediate action, stop the violence, and support our youth?

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, it is one thing to have passionate debate about a variety of issues like this one, but to start to transmit this into a reflection on who loves whose loved ones the most I just do not think is appropriate. We all have loved ones. We have kids. We have grandkids. We want them to be safe and secure in this country.

That is why this government has put in significantly more resources to have officers on the street, to go after gun smuggling, and to have legislation that will require mandatory jail terms for people who are committing crimes with firearms. These are among the things that we are doing to see crime, and specifically crime with firearms, reduced in Canada.

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, that question did not come from me. The question came from the uncle of the child who was shot dead in his school.

*Government Orders*

Young people have said that they are afraid to come forward after witnessing major crimes. They need protection.

The Association of Chiefs of Police, the mayor, the Toronto Police Services Board have all asked for increased federal money for witness protection. Applications are on the rise, but the government is sitting on its hands.

When will the government get serious on crime, beef up the witness protection program and get criminals off our streets?

**Hon. Stockwell Day (Minister of Public Safety, CPC):** Mr. Speaker, a number of different agencies and police forces offer witness protection programs. The number who are involved in the witness protection program that is handled through the RCMP is quite significant. That program has to be carefully monitored. As you, Mr. Speaker, and others have been reading, sometimes there are problems with that. However, we are doing a number of things and taking a number of initiatives.

I congratulate the police in the city of Toronto. They have been very aggressive when it comes to gun crime, more officers on the street, going after smuggling and after criminals. In fact, in spite of those two recent tragedies, gun crime in Toronto has been reduced because of their approach to this in the last year.

\* \* \*

[Translation]

**POINTS OF ORDER**

## ORAL QUESTIONS

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, during question period, immediately following the Minister of the Environment's answer to the second question, his colleague, the member for Langley, gave us the finger.

I would appreciate your asking the member for Langley to apologize for his unacceptable conduct.

[English]

**Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, the gesture I made was pointing to the minister, congratulating him for the good work he did. Then I pointed to the Liberal leader and said "he didn't get it done".

I am sorry they take offence at that, but it is the truth. They did not get it done.

•(1505)

[Translation]

**Mr. Marcel Proulx:** Mr. Speaker, I find the member for Langley's attitude deplorable. He was caught behaving arrogantly and he does not want to admit it.

I will leave it in your hands, Mr. Speaker. We have already judged him, and the people of Canada will judge him too.

**The Speaker:** I did not see anything to contradict the hon. member for Langley's explanation. However, the Chair might watch the House debates video recorded during the hon. minister's response. If there is a problem, I will bring a ruling to the House after having taken all of this into consideration.

**GOVERNMENT ORDERS**

[English]

**BUDGET IMPLEMENTATION ACT, 2007**

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

**The Speaker:** Before question period, the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons had the floor. He has two minutes remaining in the time allotted for his remarks.

Therefore, we will now be able to hear the conclusion of the speech of the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons, with a little order, please.

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):** Mr. Speaker, before question period, I was remarking that there was a number of myths and half-truths that had been propagated by members of the opposition today with respect to the budget implementation act, Bill C-52.

I pointed out that in contrary belief to what the member for Wascana had been advocating, we in fact had spent more days debating this bill than the last two budget implementation bills brought forward by the member for Wascana, when he was minister of finance. To suggest we are not giving adequate debate is absolutely a fallacy.

Let me point out two more points before I sit down and entertain comments and questions with respect to equalization and the formula respecting Saskatchewan.

One of the other fallacies is that members opposite, as well as the Premier of Saskatchewan, suggest that Saskatchewan will get no equalization money next year because of changes made to the equalization formula. That is an absolutely untrue statement. The reason Saskatchewan will receive no equalization dollars next year is because it does not qualify for equalization. Its economy is red hot. It is the third fastest rising economy in Canada. The Premier of Saskatchewan, as well as the public of Saskatchewan, should be proud of that.

Here is one thing that is true. If the previous Liberal government were in power today, Saskatchewan would receive no money in equalization this year. Why? Because the position of the Liberals is not to remove non-renewable natural resources from the equalization formula and, on top of that, put a fiscal capacity cap.

The member for Wascana said that it is not true. These are words echoed by his own leader a month ago on the *Mike Duffy Live* show. We can check the transcript or the film. He stated that he believed there was no equalization receiving province that should have money that would result in a fiscal capacity higher than a province that paid into it.

Saskatchewan is far better off under a Conservative regime than it ever would be under a Liberal regime.

*Government Orders*

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, one of the key issues in the budget has to do with the broken promise related to income trusts. I noted that the chair of the Conservative caucus spoke earlier. He said that, yes, the Conservatives did hurt seniors, but that they promised them pension income splitting and that would offset all the problems.

The problem with this argument is that 70% of seniors do not have pension plans. It is those seniors who invest in income trusts so they can emulate a pension plan. Any benefit to pension plan holders to split their income, if they qualify, and only 12% to 14% of pensioners qualify for splitting, would not be an offset to the people who were harmed by the broken income trust promise.

Is the hon. member aware of the facts related to the income trust broken promise and would he concede that the methodology was wrong since the legislated tax increases were not included in the calculation of the finance minister's tax leakage calculation?

• (1510)

**Mr. Tom Lukiwski:** Mr. Speaker, let me point out a couple of facts, as the member is so fond of quoting himself. With respect to this government's performance, because of the budgetary changes in budget 2007, over 650,000 Canadians are off the tax rolls altogether, an accomplishment never once challenged by the former government.

With respect to benefits to seniors and all Canadians, we have raised the age credit. We have doubled the income credit from \$1,000 to \$2,000 for seniors, something that has never been done in 20 years. We have raised the RRSP from 69 years to 71 years in terms of conversion. We have done an awful lot for seniors in our country, more so than anyone who I can see on the opposite side of the House.

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, one of the crucial issues in the budget bill, as it relates to Saskatchewan, is the issue of the fiscal capacity cap, which the government has chosen to impose. What is problematic about that cap is while it is very clearly imposed by the budget, it was never mentioned to the province of Saskatchewan as the intended government policy before the budget was introduced in the House on March 19.

The Conservatives' answer to that, when asked why they did not mention this rather important fact before the budget was introduced, is that they did not expressly promise not to have a cap. They did make that promise very clearly in Atlantic Canada in a widely circulated brochure that said there would be no caps. I guess Saskatchewan is not entitled to read a brochure that circulated in Atlantic Canada. It should only read the brochures that are circulated in Saskatchewan. Obviously, that is disingenuous.

The government members now say that they always intended to have a cap, they just failed to mention it, that was accidental and that was too bad. The Premier of Saskatchewan, the leader of the opposition in Saskatchewan, who by the way is not a New Democrat but a Conservative, the media, all the experts who have analyzed this say that the failure to mention the cap and then the imposition of the cap constitutes a betrayal, a demonstration of bad faith.

How can the government justify the fact that it did not once mention to Saskatchewan that it was fully its intention from the beginning to impose a fiscal capacity cap?

**Mr. Tom Lukiwski:** Mr. Speaker, as I said before in my earlier comments, which obviously the member for Wascana was not here to listen to, the fiscal capacity cap is merely a maintenance of an existing convention that has existed for 50 years. In 50 years since equalization has been a program here in Canada, there has never been one time where an equalization receiving province ends up with a fiscal capacity higher than that of a non-receiving province.

That is what the convention is, because it deals with equalization. It allows all provinces to offer relatively the same level of services at relatively the same level of taxation. That is why this convention has been in existence for over 50 years. We are merely maintaining it.

However, the member for Wascana says that no one from the Conservatives talked about a fiscal capacity cap. I will tell members who did talk about a fiscal capacity cap, the leader of the official opposition, when he said on the Mike Duffy show, "I believe a fiscal capacity cap should be put on to ensure that no equalization receiving province ends up with a fiscal capacity higher than a non-receiving province". On top of that he also stated, "I do not believe that equalization should mean that non-renewable natural resources are removed from the formula".

That would result in absolutely no money for the province of Saskatchewan. It is far better off with a Conservative government than it ever was with a Liberal government.

**Ms. Ruby Dhalla (Brampton—Springdale, Lib.):** Mr. Speaker, I am pleased to stand today and speak on behalf of not only my constituents of Brampton—Springdale but also on behalf of some of Canada's most vulnerable, the vulnerable who the Conservative government has failed time and time again, the homeless who have been left out in the cold and the single mothers who have not had access to appropriate day care. The Conservative government has failed those who have needed it the most: the Canadians families that are working hard to make ends meet and put food on the table for their children; the homeless; the women; the children; the students; aboriginals; and, unfortunately, the list goes on and on.

The Conservative government had an opportunity to close the growing gap in our country between the rich and the poor but, unfortunately, it chose to cater to its voter base, to those who are already rich.

It is evident that the government is not interested in giving a hand to those who need it most, whether we talk about the issue of health care where it failed to deliver a guaranteed wait time list, whether we talk about the Kelowna accord which the government tore up into shreds, or whether we talk about the Canada summer jobs program which failed to employ thousands of students who needed jobs and needed an opportunity to ensure they could make ends meet and pay for their tuition.

*Government Orders*

Let us talk about the issue of child care. One of the first acts by the government was to tear up the Liberal early learning child care agreements that were signed in consultation and collaboration with the provinces. These agreements would have ensured adequate, quality, universal, accessible and affordable day care programs for the children of Canada. They would have ensured that mothers and fathers wanting to enter the workforce would have every opportunity. However, the government tore those up and replaced them with its so-called child care plan, a plan that was supposed to provide a choice. Parents, however, quickly learned that it was not a choice.

Why was this plan not an adequate choice? For the \$1,200 a year that was being promised for children under the age of six, parents quickly learned that the \$1,200 or, if we break it down, almost \$100 a month or \$20 a week, they were looking at about \$3 a day. Where in the country will parents be able to find quality, universal, accessible and affordable child care for \$3 a day?

The Conservatives promised that they would give \$1,200 to parents for day care but parents realized, once they did their tax returns in 2007, that the \$1,200 was actually taxable. By the time all was said and done, parents ended up with approximately \$300 to \$400 a year for child care.

Therefore, a two income family in Ontario making about \$40,000 would actually need to pay the government \$31 a month out of the \$100 a month that they were receiving. The government actually made back about \$624 million as a result of taxing all of that income. However, it refused to put it where parents wanted it go, which was toward the creation of child care spaces.

One hundred and twenty-five spaces were promised. If we take a look, 16 months after being elected, how many spaces have been created? Zero spaces have been created for the children of Canada.

Time and time again, research reports and experts have highlighted the importance of investing in early learning and child care. Independent experts, such as the think tank, the Caledon Institute, have already concluded that under the Conservative plan and within the Conservative budget, it is the rich who stand to benefit. The government is failing low and middle income families. Once again, the government is showing that it is out of touch with the needs of average, hard-working Canadians.

• (1515)

Let us look at the summer jobs program that was created by the former Liberal government, a program that provided opportunity. It provided opportunity for non-profit organizations. It provided opportunity for students of Canada to have gainful, meaningful, valuable employment to ensure they would be able to work during the summer, have quality work experience and utilize the money they made to pay off their tuitions and their student loans.

What did the Conservative government do to the summer jobs program under this budget? It actually cut funding to the program and rebranded the program that the Liberals had introduced and which had worked phenomenally well for many years past. They created the Canada summer jobs program. What did non-profit organizations, community groups, students and parents find out when the program was announced? They found out that their

funding was denied because the Conservatives chose to target the most vulnerable in our society, the hard-working students, the non-profit organizations and the community groups.

We on this side of the House, the Liberal opposition, are working to provide an effective voice for the students, the non-profit organizations and the community groups to ensure they would get their funding back.

Mysteriously, after speaking to this issue time and time again on this side of the House during question period, during statements by members and through press releases, we quickly learned that the minister had reversed the decision.

We have seen that this budget has provided almost nothing for the aboriginal and first nations communities in Canada. We see the frustration and the anger. The aboriginal community wanted to work with the Kelowna accord that invested in health care, in education and in housing for the aboriginal community but the agreement was torn into shreds. It is due to this frustration and this anger that the aboriginal and first nations communities, championed by Phil Fontaine who has done excellent work, will be holding a national day of action. The aboriginal community, like many of the other vulnerable groups that I have mentioned, all want action. They want results and they want them now.

Due to the excellent fiscal management of the previous Liberal government, we delivered eight consecutive balanced budgets and we reduced the debt. However, it is unfortunate that despite the surplus the former Liberal government left the Conservatives, the first act of the Conservative government was to cut funding to the Status of Women Canada, which provided opportunity, to the court challenges program, which provided a voice.

It is clear that the budget does not meet the needs of Canadians.

Let us talk about the issue of housing. When we take a look at the issue of housing, one realizes that the Conservative budget is actually leaving the homeless out in the cold. When we think of basic human needs, we think of food, of water and of the importance of having a roof over one's head, but the Conservative government did not invest one cent of funding for affordable housing in the budget.

In the previous Liberal government, we had committed over \$2 billion a year to housing. How much would a \$2 billion a year investment have created in terms of housing units? It would have created 636,000 housing units: \$1 billion in new affordable housing and \$1 billion on the homeless to ensure they had opportunities. We also had national consultations conducted to develop a national housing framework. We had a budget that committed to additional resources to ensure the homeless would have the very best.

When we look at the budget, we realize that the government has not delivered for the most vulnerable in our society. Whether it is the students of Brampton—Springdale, whether it is the women in the country who worked with organizations that benefited from Status of Women Canada or whether it is with regard to housing or the environment, it is unfortunate that the Conservative government has not stepped up to the plate and has not done the job done.

*Government Orders*

• (1520)

Canadians are counting on some leadership. They are waiting for an action plan. When will the Conservative government step up to the plate and deliver a budget that will meet the needs of our country and move Canada forward so we can compete with the best and the brightest?

• (1525)

**Mr. Patrick Brown (Barrie, CPC):** Mr. Speaker, I rise today to speak to Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007.

Bill C-52 is an economic plan that will reduce taxes for hard-working families, pay down debt and invest in Canadians' key priorities, like improving health care, protecting our environment and making our communities safer.

In my riding of Barrie, parents are faced with the daily financial challenges of raising a family. Bill C-52 offers parents a choice in child care by making it more affordable for families to raise their children. Bill C-52 includes a working families' tax plan. This plan has three components.

First, for families with children it includes a brand new \$2,000 per child tax credit for children under 18 that will help families get ahead. A constituent of mine, Jennifer Woods from Lions Gate Boulevard, called me after hearing the news and told me how much this means to single mothers like her with three young kids.

Second, this piece of legislation would end the marriage penalty through an increase of the spousal and dependant amounts to the same level as the basic personal amount.

Third, it would help parents save for their children's education by strengthening the RESP program.

The bill would also help Canadian seniors by raising the age limit for RRSPs to 71 from 69 years, increasing the age credit by \$1,000 and permitting pension income splitting.

Since being in power, the Government of Canada has introduced nearly \$38 billion in individual tax relief over this and the next two fiscal years.

Our government has proposed to lower our national mortgage by \$9.2 billion, on top of the \$13.2 billion we have put against the debt since being elected. That is the equivalent to \$700 in debt relief for every Canadian. Lower debt will mean lower interest payments, which will mean lower taxes. Through the tax back guarantee, every dollar saved from lower interest payments would be returned to Canadians through personal income tax reductions.

Bill C-52 also provides a total of \$2.6 billion in new health care investments, as well as an increase in health transfers. This means our government will transfer \$44 billion in health care funding to the provinces and territories over the next two years.

The Canada health transfer would provide \$21.3 billion in 2007-08, or \$1.2 billion more than in 2006-07, to support provincial and territorial health delivery. This would continue to grow by 6% annually to reach \$30.3 billion in 2013-14.

This new health care spending is positive news for my riding of Barrie. According to Statistics Canada, Barrie is one of the fastest growing census metropolitan areas in Canada and for many years now we have been faced with the challenge of critical physician shortages and an overload of pressure on our local hospital, the Royal Victoria Hospital. The fund increase in health care by this budget would help hospitals like RVH by providing the provinces with more discretion to fund their needs.

Just recently it was announced that Barrie and Simcoe-Muskoka cancer patients will soon have access to Canada's first portable radiation unit at our local hospital. This new cancer treatment technology will begin to provide life-saving radiation therapy to hundreds of patients by this coming fall.

I want to specifically thank the Minister of Health and Dr. Rob Ballagh for first examining this concept last November. The announcement of this mobile cancer unit is an example of what increases in health care transfers to the provinces can achieve.

In addition to these transfers, Bill C-52 would provide \$612 million to a patient wait times guarantee trust. For Ontario, this would translate into \$205.4 million to the Ontario government for patient wait time reductions over the next three fiscal years.

Additionally, Bill C-52 would offer \$30 million over three years for patient wait times guarantee pilot projects to assist the provinces and territories in implementing their patient wait time guarantees. Many Barrie residents will be positively impacted by this government initiative.

Since the introduction of the federal-provincial wait times strategy, the Royal Victoria Hospital has been a success story. Hospital procedures have been reduced by 19.6% for cataract surgeries, 17.9% for hip replacements, 11.8% for knee replacements, 25% for angioplasty, 23% for MRI exams and 13.6% for CT scans. Over \$3 million has been directed to help RVH patients, and this has had a dramatic impact on our community.

We have seen an increase of more than 600 cancer, cataract and joint replacement surgeries performed at RVH, and more MRI hours of operation. The hospital has been able to increase MRI hours to 24 hour coverage on weekdays and extended hours on weekends. This means an additional 1,880 MRI hours for our hospital. I send kudos to the RVH management team of Scott Elliot, David Blenkarn, Janice Skot and Garth Matheson for using government resources so effectively to improve the health care in Barrie.

*Government Orders*

• (1530)

Another important priority that Bill C-52 addresses is the preservation of our environment. This includes \$1.5 billion in the Canada ecotrust for clean air and climate change, the doubling of the number of environmental enforcement officers and the creation of a new national water strategy.

I am pleased that our new national water strategy commits \$12 million over the next two years to support the cleanup of Lake Simcoe. This is one of the largest investments of its kind by the federal government in Canadian history to Lake Simcoe. These funds are a significant step toward preserving and protecting Barrie's beautiful waterfront, which is the heart of the city and brings the community together. Furthermore, these much needed funds will directly help residents in the community by creating clean and safe water.

Bill C-52 also takes action to make our communities safer. Many serious crimes that we read about today include gang activity linked back to the drug trade. Bill C-52 will launch a new national anti-drug strategy to combat the use of illegal drugs.

This legislation will also provide funding to protect children from online sexual exploitation and assist investigators in suspected cases of human trafficking. We have a great chief of police in Barrie by the name of Wayne Frechette. This is the type of action that the federal government should be doing to help and support our local police forces.

[*Translation*]

Budget 2007 is an excellent one for Ontarians. In fact, several leading provincial Liberals have sung its praises. Premier Dalton McGuinty said that it meant real progress for Ontarians. The Minister of Finance said that it contains some really positive elements for Ontario. The Minister of Intergovernmental Affairs said that it offers concrete results to Ontarians.

If Dalton McGuinty's provincial Liberals think that this budget is excellent for Ontario, that means it is a good budget for Barrie, for Ontario and for all of Canada. Perhaps the federal Liberals should follow their provincial counterparts' example.

[*English*]

Bill C-52 will help create a Canada that will make us proud to pass on to our children and grandchildren, a Canada with a standard of living and quality of life that are second to none. The Minister of Finance has delivered another balanced budget that builds a stronger, safer, better Canada by cutting taxes for working families, paying down the nation's debt and investing in the priorities of Canadians.

It is a good budget for my riding in Barrie, a good budget for Ontario and a great budget for Canada.

**Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.):** Mr. Speaker, I am pleased to rise today to speak to Bill C-52. I am going to speak mostly from a Saskatchewan perspective.

I have heard a few things that I am quite disappointed about from my colleagues across the floor with respect to Saskatchewan. I want to break it down and talk specifically about some of the things that I

think are drastically unfair when it comes to Saskatchewan's treatment under Bill C-52, the budget of Canada.

First of all, we have heard the Conservative members from Saskatchewan boast about the spending in Saskatchewan. I think this is quite misleading from the perspective that we have also seen increases in taxes to Saskatchewan. It is from that perspective that I am going to spend a bit of time.

First of all, we have seen that taxes have been raised in Saskatchewan by tinkering with the basic exemption. Most people in Saskatchewan unfortunately earn middle to lower income salaries. What the tinkering with the basic exemption has done is cause most people in Saskatchewan to pay more taxes at the end of the year. This is not good because it clearly does not help Saskatchewan. That is one issue.

Then we have the issue of the child tax credit. It is not available to lower income families because it is non-deductible. We have a demographic in Saskatchewan, the low wage earners, who probably need this type of supplement the most but they are virtually unable to get it because it does not apply to them. The group that needs it the most is denied it. Other tax credits are not available to low income people, and again they are being shut out, for example, spousal support and so on and so forth.

The tax regime is not favourable to the majority of Saskatchewan residents because the tax treatment they are getting at the end of the day raises their taxes and does not allow them to participate in a lot of the supposed investments that the government has announced in Bill C-52. That is a concern for a lot of people in Saskatchewan right now. It has been one tax year already, and they have seen at the end of the year that holy cow, they are paying more taxes than they ever did and that is not good. They cannot find places to reduce the tax grab from the government. They are not very pleased.

Then there is the income trust fiasco. A lot of people in Saskatchewan lost their life savings because of the flip-flop that occurred. The Conservatives promised they would not do it. People took them at their word and people in Saskatchewan have suffered. We should chalk it up as another attack on Saskatchewan. People lost their life savings, and they are not very happy about that. I certainly would not be happy. I know many people who have lost a lot of money because of that broken promise, which is just one of many broken promises.

Then there is the registered education savings plan. Again, it can be argued that by raising it and changing it in the way the government did it could be good, but lower income people could not even meet the original benchmark. The government raised it but what help is it providing to lower income people to allow their children to pursue their dreams, to obtain a post-secondary education, to pursue the careers they would like to pursue? In effect they have been cut out. They are not happy with that either.

The working income tax benefit does nothing for lower income people. It does not help them scale the welfare wall. They are kept in the situation they are in because lower income people cannot access the benefit. They are not happy with that.



*Government Orders*

The gist of my speech so far is that lower income people in Saskatchewan are being left out.

The GST cut is fine but not if one does not have the income to purchase, because it is a consumer tax. Most lower income people do not have the disposable income to make large purchases so they benefit very little from the GST cut of 1%. Again it is the lower income people who are left out in the cold. They are not happy. I get calls. I talk to people, I get phone calls, and I visit different communities. People ask why they are being targeted. It is not fair.

• (1535)

I guess one of the biggest things on which everybody in Saskatchewan agrees is that the Kelowna accord was virtually killed and gutted. In my previous statements in the House, I talked about how Saskatchewan's share of the Kelowna accord, if it were implemented fully, would have been approximately \$600 million or \$700 million over five years. This is money that would have been invested in that young aboriginal population, to mobilize them into post-secondary education, to mobilize them into the workforce, to invest in housing, to improve the quality of life for aboriginal people in that province. When they do well, Saskatchewan does well.

With the Kelowna accord we would have seen aboriginal people and non-aboriginal people in Saskatchewan walking hand in hand, prospering, taking advantage of the opportunities available for them. Saskatchewan is doing fairly well. Saskatchewan just moved out of a have not status to a have status. We are worried because we do not want to slip back. Resource revenue is just that; it is one time and once it is gone, it is gone. What is Saskatchewan to do? Saskatchewan needs to firmly establish itself so it never slips back into being a have not province.

With the killing of the Kelowna accord, not only did the Conservative government abandon the aboriginal people in Saskatchewan, it abandoned all people in Saskatchewan, because as I said, when aboriginal people do well in Saskatchewan everybody does well. They would have walked hand in hand. They would have prospered and been able to capitalize on the benefits that Saskatchewan has to offer its residents.

I guess one of the big issues over the last month has been the broken promise to exclude resource revenue from the equalization formula. Very clearly, a promise was made. The Conservatives very clearly have broken their promise to Saskatchewan.

My colleagues from Saskatchewan are feeling the pressure, and I do not blame them for feeling that pressure, not only from Saskatchewan residents but I am sure from all sectors. Saskatchewan media has chastised my colleagues from Saskatchewan for their lack of action to stand up for Saskatchewan, for trying to mislead Saskatchewan with irrational numbers which I heard today. As I said previously, the Conservatives give a new definition to the algebraic term of "irrational numbers" because their numbers simply do not make sense. They are trying to confuse and distract from their broken promise. Very clearly, a promise was made and a promise was broken. That is what people in Saskatchewan understand.

People in Saskatchewan may be misled once, but they will not be misled again. People in Saskatchewan do not like to be taken advantage of or taken for granted. Do this once and they will not let

it happen again. People in Saskatchewan do not think that the government cares for them, and they are going to be voicing their displeasure through many and various means.

I talked about income tax being raised in Saskatchewan. My colleagues across said, "Look, we are putting some \$250 million into Saskatchewan this year". People in Saskatchewan are paying for that because their taxes have been increased. They are paying for it because they are not able to access the tax deductions that are made available to everybody else.

At the end of the day, people in Saskatchewan are paying for their own lack of funding from the Conservative government. At the end, it is zero. I would say there is a net loss at the end of the day to people in Saskatchewan because of the way the Conservative government has manipulated the numbers.

It is a shame to mislead the people in Saskatchewan, but it is more of a shame to take advantage of lower income people who work very hard to make a living in Saskatchewan. Instead, they see their taxes are being raised. They are being marginalized even more. They are being given no support and then there is the promise that has been broken. It is unfortunate.

• (1540)

**Hon. Gerry Ritz (Secretary of State (Small Business and Tourism), CPC):** Mr. Speaker, as one of the members of Parliament from Saskatchewan helping sell this budget out there, there are few things I take umbrage with in the member's speech.

He talks about the GST cut. Actually, if he were to re-read the document, he would find out that was last year's budget. We did that in 2006.

He talks about it not really helping poor people at all. I am here to say that I get calls all the time from folks in my riding. I actually attend my riding office. They call me and say they are noticing a difference in the GST on the rent they pay, the power bill, the telephone bill and the gas bill. It really does not matter what layer one finds oneself stratified in society. The GST cut helped a lot of people. There are a lot of instances where people paid GST and did not even know it was part of a grocery bill or that type of thing, so it had a very positive impact.

He also talked about the Kelowna accord. Again, he is going back a year in that vintage. I guess he does not have a whole lot that is bad to say about this budget and has to go back to the one prior to it. Maybe he did not get an opportunity to speak to last year's budget.

The biggest concern I had was with Kelowna, and I certainly campaigned on it. I have nine reserves in my riding including the urban reserves and so forth. My message to them was that Kelowna was not good enough and that point has been proven. We have actually spent more on aboriginal affairs in this country since the Kelowna accord did not go through than the Kelowna accord would have actually called for. On top of that, we settled the residential schools file and those cheques will start to flow.

When I talk to people in my riding about budget 2007, taxpayers in general, the municipalities with the infrastructure moneys that are flowing and business groups are all ecstatic about this budget and are saying, "Let's get it passed and let's move on".

*Government Orders*

The only person upset with the budget is the premier. When he came before the finance committee his major concern, and no one will believe this, was that 60% of the money allocated to the province he did not get to put his sticky little fingers on. The municipalities are saying that is good because the premier of Saskatchewan alone charges a percentage on the flowthrough moneys. Can you believe that, Mr. Speaker? That is how unfortunate it is out there.

There is a tremendous amount of positive in the budget for Saskatchewan residents. There is the biofuels strategy and the ecotrust moneys. Saskatchewan is one of the worst polluters in the country with its coal fired plants. Our ecotrust money gives it a chance to get on top of that. We also have the health wait times guarantee. This is a great budget for Saskatchewan residents.

The only question I have for the member opposite is this. Last Thursday the Liberals had a supply day which was again on this particular issue. Why did the member not stick around to vote for that supply motion?

• (1545)

**Mr. Gary Merasty:** Mr. Speaker, a few things the member brought up were interesting. Yes, I mentioned some things from the previous budget, but Saskatchewan people are feeling the effects today and are not very happy. Then they see more of the same in this budget, which is bad, bad and bad. They are not very happy.

I cannot remember the name of the riding my colleague gave, but he said he would like to move to Saskatchewan. I would encourage him to move to Saskatchewan and maybe prop up some of the Conservative MPs there to maybe deal with this issue.

It is interesting that he talks about the Kelowna accord and says that the government is investing now. I do not know if the member realizes it but last year's announcement for aboriginal funding actually never left Ottawa because it was designed not to leave.

After talking to Saskatchewan people and others across the country, they have actually had a net loss in funding. That is unfortunate. I am not sure where this imaginary funding is coming from that the member speaks of.

One of the things we heard Mr. Calvert say was that this is one time money, that 85% of what we are supposedly getting is one time only. He said Manitoba is getting more than his province next year. Saskatchewan gets zero next year. This is not a good deal for us. Saskatchewan is being shafted. That is the end of the story and Saskatchewan people know it.

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Mr. Speaker, after his excellent set of remarks, I would ask the member to acknowledge that it is very easy for the government to list a whole bunch of government expenditures flowing into the provinces. In fairness to everyone around here and all taxpayers, we have a budget of a couple of hundred billion dollars and there is a lot of money moving around the country being spent by the federal government in transfers, equalization and other things.

The nub of the issue here is this. Would he not agree that it is the letdown that people in several provinces feel now as a result of the decision by the government to, if not renege totally on some of the previous federal-provincial agreements, attempt to do an end run

around them and remove the benefits that had been earlier negotiated and signed with the federal government?

**The Acting Speaker (Mr. Royal Galipeau):** Time has run out. Resuming debate, the hon. member for Vancouver Island North.

**Ms. Catherine Bell (Vancouver Island North, NDP):** Mr. Speaker, thank you for this opportunity to once again speak about this Conservative budget.

The last time I spoke, I outlined what we see as the government's true agenda, driven by its five priorities: first, help the rich get richer and pretend the prosperity gap does not exist; second, privatize at all costs, including municipalities and infrastructure; third, treat first nations with disdain and ignore their advice; fourth, invest as little as possible in social programs, no matter how high the surplus; and fifth, ignore the crisis situation in the forestry sector.

These Conservative priorities are doing little to address the needs of everyday Canadians, however, they are in the best interests of the corporate sector.

Today I want to talk about the significance of rising inequality in Canada, but I also want to address another important issue facing Canadians that the government failed to address in the budget, and that is the failure to live up to our commitments to the world on foreign aid.

According to a study done by the Canadian Centre for Policy Alternatives, the Canadian economy is doing great and we have not seen it this good in over 40 years. We have sustained economic growth, low interest rates, a low inflation rate, the lowest unemployment rate in 30 years, and years of back to back surpluses in the federal budget.

Yet, there is a growing gap between the richest 10% and the poorest 10% of families raising children. Despite nine fiscal surpluses in a row, the gap between the rich and the poor is growing in this country and it is at its highest that it has ever been in 20 years.

What about those families in between? With this greater polarization of incomes, middle class working families are losing ground. Families today are better educated. They are working more for longer hours, but they are feeling the squeeze of rising housing costs in all our cities and communities, a lack of child care spaces, rising prescription drug costs, no relief from tuition fees for post-secondary education, rising bank fees at a time when bank profits are at an all time high, and rising gas prices when the industry is making record profits, not to mention getting record subsidies.

It is an embarrassing list that impacts hard-working families. Their real incomes are stagnant or decreasing in the face of economic growth. Most Canadians are taking on greater levels of debt for mortgages, tuition fees and child care expenses. They are virtually only a couple of paycheques away from hard times and with all those stresses, everyone working more and earning less, our society is at the breaking point.

*Government Orders*

With the surplus in the federal government's coffers, the government could have made the choice to address the real concerns of hard-working Canadian families, but it chose a different path. It threw a few crumbs to those hard-working families, but its corporate friends got the biggest pieces of the pie.

What ordinary Canadians wanted was assistance up front, not a refund. Everything in the government's budget is designed to make hard-working Canadians part with their hard-earned cash first, then apply for rebates or tax credits. The problem is that most families are stretched to the limit, making it hard for them to participate in the government's consumption plan. These are just some of the reasons why we in the NDP will not be supporting this budget.

I would like to switch gears now and talk about my second topic, the failure on the part of the government to live up to our commitments to the world, just one more broken promise in a long list.

When we talk today about committing 0.7% of our gross domestic product to foreign aid, we are actually referring to an international agreement made many years ago. In September 1969, Lester B. Pearson, the former prime minister of Canada, unveiled a report for the World Bank entitled "Partners in Development".

This report reviewed the results of how wealthy nations had distributed development assistance over the past 20 years. The report clearly stated that there was a great need to increase the amount of resources that were going to developing countries. The commission recommended that funds equivalent to 0.7% of the GNP, or gross national product, of developed countries like Canada flow to developing countries.

In October 1970 the UN General Assembly adopted resolution 2626, the international development strategy for the second United Nations development decade.

• (1550)

Through this resolution Canada and other developed countries agreed to increase our foreign aid contributions to developing countries to a level equal to 1% of their GNP and that a minimum of 0.7% of the GNP would be provided by 1975.

This was the commitment that we made in 1970, 0.7% of GNP was the minimum that we had promised to the world and that is our responsibility. However, we are not even coming close to meeting our promises of assistance. The closest that any Canadian government has ever been to meeting our goal was in 1975 when 0.53% of our GNP was committed. Since then, our contributions have gotten smaller.

In 1993, when the previous Liberal government came to power, our contribution went from 0.44% of GNP down to 0.22%, our lowest point since 1970. All of these cuts were in the name of balancing the budget.

The most recent calculations show that our contribution lies at less than 0.33%, better than in 2001 but well below our commitment. In fact, it is not even half.

One might ask if anyone has ever met these commitments. The answer is yes. Denmark, Luxembourg, the Netherlands, Norway and

Sweden have all met their commitments and they have gone above it. As well, the United Kingdom, France, Germany, Finland, Spain and Belgium all have timetables to meet their obligations, all before 2015. Many of these countries have almost identical economies to ours, so we know that it can be done.

Canada has no timetable. Neither the previous Liberal government, nor the current Conservative government have committed to meeting our promise. In fact, out of the 22 most developed countries Canada ranks 14th in terms of development aid, an embarrassing fact and one that questions Canada's image as a model of leadership in the world.

Canada must face up to the shameful record the country has had in the last 15 years on foreign aid. The NDP strongly believes that reaching 0.7% must be a priority. With surpluses every year, it is blatantly unfair to deny and turn our backs on the promise that we made to the world.

The NDP's foreign affairs critic, the member for Halifax, described the state of affairs most clearly when she said:

Millions of people are dying unnecessarily of hunger and disease because of the grinding poverty in which they are living. Canada is a contributor to those killer conditions. Instead of the Liberal government moving us forward with a level of overseas development assistance that would allow Canadians to hold their heads up high, it took us from 0.5% of ODA, which was in place under the previous Conservative government, back to where it was at .23%...then in the name of heaven let us agree and commit ourselves to fast track a bill that the government would introduce so we could then get on with taking action.

Canada can afford to do better. In fact, all parties of the House of Commons agreed with the member for Halifax in 2005 that the government should set up a plan and a timetable to achieve the 0.7% target by the year 2015. That included the Conservatives and this Prime Minister.

With a record federal surplus and after promising Canadians and the world that we would live up to our commitments on foreign aid, we see nothing in the budget, no plan and no commitment.

The government knows that its budget falls short on many fronts. In B.C., the province the Conservatives forgot in their speech, I guess they really meant it when they said their Canada goes from the Rockies to New Brunswick. Whatever happened to "from coast to coast"? In B.C. the budget falls short.

In the Atlantic provinces the government chose to turn its back on yet another previous commitment, forcing one of its own members into a corner with no way out except to sit on the other side of the House.

In the north, where it is even more costly to live, the government could have given some relief by changing the northern residence tax deduction, an allowance that has not been changed in almost 20 years. On so many issues where they could have made meaningful contributions, the Conservatives did not.

Some things can be done: a national housing strategy to make sure ordinary families do not have to live in poverty just to put a roof over their head; a national child care program to provide security, stability and affordability to parents when they go to work; and lower tuition fees so young people do not have to start their careers with enormous debt loads.

*Government Orders*

These are just a few of the ideas that the NDP is happy to share with the government. These are some of the things that the government could have done with the record surpluses. Unfortunately, it did not.

• (1555)

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC):** Mr. Speaker, I listened to the member's speech. She did not really address some of the great things in the budget.

I come from Oshawa. We manufacture cars. The manufacturing sector has suffered under 13 years of Liberals, who did absolutely nothing for the manufacturing sector.

We took the industry committee across Canada. For the first time ever, we listened to manufacturers. We listened to their needs. The NDP industry critic was part of a unanimous report that we gave to the Minister of Finance, and 16 out of 17 fiscal recommendations were addressed in the budget.

The budget has been called the best budget for manufacturing ever. NDP members say that they are in favour of jobs, that they are in favour of industry. However, in the budget they are voting against their own critic's recommendation.

The hon. member did not address the people of Ontario. Nor did she did not address the people of Oshawa, who are struggling right now for manufacturing jobs.

Why is she saying no to manufacturing jobs? Why is she saying no to auto jobs? Why is she saying no to the manufacturing industry that needs the budget and needs it now?

• (1600)

**Ms. Catherine Bell:** Mr. Speaker, I have to disagree with my hon. colleague. I did not see much that is great in the budget. The government sees its budget as the best thing since sliced bread, but unfortunately, we in the NDP do not see that at all.

Over 250,000 manufacturing jobs have been lost. This is a crisis in our country. Yet there is no auto strategy in the budget to address some of those jobs.

The government is selling us out on so many fronts in the manufacturing sector. In British Columbia, where I come from, everyone knows about the softwood lumber sellout, another reason we cannot support so many things the government does such as when it takes our resource sector jobs and sells them out at alarming rates. Around 5,000 jobs have been lost since that sellout.

The member should know that 250,000 jobs in the manufacturing sector are gone from Canada, and that is a complete sellout.

**Mr. Mervin Tweed (Brandon—Souris, CPC):** Mr. Speaker, I listened intently to my colleague's comments. I think we all know the implementation bill will pass the House shortly. The concern I have is that the Liberal dominated Senate is currently threatening to delay the bill.

This delay could cost Canadians \$4 billion in critical year end funding, including \$300 million to B.C. Will the member stand today for B.C. and tell the Senate to pass the bill before funding to B.C. is lost?

**Ms. Catherine Bell:** Mr. Speaker, absolutely, I will stand up for British Columbia and vote against the budget, because we know there is precious little in it for British Columbians.

We probably will see the passage of the budget, with the Bloc support. Bloc members get up day after day to speak against the budget, yet at every turn they vote for it. Unfortunately, we know it will pass.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, the member gave a great presentation when she talked about how B.C. had been completely left out of the budget. When the Finance Minister made his presentation, he even talked about his Canada going from the Alberta Rockies to Newfoundland and Labrador.

She talked about the softwood lumber sellout, which has had appalling impacts on British Columbia. She talked a bit about the pine beetle and the fact that the government promised but has not delivered on aid to pine beetle affected communities.

Would the member address another broken promise, and that is leaky condos? Tens of thousands of British Columbians have been left high and dry. The Conservatives promised they would take action, and there is not a penny to address these condos in the budget.

Why does the government treat British Columbians with such disdain?

**The Acting Speaker (Mr. Royal Galipeau):** The hon. member for Burnaby—New Westminster left the hon. member for Vancouver Island North 15 seconds.

**Ms. Catherine Bell:** Mr. Speaker, I knew it would be hard for my hon. colleague to keep it short, but absolutely, we have to wonder at the Conservatives when they keep leaving British Columbia out. As I said in my remarks, their Canada goes from the Rockies to the Atlantic, unfortunately, not from coast to coast to coast.

**Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC):** Mr. Speaker, it is a pleasure for me to rise to speak to Bill C-52. Before I start, I take exception to what the NDP just said, and that is the government has not taken British Columbia into account in the budget. Prior to that, we had a Liberal member stand up and talk only about Saskatchewan.

Those members of Parliament think the government is not addressing provincial issues. We are addressing provincial issues. We are addressing issues that affect all Canadians. This is their way of twisting the facts. That is how they want to do it. The actual fact is the budget is for all Canadians from coast to coast to coast. We disagree with the opposition parties, but that is their way it is.

The member from Saskatchewan talked about Saskatchewan and then he went on to talk about the Kelowna accord. I remind him that a short while ago the Prime Minister made a speech on how our new government would address the issue of land claims. What is interesting is the national chief was with the Prime Minister. This is what he said:

—today's announcement...is a positive response to what our people have advocated for decades, and it is a testament to the perseverance and dedication of our people.

By this statement, he is saying that the Liberals ran the country for 13 years and for 13 years they did nothing.

Since the Conservative government has come into power, it has taken action. We know the previous government was run by Mr. Dithers. The Conservative government is run by Mr. Action. The Prime Minister has shown commitment and action. He has given a firm direction of where we want the country to go. That is reflected in the budget.

Very clearly, this is a Conservative budget with Conservative values. This is not a Liberal budget that dithers on this side or that side.

What are the Conservative values in the budget? They are restoring fiscal balance, tax relief, debt reduction, investing for Canadians, preserving the environment, improving health care, supporting our troops, supporting our farmers and supporting our seniors.

The NDP and the Liberals of course do not support it or the things about which I have talked. They want to go down to their narrow, little agenda.

Let me talk about seniors. This is what CARP, an association for people who are 50-plus, had said. Again, after years of advocating when the Liberals were in power, nothing was done. Now they stand and cry indignation about all the things which they did not do. CARP says, "After years of advocating for the age at which RRSPs must be converted from 69 to 71, this has happened as well as income splitting". CARP is saying that this is a good budget for seniors.

Let me talk now about tax fairness, income splitting and income trusts. The previous speakers did not address the issue of income trusts. Do they really think we could have the income tax burden moved from corporations on to the shoulders of ordinary Canadians? That is what would have happened. They do not want to talk about that. That is why the government was very firm, despite the fact that we had to change the rules on income trusts. We knew tax fairness was very important for Canada. The Conservative government stands for that.

Budget 2007 carries the Conservative policies, which are good for Canadians. It addresses issues that Canadians want. Of course we do not expect the Liberals to like this budget because they never did it.

• (1605)

What is really very funny about the Liberals is they argue about things as if they were never in power. It is as if they had nothing to do with the situation we are in today. However, the good thing about

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is the Conservative government is very forceful. We know where we want to go. The Prime Minister made it very clear in the election promise as to where our direction would go. That is strongly reflected in the budget.

When the Liberals and the NDP members vote against the budget, this is what they will vote against.

The budget is about tax relief for individuals and families. It is about tax relief for businesses. It is about money for infrastructure. It is about making Canada's economy stronger. It is about reducing federal debt. It is about post-secondary education and skills and training. It is about science and technology. It is about defence and public security. It is about preserving our environment. It is about investing in Canadians, improving our health care system and most important, restoring the fiscal balance for a stronger federation.

The main point is the budget is the firm direction, the firm road map to where Canada will go, after listening to Canadians. The budget is all about that. When the Liberals and the NDP vote against this, they will vote for what Mr. Dithers and the Liberals did for the last 12 years they were in power.

I sat on that side through three Liberal budgets and I listened to the Liberals. They had this whole beautiful budget that would make Canadians feel good because they would address all these issues. At the end of the day, most of the issues were never addressed.

I am very happy and glad that the new Conservative government will tackle those issues right.

• (1610)

**Hon. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, listening to the member for Calgary East, one would think the budget was very laudable. We know from the reaction of Canadians and the provinces that it is exactly the opposite.

The member prides himself on how the government took firm action, was resolute and moved forward in that way. I guess, in a sense, it did in that it took a resolute decision around the equalization and the Atlantic accords. Conservatives were very firm in being very unfair and going back on their word to Atlantic Canada. They were also very resolute in the way that they dealt with income trusts when they took away about \$25 billion to \$30 billion out of the assets of Canadians and seniors who had saved through that vehicle for their retirement.

The Conservative government was quite firm and resolute in the way it screwed up the interest deductibility, which takes away an advantage of Canadian companies that want to compete internationally and acquire some foreign companies.

I noticed the other day the Conservatives were very firm and resolute when they finally, in reacting to political pressure on foreign acquisitions, and meekly said that they would table some changes to the Investment Canada Act, which is about time. However, unfortunately, it looks like they will deal only with elevating the criteria from strictly an economic test to one which deals with security interests, which is not far enough.

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Could the member opposite tell me if there are any more surprises that the government will bring forward in a resolute way, which will work against Canadians and will have everybody's back up in the way it has treated the fiscal realities of our country?

**Mr. Deepak Obhrai:** Mr. Speaker, I assure my hon. friend that we will come forward resolutely to address the issues that help Canadians, not go against them. We are very confident. We will come forward with a firm decision, with a firm will to ensure that Canada moves on the right path, not in the way the member's government did while dithering on this side and that side.

Most important, he talks about fiscal balance. As the Prime Minister said, we have broken no promise. In fact, we have strengthened the fiscal balance to ensure that all provinces get maximum advantage. They have the choice. They should also look at what the budget does overall for their citizens. There is no such thing as only a citizen of Saskatchewan or a citizen of Nova Scotia. They are all Canadians and the majority of this is to their benefit as Canadians.

In reference to income trusts, I remind my friend on the other side that he and his government did not take any action. He literally believes that the tax burden should shift from the corporations to ordinary Canadian taxpayers. Does he really believe that is the way it should go?

•(1615)

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, the member talked about responsibility. He said that the budget was responsible and that Conservative actions have been responsible.

I have a question for him. When we see the practices of the Conservative government, we see exactly the opposite. This budget continues \$9 billion in corporate tax cuts at a time when Canadians are trying to get better health care and access to post-secondary education. We have a homelessness crisis, a housing crisis and an affordability crisis. Most Canadian family incomes have actually gone down.

The government is giving \$9 billion to the corporate sector. It has shovelled \$1 billion off the back of a truck to the profitable oil and gas industry. Most recently, there is the forgiving of \$400 million in taxes owed by the former Hollinger company. How does the member square that frivolity of throwing money around with so-called Conservative responsibility?

**Mr. Deepak Obhrai:** Mr. Speaker, the actions we have taken are to strengthen the Canadian economy. We are very pleased to provide tax relief to individuals, families and businesses. We are very pleased to reduce the federal debt. All of these actions work to strengthen the Canadian economy. That will benefit the workers of Canada.

[*Translation*]

**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 Madawaska—Restigouche, Justice; the hon. member for Gatineau, Official Languages.

[*English*]

**Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, Ind.):** Mr. Speaker, it is a pleasure to rise again to talk about the budget and the implementation bill, Bill C-52.

I want to address the hon. parliamentary secretary who just spoke so eloquently. I want to draw his attention a couple of things. He mentioned Mr. Dithers and criticized him and described the current Prime Minister as Mr. Action. I want to point out to him that it should not be just Mr. Action, but Mr. Right Action.

There are a lot of good things in the budget for my riding. It is a rural riding and I do not hesitate to say that there are a lot of good things in the budget for my riding, but it does not mean that one can break a contract. As we have heard over and over again, this budget breaks a contract with the people of my province of Nova Scotia.

It is a nine paragraph contract signed by Cecil Clarke, the minister of energy at the time. It is the Atlantic accord agreement, which gives Nova Scotia 100% access to the gas and oil revenues, with no clawbacks, and it was meant to be applied to whatever equalization formula is in existence at the time.

Anyway, that is now broken in this budget that we are debating here today. Every day I hear the Minister of Finance, maybe the Prime Minister and maybe other ministers say that Nova Scotia can have the new formula or the old Atlantic accord. That simply is not true. They say over and over again that the Atlantic accord has no amendments, that it is not changed. I do not know how they can say that because of consequential amendments in Bill C-52.

I want to read this into the record: "Section 220 of the Canada-Newfoundland Atlantic Accord Implementation Act is replaced by the following:", and after that there could be about 10 paragraphs of replacements and amendments. Several parts of this act are amended.

As well, clause 81 amends the Canada-Newfoundland Atlantic Accord Implementation Act by adding another paragraph. This goes on for several amendments, replacements, additions and so on. This also includes the 2005 offshore revenue agreement that was negotiated by John Hamm. It is amended as well. Whole paragraphs are amended and definitions are changed. It is just not accurate to say that the old Atlantic accord is still available.

I hope that in these closing hours leading up to the vote tonight the government side will come to its senses and restore the Atlantic accord exactly as it was signed by John Hamm in 2005.

Members may recall that I voted against the budget on this issue. It was a difficult decision in a way, but in a way it was not. It was not a matter of policy whereby we decided whether it was good policy or bad policy; it was just right and wrong. The contract with my province of Nova Scotia was supposed to be a 15 year contract. In two years the government has made all these amendments to which I just referred. That changes the contract. It was supposed to go for 15 years, but it only went two years before the changes were made.

*Government Orders*

At this time I want to say that I did not make this decision easily. I want to thank my wife and others for helping me make that decision, because it affects her as much as it does me. It has had a big impact on my family and is going to have a big impact on whatever future I may have as a politician. My wife Rosemary was a very big part of this decision and I hope she is listening. I also want to thank my brother Dan. He is not interested in politics and does not have anything to do with politics, but he helped me because he actually gave me a non-political point of view on this.

Also, I had a lot help from friends and people in my riding association. A lady by the name of Tilly Armstrong said some things I will not forget. Her husband Dave and son Scott said a lot of things I will never forget. There were others like Jeff Hunt. Many people helped me make that decision.

I want to come back to the accord, because if the budget passes the House at third reading tonight, the accord as we know it, as it was negotiated in 2005, will be gone. Every single Nova Scotian will feel a loss if this happens. I hope that when it goes to the Senate the senators will use their sober second thought to review it again, to make sure that the right thing is done, and to make sure that the Atlantic accord is restored exactly as it was written, because once it is gone, it is gone, and I doubt that we can get it back.

I did not know a lot about the Atlantic accord until this debate came up. The more I got into it, the more I realized how magic it is and how well thought out it was, how well it was written and how it really represents the interests of Nova Scotia and provides a future for the economy of Nova Scotia.

• (1620)

I want to compliment former premier John Hamm, who did the negotiations, and Cecil Clarke, who was very much a part of them as well. He was the minister of energy at the time. We should all be grateful to them, but we should all also fight to make sure that this accord is kept exactly the way they negotiated it.

Another thing I hear quite often is that Nova Scotia gets this gift of \$95 million under the new program. It is not a gift. It is just part of the same program that all the provinces have. It is not a gift any more than whatever the province of Quebec or any other province gets in the way of funding from the equalization formula.

However, somehow it is made out to be a big consideration for Nova Scotia. It is not. It is exactly the same benefit the other provinces get, but what it does do is take away the ability for the offshore revenue agreement to be attached to the new formula, which is what it was always intended to be.

What has happened is that under the budget the government has changed the whole concept of the offshore revenue agreement. It was originally envisioned to go with whatever equalization formula is in place at the time. It was to follow that. It is a rolling commitment to follow whatever the equalization formula is.

What the budget does is lock it into the previous formula. It changes the whole concept and the whole basic formula of the Atlantic accord. It means that after this budget passes it will not apply to the formula that exists at the time, but that is exactly what the formula was supposed to be. That is exactly what its purpose was.

This budget changes it dramatically and takes that away. I do not believe the people of Nova Scotia are going to accept that. Certainly it does not look like it to me from the response I have had, even just from my vote, and it absolutely puzzles me why I am getting this positive response, because all I did was ask the government to honour a signed contract. This is not a political promise. It is not something that was said loosely. This is a signed contract. It is signed by the Government of Canada.

I believe that every Canadian wants the signature of the Government of Canada to be honoured. It does not matter whether it is on a nine paragraph agreement with the Government of Nova Scotia or a trade deal with Washington or some kind of deal with Moscow. When Canada signs a contract, everybody in the world should know that it is rock solid, that it is solid gold and it will be honoured.

In this case, the signature was supposed to mean that the contract would be honoured for 15 years. It was honoured for only two years and now the government is changing it. In any case, it is a sad day at this point due to the fact that we have not made more progress. I understand that the premier of the province of Nova Scotia is in town today. I understand that he has met with the Prime Minister.

However, I do not think the government has agreed to restore the Atlantic accord, which is the only thing that Nova Scotians are going to accept at this point. At some point they might have accepted a compromise, but they are mobilized. Nova Scotians from every walk of life are mobilized and focused. They are crystallized on this matter of maintaining the Atlantic accord. Nothing other than the Atlantic accord will be accepted. We had it. We should continue to have it.

I think the government made an awful mistake to tamper with it. It had been going for two years. Nobody found a problem with it. It was working. It was accepted by all the other provinces. Why in the world the government brought it into the debate on the budget and tried to tamper with it and tried to change it, I will never understand. I think in the end the government is going to pay a price for it because it has opened up the whole debate again.

I hope that Nova Scotia will have the Atlantic accord restored, but I do think it is going to cause other provinces to become more animated in the debate and to seek similar agreements. It is a shame the government ever tried to meddle with this.

With that, I will end my remarks. I hope that between now and the vote tonight the premier of the province of Nova Scotia and the Prime Minister of Canada find a way to restore the Atlantic accord exactly as it was negotiated and as it was signed on Valentine's Day 2005.

• (1625)

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, the member has paid the price in a very literal and personal way for the Conservatives' betrayal of Atlantic Canada. I think all members of the House respect him for the stand that he took in the interest of his constituents and in the interest of Nova Scotia.

*Government Orders*

We have seen the reaction of public opinion in Nova Scotia, Newfoundland and Labrador, New Brunswick and Prince Edward Island. We have seen the reaction in Saskatchewan. We have seen the reaction in British Columbia to this bad budget that now the Conservatives are trying to rush through because they are realizing that public opinion is certainly being raised against them right across the country, from coast to coast to coast.

The government brought in closure today to force through the budget bill. We saw last Friday that the government tried to give itself special emergency powers, a conjurer's trick that it tried to use to get the budget through.

Why do the Conservatives not get it? Why do they not understand that these betrayals and broken promises, particularly the betrayal on the Atlantic accord, are simply not acceptable. I want to know the member's opinion. Why do the Conservatives not understand that a broken promise is illegitimate and wrong and they should make amends?

**Mr. Bill Casey:** Mr. Speaker, I wish I could answer that but I cannot even come close because I do not understand why the Conservatives do not understand why a signed contract should be honoured.

I think every Canadian should demand of their government, whatever government it is, that if we sign a contract, if we put Canada's signature on it above the little red flag that we are all so proud of, that commitment should be honoured no matter where it is.

I do not understand. I have a theory though. I think the government wants to have uniform programs for everything. It wants to run Canada by an Excel spreadsheet. It wants everything the same. That happened with the summer job program. It wanted to do everything the same.

The problem is that we are not a uniform country. We cannot have uniform programs in this country because we are not uniform. We have so many different economic and cultural standards in the country that are different that it just does not work.

I think the Conservatives, if they want to stay in power, will need to adapt and realize that every region has different challenges and that they need programs that are designed to meet their needs. We just cannot have one program that fits all.

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, I congratulate my friend on his words. He is virtually a neighbour of my riding and many of his constituents visit my riding and vice versa.

The economy is very strong in southern New Brunswick and in northern Nova Scotia. Communities like Truro and Amherst are economic hubs of their areas.

Could the member underscore again for the House and for the country how important it is for the pockets of prosperity in Atlantic Canada to have hope and to have economic tools that the Atlantic accord would provide for our future, for our children's future and probably, in the member's case, his grandchildren's future?

• (1630)

**Mr. Bill Casey:** Mr. Speaker, I am glad the member mentioned that because my first grandchild will be born in August and her name

will be Willow. We are all quite excited about it. Here is to Willow Victoria Casey.

Most economists estimate that by the government not honouring this contract, it will cost Nova Scotia about a billion dollars. That means so much in the way of economic development, future growth and not being able to build infrastructure to attract industry and investment. It will have an impact on everyone for decades and decades to come.

When this agreement was signed it was not signed as part of an equalization formula. It was signed as an economic development program. Now it is being taken away because the government made it part of equalization and removed the concept and changed it dramatically.

**Hon. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I am pleased to add a few words to this debate on what has been happening today for Canadians watching.

The government has moved a motion to ensure the budget gets through Parliament today. Canadians may be wondering what the rush is and why the government is so determined to get the budget through today. The simple answer is that if the budget does not go through today and it does not get to the Senate for it to consider and, hopefully, pass, then important spending measures would simply disappear, which is an important and undesirable consequence.

The budget was introduced on March 19. Members of this House have had three months to attack it, to rail against it or, conversely, to laud its virtues and the good things about it. There has been plenty of time for everyone, not just members of this House, but Canadians themselves to look at this budget. The budget has been out in the public domain for quite a while.

This budget should have passed the House a few days ago in order to give the Senate reasonable time to consider it, study it and make its determination on it. If this budget does not pass the House, there will be no royal assent and the budget will fail, as will the important spending measures in this budget implementation bill for Canadians.

If the spending programs are not endorsed by Parliament, by law the money will need to go toward paying down the debt. These programs, which Canadians are counting on, and a lot of my colleagues have gone through the list many times, programs for the environment, for education, for the provinces and for a whole range of good, proper and appropriate things, will not be implemented. In the next budget there will be less money to work with and there will be other priorities so these spending measures could well be lost altogether. The government cannot allow that to happen. It is, therefore, urgent that this budget pass and go over to the Senate before the Senate rises for the summer as well.

Getting the budget through is fundamental to the government's interests, and I do not think anyone would question that. I think everyone recognizes that fact. The Liberals agreed that if they could have all the witnesses they wanted at the finance committee to look at this budget, that they would not impede the budget going through the House in time to preserve these important spending programs.



*Government Orders*

However, as events unfolded, the Liberals saw an opportunity to cause grief to the government by continuing to attack the budget. I understand that is a well-nigh, irresistible opportunity for the Liberals in the official opposition so they broke the agreement to let the budget go through the House.

Here we are today and the government needs to get these measures through. This is an urgent matter. It is not something that would be nice to get through or that we would really like to get through. It must go through or these measures will be lost. Limiting debate through time allocation, which we are debating today, is the only way to save these important spending programs.

I do not understand the Liberal hypocrisy of saying that the government should not be limiting debate. There has been plenty of debate in this House on the budget. I might add that the Liberals used closure and time allocation as a matter of course when they were in government. Almost every single major government bill put forward by the Liberals had time allocation limiting debate. They pushed their legislation through. More than one-third of their measures were pushed through that way and yet they are crying foul when, on a clearly urgent matter, the government is using the only tool available to get the budget through.

● (1635)

The government is not doing this alone. The majority of the members in the House want the budget to go through, including members of the opposition. It is not just the big bad Conservatives doing this. The majority in the House recognize that we cannot lose these important spending programs.

The Liberals know they cannot defeat the government's budget through the front door so they are claiming they should be allowed to defeat it through the back door with these delaying tactics, but that is just not so. They said that they would not use these tactics and yet they are using them. We now need to limit debate, but not in any unreasonable or arbitrary way because there has been plenty of debate, but we need to get the budget through the House so it can go to the Senate and then Canadians can have the programs they have been counting on.

We heard a lot of hues and cries from over there because new program spending for festivals was not released two weeks after the budget came out. However, the same people who are asking us for the money are not supporting the budget. There is so much hypocrisy that it is hard sometimes to even sit still and be quiet about it.

My friend who just spoke has one interpretation of the Atlantic accords and what they should mean, but he knows there are other legitimate interpretations in the Conservative Party, among the experts who he cited and in his own province. There are legitimate differences of opinion. That is not a surprise. That is what happens in a big country with a lot of experts and people looking at many different factors. These are very complex programs.

He says that we need to find a way to resolve these differences of opinion. I agree and the government agrees that we need to find a way but how will we find a way if we close the door, walk away from the table or refuse to be part of the discussions? Sadly, that is what my friend did. I have the greatest respect for my friend but we cannot resolve differences or find a way to bring people with

different opinions together if we just throw it aside and say that nothing will happen my way so I will walk away.

As the House knows, voting against the budget is a public statement of non-confidence in a government. How can someone be part of an organization in which he says publicly that he has no confidence? If I am a member of a law firm and I say that the firm is not doing a good job for its clients, does anyone think that law firm would keep employing me, paying me money and letting me be a partner when I am saying that it is not a good law firm and I do not have any confidence in it? It cannot be that way.

The member, unfortunately, is not sitting on our benches and is not part of any discussions that might be taking place in order to resolve the very differences that he says we must resolve. I might remind the Liberals opposite who say that this should not have been done and that someone who says that he or she has no confidence in the government should still be sitting on government benches, their party just a few months ago kicked somebody out who dared to give the Prime Minister of Canada some advice in an area in which he had some special expertise. He helped the Prime Minister of Canada and, therefore, was kicked out of the Liberal Party.

Another member of the Liberal Party was kicked out because there was something in the budget that his constituents had been asking for quite a while. The Liberals did not give it to them but it was in the Conservative budget and the member felt that he had to vote for it. He was kicked out.

We then had the Liberal leader saying that a member would be kicked out if he or she supported the two measures that the Liberals had put in and, even though the Liberals decided they did not like them, members had to vote the way they were told.

The fact is that we do not want anyone to be kicked out of any party. What we want is for all members of the House to realize that we are here to do a job for Canadians. If there are differences of opinion we want to resolve them in a timely and reasonable manner.

We want to get this budget through. We want to continue to work to bring people together to give them the programs they need and deserve. I urge members of the House to vote tonight for the budget and let us get on with doing the job that we are here to do, which is to help the people of this country.

● (1640)

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, I would like to ask my colleague in the government to verify to Canadians that it is the government House leader who sets the agenda for which bills are called before the House.

About three weeks went by after the budget was introduced when the bill never saw the light of day on the House order list. We could have been at this earlier. I just want the hon. member to confirm that it was the choice of the government in the movement of the bill. Here we are today finally with another time allocation period. I believe that if the Conservatives had wanted to do this earlier, they could have.

**Hon. Diane Ablonczy:** Mr. Speaker, it is only partly true that the House leader sets the agenda.

*Government Orders*

What has happened over and over in the House is that the opposition has called for something called a concurrence motion. The opposition has moved a concurrence motion, which automatically means that the motion is debated for three hours in the House. The opposition has done that about 20 times or more, so the House leader cannot bring forward legislation when there are impeding measures by the opposition to interrupt the business of the House in order to have these side debates on concurrence motions.

The hon. member knows that. Things get delayed and delayed, and then agreements are broken, and here we are today with an urgent matter which, I believe she knows full well, all members of the House have a responsibility for creating.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I simply disagree with what has just been said by the parliamentary secretary. It is simply not true. The government could have put it on the order paper, but chose not to.

We had the incredible spectacle last Friday, when the government moved to make this a life and death emergency two minutes before the expiration of private members' business. It is incredible that on a Friday afternoon the Conservatives would pull such a despicable conjuring trick to try to get their budget through.

The real reason for the closure today is that we have seen reaction from across the country to the budget. We have seen the reaction to the betrayal of the Atlantic accord. We have seen the reaction everywhere, except within the Conservative caucus, to the betrayal of Saskatchewan and the Conservative members from Saskatchewan who are not speaking up for Saskatchewan.

We are seeing the reaction from British Columbians who have been betrayed on the lack of funding for flooding, the betrayal on the leaky condo promise, and the lack of action on the pine beetle.

We are seeing in this budget a critical mass now of Canadians simply saying the budget is wrong. It should be rejected. That is why the government is moving to impose closure today. It is for that reason, simply because the government knows it no longer has credibility with the budget. That is the reason.

**Hon. Diane Ablonczy:** Mr. Speaker, in spite of the overheated rhetoric of my friend, and I understand he is in opposition and has to do this, he knows very well that the government has many other issues it has to deal with. We have to deal with the crime bills. We have had cries just today from the opposition saying that we have to keep criminals off the streets. These are important measures. We had democratic reform measures to reform the Senate and bring other democratic reforms forward.

We have a broad agenda, a full agenda. We give time for all of these aspects to come forward. I would say that it was the delaying tactics of the opposition that brought us to the point where the government had to use whatever measures it could to get the budget passed in time for the spending measures to go forward.

It is important that the government does all its business and manages its business, so that it is not just a one note government. There are a lot of other measures that have to be dealt with. The member knows that. To try to impede one measure and say somehow it is the government's fault just does not wash.

●(1645)

**Mr. Mervin Tweed (Brandon—Souris, CPC):** Mr. Speaker, I know that the NDP government of the province of Manitoba has said nothing or presented nothing but accolades for the government's current budget. I do know that there is some concern from our side, the government side, that the Senate may hold this up. I would like to ask the parliamentary secretary to comment on that.

**Hon. Diane Ablonczy:** Mr. Speaker, I do not think I want to speculate on what the Senate might do. I have a high regard for the members of the Senate banking and finance committee who will be looking at the legislation. I know that they understand how urgent this is, and I can only hope and trust that they will have a little bit more responsibility than some members of the House have shown in order to get this legislation—

**The Acting Speaker (Mr. Royal Galipeau):** Resuming debate, the hon. member for London West.

**Hon. Sue Barnes (London West, Lib.):** Mr. Speaker, I am pleased to participate in today's debate on Bill C-52. I believe very strongly that if the government had wished, it could have brought this bill forward earlier for debate. The record will show that during a three week period this bill could have been debated, but here we are today with time allocation on the bill.

To me, the message that this budget brings to mind, and I have been here since 1993, is that it divides so much. It has pitted province against province. It has pitted the wealthy against the poor in our society, those with children against those without children.

Governing is not just about writing cheques after a bill has been passed. Governing is about real leadership. It is about developing policies that find substance in a budget, a budget speech coming from a throne speech and that is implemented through an act of Parliament.

I do not think that Canadians want a country where people are just told to fend for themselves. There are things that a government provides, services through its programming to individuals in society. I believe and hope that all members in this House want a united and strong Canada, hopefully led by a government that will change in due course, and we can get a real commitment to meeting our country's challenges and making our lives better in this country.

I have been in my riding many times since the announcement of this budget. What do people recall about the budget? I have to say that in my constituency office, people have been coming to talk to me, and the things they talk about are issues with respect to some of the smaller museums in my riding, issues with respect to literacy cuts that happened during the course of this government.

I was at a chamber of commerce meeting once and it talked about the money that went out in this budget, the volume of dollars. I chaired the finance committee three times when we were the government and this is the highest spending budget we have had.

Yet, what do people really think that they got from this budget? It is like telling people that in the last budget they got a 1% GST cut. Who noticed it? What they really noticed is that they did not have a child care space for their child.

*Government Orders*

In this budget, there was money given to graduate students, but what about undergraduate students? Undergraduate students received nothing in this budget.

We need to be talking more about productivity. We need real productivity in all of our industries in this country because now those industries have the challenge of a rising dollar. I have heard the stories from people in the manufacturing sector to the auto sector. They have been coming in and talking about how this will affect not only them, but if they are not productive in their industries, they are going to lose their jobs in the communities. They are going to lose their lifeblood and that will change the communities that exist all across the nation. This is not a regionalized situation, but we have heard today and other days how this is upsetting people.

The finance minister talked in his budget bill about peace with the provinces. I do not think so. The headline yesterday in a national newspaper was talking about the potential of the Prime Minister suing provincial governments. I have never seen that before. That is not peace. It certainly is not equitable in transfers. Our Atlantic province members are saying that. We see the cries from the Saskatchewan province and premier as well.

I want to go back to child care because I was recently called to a meeting with my local board of education, the public board of education. There were members of all political stripes there, NDP, Conservative and Liberal. That is the makeup in the London region in southwestern Ontario. The board was trying to convince people of how necessary real child care spaces were, that people needed these in their lives. This is something that last year's budget was going to create: 125,000 new child care spaces. It is a year later and there is not one.

We used to do a budget consultation that actually listened to what people told us. I chaired that report, "People, Places and Priorities". That financial report called on our government at the time to create the child care spaces because Canadians needed them. Families needed them. Single parents needed them.

● (1650)

We have a token amount again. The government is putting some money out there as an incentive for industry to create these child care spaces, but it is not in the business of child care provision. The industry is in the business of producing whatever it is it produces, but it is not child care spaces. It wants the experts and people deserve to have the experts in these organizations, people who know what they are doing.

When last year's budget hit this House, it really did hit this House. It terminated agreements that were made by ministers with all of the provinces and territories. It was a go forward because there was a real need here. That need is still there. This was an investment and there has been zero delivery.

Again, if people listened to the consultation, they would have heard that there is not going to be uptake again even though there are small amounts of money put out. It will just not work. We need children and families to be supported.

The \$1,200 that last year's budget brought forward, I do not think a lot of people realized until this year's tax return time that it was taxable. So the average family had \$400 out of the \$1,200 taxed

back. That is a new first for a child care tax. But what is lost in this shuffle is that there is now a universal benefit going out that we abolished in the past.

These were failed things where everybody got the money. We had child tax credits that went to the most deserving, the families that needed that money, not to the high income person who has money and it is not going to make the impact it would with a targeted approach.

I have been disappointed. One of the trustees sitting at that London meeting talked about how a woman who had five young children and gets the money said that it really did not go to the education and care of her children, it went to whatever the household expenses were. Even if we gave more money to the provinces in a social transfer tax, there is no agreement saying what the money is specified for like we had with the child care agreements.

There is no control over those moneys and there is a real need here. The government has to understand that there is a real need for child care and we lost it. It took a lot of work and we have lost it now.

I want to talk about how I saw this budget spend billions and billions of dollars. I believe the real reason that this was not put on the order paper immediately is because the Conservatives thought that this was a budget they would go into an election campaign and maybe there would be an election called back in March when everybody was saying there would be one. They would then not have to put through all of these high spending things that we see here because I have never seen such a calculated buying of votes that I see in this budget plan, if it can be called a real plan because a plan would be something integrated with policy.

In my riding of London West there is a billboard against the current government on the breaking of its promise on income trusts. I hope that billboard stays there a long time. It must be costly for the people, but not as costly as it was for the people who lost their money because they believed the promise of no change in the income trusts. We know that is not happening.

We have the situation of the GST promise of the last budget. People do not even notice it. Who notices that one point loss? Now we hear that the government did not even put it in this budget. Remember when the Conservatives came to power, they said they were going to do another reduction? I can remember those commercials talking about lowering the GST, well that is scheduled for 2012, a promise long in the future.

My Sister's Place is an organization that caters to the homeless and women in need. It received a couple of dollars to take it another couple of months. It seems like the Conservatives will give funding, but there is no homeless initiative or housing in this budget plan. It is just funding until the next election.

● (1655)

Organizations cannot run that way. They need sustainable funding whether it is child care—

**The Acting Speaker (Mr. Royal Galipeau):** Questions and comments. The hon. member for Moncton—Riverview—Dieppe.

*Government Orders*

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, we heard from the parliamentary secretary earlier. She referred, with respect to the defection of one of the hon. members of the government side, to the analogy of a law firm. I know the member is a lawyer by trade. Has she ever heard of the firm of Dewey, Cheatem & Howe and does that apply to the firm across the way

However, more seriously, because this is a serious budget, with respect to the breach of the Atlantic accord to which the member for Cumberland—Colchester—Musquodoboit Valley has referred to as an economic development tool, not an equalization program, does she see, in her considerable legal background and experience, how the government can possibly win? Morally, how can it go to the courts, first? Second, how can it possibly win when the Government of Canada has signed an agreement with a province in Canada?

**Hon. Sue Barnes:** Mr. Speaker, it is about breaking promises. The new government does not seem to have a problem breaking promises. It broke promises on the Kelowna accord. We have a bill in Parliament about the gun registry with which it has not even dealt.

The situation here, with the Atlantic accord, was a contract that was created. You have not lived up to what was signed by the Government of Canada. I hope the member, the foreign affairs minister, is looking at the current newspaper in his riding. If he were listening to his constituents in Atlantic Canada, they would be telling him that he should be living up to the accord and not changing the formula. There are changes and it has been outlined section by section by many members of the House, who have tried to advise and plea with the government.

I know another member from Atlantic Canada is considering how he will vote tonight. I hope that the members from Saskatchewan take a look at the budget with which they are trying to work.

**The Acting Speaker (Mr. Royal Galipeau):** The hon. member for London West has made reference to her vast experience in the House so she will not mind that I remind her that, in view of this vast experience, she should not refer to other members of the House in the second person, but rather in the third person.

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## ROUTINE PROCEEDINGS

[*English*]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, discussions have taken place among representatives of all parties and I believe, if you were to seek it, you would find consent that the 55th report of the Standing Committee on Procedures and House Affairs, regarding membership changes of committee memberships, be deemed presented and concurred in.

[*Translation*]

**The Acting Speaker (Mr. Royal Galipeau):** Does the hon. member have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

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## GOVERNMENT ORDERS

● (1700)

[*English*]

### BUDGET IMPLEMENTATION ACT, 2007

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

**Mr. Rick Dykstra (St. Catharines, CPC):** Mr. Speaker, I appreciate the opportunity to speak today to the budget once again. It is worth speaking to more than once. It is significant for the country and it is significant for my riding in St. Catharines. It strengthens our economic federation. It invests in a stronger, safer and healthier Canada. It builds on the foundations of policy, which were developed and announced in November, to talk about Canada's strengths.

We announced what the policy framework and measures were going to be, in terms of moving forward, and we ensured that we acted upon those policies within the framework of our budget, those policies being fiscal advantage, tax advantage, infrastructure advantage, knowledge advantage; and entrepreneurial advantage.

The budget is fiscally responsible and it is a prudent balance between long term prosperity and short term needs.

In terms of long term prosperity, we have a significant debt payment. It requires, based on the way the budget is structured, that future governments do the same in ensuring that any surpluses go against our national debt. It ensures that not only are those tax savings on interest going back to Canadians through reductions in personal income tax, but it also tells future generations that we are acting responsibly and turning a country and an economy over to them that will not be straddled with a significant national debt.

It also recognizes and rewards the people who make our country great. We do not talk about this very often, but owners of small business, low income working Canadians, Canadian parents who pay household bills and try to save for their children's tuition are the people who make our country great. It is unique in terms of Canadian strengthens. Canada's government is committed to building on those solid foundations.

Budget 2007 is a first step of Advantage Canada's long term plan. Several major announcements, as I mentioned, fulfill the promises and commitments that we made in November.

*Government Orders*

For example, for small and large businesses, we are committed to reducing the paper burden on them by 20%. When we talk to small businesses across the country, business owners who employ perhaps themselves and their families or perhaps two or three employees, the paperwork they need to go through to keep that business running and to keep everything accountable is significant. From a federal perspective, we have said that they should have less paperwork, less red tape with which to deal.

We have also told those same people that it is time we increase the lifetime capital gains exemptions for small business owners, for farmers and for fishermen, from one side of the country to the other. Will we ensure they have the benefit of lifetime capital gains? Yes. We are moving from an amount of \$500,000 to \$750,000. The last time it was increased was back in 1988, almost 20 years ago. Its time has come.

We have also ensured that we have increased capital cost allowance rates on buildings used in manufacturing or processing, from 4% to 10%. We have ensured that other capital cost allowance rates have been raised, as well. It puts Canada's tax rate on new investment now third lowest among G-7 nations.

For manufacturing, there is a two year, 50% straight write-off for any capital investments in equipment and machinery acquired after the announcement of the budget on March 19. That is significant for manufacturing. General Motors announced a potential expansion in St. Catharines of some \$400 million into a building, an investment it can make because it realizes that investment can be accelerated in terms of its write-off. It is already spurring economic activity across the country and the budget has not even been passed yet.

However, business cannot do it alone. Infrastructure is also desperately needed. Therefore, we have renewed our gas tax commitment. We have ensured that all municipalities, like the City of St. Catharines, will receive a portion of the gas tax credit.

● (1705)

By 2010, the city of St. Catharines will have received some \$4.2 million. When we put that into context and look at the city of St. Catharines' operating budget, that \$4.2 million will represent 5% of its yearly operating budget. That means property taxpayers should not have to see the types of increases they have over the last number of years.

We have also extended that gas tax credit until 2013-14. It means communities like mine can count on that money. They know it will be there. They can make their investments. They can talk about infrastructure and make the type of investments they need to ensure their communities are strong. Municipalities across the country know they have a partner in the federal government.

There will be priorities for these funds such as a cleaner transit system and better access to hospitals so people can get there sooner? We look forward to working with councils across the country to get this job done. In my riding the relationship, based on this, is a strong one. We look forward to working together.

The building Canada fund will mean \$8.8 billion of investment over the next seven years for areas including border crossings and trade gateways from one side of the country to the other.

The budget is historic because it restores fiscal balance. It implements the recommendations of the expert committee on equalization. Glen Hodgson, chief economist for the Conference Board of Canada, said, "I think we can probably declare the fiscal imbalance between the federal and the province governments is over".

This is what it means for Ontario and my community. It honours the Canada-Ontario agreement, which means close to \$7 billion of new investment into the province and communities like mine. It means that social programs will be funded for the first time, especially those of health care, on a capital basis, which is huge for the province of Ontario.

In total Ontario will receive more than \$12.7 billion in transfers in this fiscal year alone. The transfer means so much to the province. Regions like Niagara need to make it clear to the provincial government that they expect their fair share. Let me provide an example.

This government committed \$250 million in new money for child care expenditures through 2007-08. That meant for the province of Ontario there would be \$95 million to create new child care spaces in the province. Obviously that would trickle down and hopefully mean new spaces in Niagara and St. Catharines.

However, the provincial government in Ontario determined that, despite the fact it would receive \$95 million in child care payments, it would only include an additional \$25 million in its budget. That means \$70 million in transfer payments, which hopefully were to be dedicated by the federal government to the province of Ontario, will not be invested in child care.

There was a lot of talk in the House from parties opposite that maybe we needed to invest more because there was a need for more spaces. The cheque was cut, the money was sent and the spaces were not provided and the money was not invested by the province of Ontario.

We have also had the opportunity to restore the fiscal balance with the Canadian taxpayer. There were \$9.2 billion put toward debt. It has been said, but it should be said again, that \$22.4 billion over the last two years went toward paying down the debt. Debt reduced today means taxes reduced tomorrow.

We have ensured that personal tax cuts are there as well. There is a \$2,000 child tax credit worth \$300 a year for every child under the age of 18. There is pension splitting for seniors, finally, after 40 years. We have also made key investments in the area of education, research and development and cultural heritage. All of this is to ensure that from 2005-06 to 2008-09 spending will increase by 4.1%, a full percentage point less than the economy is expected to grow.

● (1710)

Excluding the one time cost of restoring the fiscal balance since budget 2006, the value of these tax cuts announced is more than double the value of new spending announcements.

*Government Orders*

We believe in responsible fiscal management and we will live up to the promises of advantage Canada to reduce debt, reduce taxes and position our country to be a world economic leader.

**Mr. Mervin Tweed (Brandon—Souris, CPC):** Mr. Speaker, I want to start by congratulating the member for St. Catharines. He has sat on the finance committee. I have had the opportunity to substitute on that committee and I know that all the members of that committee do a tremendous job in working for the Canadian taxpayer in trying to do the best with every dollar that they give us to spend on their behalf.

I listened quite closely to the member's comments. He has somewhat of a special interest as I do, in that a lot of seniors live within my community. I know that the budget offered a lot of benefits to the seniors in our communities. I would ask the member for St. Catharines to elaborate a little on that.

**Mr. Rick Dykstra:** Mr. Speaker, it is an excellent question and I certainly want to congratulate the member on his support for seniors in his riding and across the country.

The 2007-08 budget is historic from a seniors perspective. For the first time in 40 years we are going to do what a report recommended to the Senate and the House, that seniors' pension incomes should be split so that they will pay less tax, so that they will be able to keep more dollars and will be able to stay in their homes and pay property tax or be able to afford the things that are necessary.

We have taken another position with respect to the new horizons program. We have a new seniors council. The Prime Minister said that we will have leaders who are dedicated, which we do in Senator Marjory LeBreton and the Minister of Health, who will show the leadership to make sure that the seniors council provides us with the type of advice that the government wants and needs to help seniors in the short term and the long term.

That commitment comes through clearly in the new horizons program where 14 million new dollars are being invested so that communities like mine can ensure that seniors have programs that are dedicated specifically to them. We want to make sure that they too have an opportunity to play a role in their communities.

**Mr. Ed Fast (Abbotsford, CPC):** Mr. Speaker, I want to thank my colleague for his intervention and for his support of this very visionary budget.

There is something that puzzles me. I have listened to some of the debate from the Liberal members in the House and what has been notably absent is any discussion about the benefits which Ontario receives under the budget. I have listened to some of the Liberal members from Ontario speak and there has been no mention at all about the huge benefits the budget delivers to Ontario.

Since my colleague is from Ontario and represents the riding of St. Catharines very well and actually understands what is in the budget, perhaps he could comment on the kinds of benefits Ontarians can expect to receive under the budget.

**Mr. Rick Dykstra:** Mr. Speaker, that is an excellent question from the member for Abbotsford.

Yes indeed Ontario benefits from the budget, so much in fact that I am surprised that of the nearly 60 members of the Liberal Party in

opposition, I have yet to hear one of them talk about how the budget hurts the province of Ontario. That is an easy question to answer when one asks whether it does or does not hurt the province of Ontario.

Members will not be surprised to hear that the budget does everything intended for the province of Ontario to show that we are committed to making sure that the country's largest province is included in the new fiscal arrangement and the benefit it will provide for our country.

**An hon. member:** Even the premier likes it.

**Mr. Rick Dykstra:** Even the Liberal premier, as my colleague mentioned, has said that this is a good budget for the province of Ontario. It is a budget that brings close to \$12.8 billion in funding. More important, for the first time in the history of equalization payments, health care is funded on a per capita basis. Based on the population in the province of Ontario we are finally receiving the health care dollars we deserve from the federal government.

• (1715)

**Hon. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I am pleased to rise to speak to Bill C-52, An Act to implement certain provisions of the budget.

I listened to the member for St. Catharines talk about how the Conservative government is setting up the new seniors council. After the Conservative government talked about not having patronage appointments, what it has done is it has disbanded the National Council on Aging, an organization that had been set up by our Liberal government, and has started a new seniors council. The council basically has the same mandate and the same terms of reference, but there is one noticeable difference: it is stacked with Conservative appointees. This is not strictly a budget matter, but I had to comment on it.

This budget lacks vision. It lacks a direction for Canada. It is a collection of some sundry items, but it has no cohesion. There is a large amount of spending, spending in the wrong areas and spending that is going to be inflationary. In fact, we are already finding that it is inflationary because of the intended actions of the Bank of Canada to deal with it. We knew it would be inflationary. If the spending had been put in the right places, it would not have been as inflationary and might have had some benefit. The spending is in the wrong areas. Let me give an example.

Of course we know the Conservative government wants to reduce the GST, but in doing so, it increased personal income taxes, which any self-respecting economist will say is not good economic policy.

The government has also reneged on the Kelowna accord, which was providing many benefits to our aboriginal people in terms of housing, schools, clean water and many of the basic needs that aboriginal Canadians in this country need. The government has reneged on that.

The Conservatives have failed to deliver the funding required to implement the early childhood development agreements that had been negotiated in good faith by our Liberal government. They set up this phony child care program which does not really provide any spaces for child care in Canada.

*Government Orders*

The finance minister stood in this House, and I will never forget this, and said that the acrimony with the provinces and territories had been resolved, it had been fixed. He said that the so-called fiscal imbalance had been dealt with. I remember thinking how naive can a finance minister get. Certainly that came home to roost in spades when Nova Scotia, Newfoundland and Labrador, Saskatchewan and many of the provinces said that this budget fails to deliver on equalization, that it reneges on the promise with respect to the Atlantic accord.

Income trusts are another good example. The Conservatives campaigned on the idea that they were not ever going to tax income trusts. What did they do? They broke that promise. They have come in now and taxed income trusts with hardly an apology. They wrote off about \$25 billion to \$30 billion in capitalized value of Canadians who counted on the word of the Conservative government not to tax income trusts. That promise was broken.

Many of us in the House would agree that the income trust question needed to be dealt with, but there were ways to deal with it in a much smarter and a much more fair way for all Canadians. In fact, the grandfathering that the government chose was not fair. It could have been done in a much more equitable fashion. In fact, I think there was an argument to be made to go back to the original *raison d'être* of income trusts, which was to help with the capitalization of energy companies and with property management companies. What did the government do? It brought in this measure which really hurt many Canadians who were saving for their retirement.

The government through the finance minister has come out with provisions with respect to the non-deductibility of interest expense. What the Conservatives tried to do was deal with some tax evasion measures, in other words, where income by companies is put into low tax or no tax jurisdictions and the interest expense is put into the jurisdiction of Canada and treated as an interest expense.

Yes, there was some abuse of that, but what the government has done is taken the measure to a ridiculous extreme. It has created the unintended consequence, or maybe the intended consequence, I am not sure how clearly the government thought this through, that companies in Canada will be put at a disadvantage when trying to acquire companies abroad.

• (1720)

The income trust decision of the government and the interest non-deductibility measures mean that Canadian companies are going to be targets of more takeovers, more takeovers than we have seen already. The list goes on of Canadian icons such as Inco, Falconbridge, Hudson's Bay and many other companies that have been taken over by non-Canadian interests. Takeovers of energy companies are going to increase, given the income trust decision, and also of companies in general, given the non-deductibility of interest measures.

What does the government do? The industry minister sits on his hands while the world goes by. He argues that the markets will solve everything and that the government should not be an interventionist. The government is finally going to respond and is proposing to make some changes to the Investment Canada Act, but I suspect it will be too little, too late.

There is one aspect of the budget that I think is particularly devastating. The budget provides no real initiative to enhance Canada's productivity, nor to enhance the rate of innovation in Canada. We have some productivity challenges, especially with respect to our neighbours to the south, our major trading partner, and this budget does nothing with respect to innovation or research and development.

We look back to the mid-1990s. Our government inherited a \$42 billion deficit in 1993. In three short years, with the cooperation and the commitment of all Canadians, that deficit was eliminated and our government began on the path of reinvesting in research and innovation.

We created the Canadian Institutes of Health Research, the CIHR, and the Canada Foundation for Innovation. We set up research chairs across Canada. We also provided some funding for the indirect costs of research overheads. We changed the brain drain to a brain gain.

When a number of my Liberal colleagues and I visited the MaRS project in downtown Toronto recently and we went to the Hospital for Sick Children, I was saddened to learn that some of that brain gain is in jeopardy. We met researchers from all over the United States who had come back to Canada based on the research environment here, but they were thinking that maybe the research environment here in Canada was not so wonderful after all.

There was a lack of commitment to funding for the CIHR in this budget. There was a paltry increase. The CIHR also has some serious challenges with respect to continuity of funding. If a researcher who is an expert in his or her field cannot set up the team that he or she needs and set up a research program over a number of years, then that research is in jeopardy. That is what is happening.

There is also a significant problem with respect to the indirect costs of overheads. Our Liberal government took some measures in that area, but more needs to be done to ensure that the research environment continues here in Canada.

I will talk briefly about crime and safe streets. In our 2006 election platform, the Liberal Party promised a complete ban on handguns. In fact, the then prime minister, the member for LaSalle—Émard, came to my riding of Etobicoke North and committed our party, if elected to government, to a complete ban on handguns.

Just this weekend, again in my riding of Etobicoke North, there was another murder, a drive-by shooting. It was a senseless cowardly act. One person is dead and three are injured. This happened because of the proliferation of handguns.

It is true that handguns are coming across the border from the United States, and that is why our government made more commitments at our border to stem the flow of guns coming from the United States into Canada. More needs to be done on that front. However, the reality is that many handguns are stolen from collectors

Instead of backing away from the gun registry, which is what the Conservatives are planning to do, they should be investing in the gun registry. They should be banning handguns.

*Government Orders*

We know that putting \$1 billion into arming our border guards will have no deterrent effect on the people in Chicago, Boston or wherever, who run guns or drugs into Canada. These people are not sitting around thinking that now that Canada has armed border guards they had better not run the guns or drugs into Canada. Instead of using \$1 billion to arm our border guards, that money could be put into much more useful endeavours.

This budget fails on a number of accounts and I will be voting against it for sure.

• (1725)

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, I want to address something the member for Etobicoke North raised in his speech that I think needs to be countered. It is in regard to his comments with respect to our government's plan in this budget to put Canada's fiscal federalism back on track.

When we became the government in 2006, we were left with quite the tangled set of arrangements with respect to fiscal federalism. Let me recount for members what actually happened.

In October 2004, the previous Liberal government, at a first ministers meeting chaired by the then prime minister, came up with this absurd idea that Canada was going to go to a fixed pot for equalization, that we were going to disconnect the equalization formula from any real world economic realities.

The government was going to go to this fixed pot of \$10.9 billion a year that would grow at an annual rate, from there on in, of 3.5%, with absolutely no idea of how the government was going to apportion that new amount of money among the various provinces. There were no connections to real world economic realities. There were no connections to the 33 tax bases that the provinces use to collect their taxes.

Subsequent to that, the previous government negotiated these deals for the Atlantic accord and the Canada-Ontario May 2005 agreement that left the other provinces out of the loop, so we were left with the difficult job of trying to disentangle the arrangements of fiscal federalism, which we did.

I would say to the member opposite that he has a very rose-coloured view of the performance of the previous government with respect to fiscal federalism.

**Hon. Roy Cullen:** Mr. Speaker, during our mandate we came a long way in dealing with the challenges of fiscal federalism. One good example, I think, is that we made huge investments in the Canada health and social transfer. In the latter years of our mandate, there was a \$41 billion commitment to the Canada health and social transfer.

Let me tell the member what I find most objectionable. I think the current finance minister for the Conservative government made a reasonable attempt to try to deal with this issue, although I think in some cases the problem was somewhat exaggerated, at least from my own personal perspective. I think the provinces actually have a lot of capacity to raise revenues, but nonetheless there were some difficulties.

There were some challenges. There certainly were some provinces and territories that felt the matter needed to be addressed,

but to stand in this House and during the presentation of the budget say that the fiscal imbalance was dealt with, that all problems were set aside, was at the very least the most naive thing that I think I have heard in this House for some time. I, for one, sitting here in this chair, not even with the benefit of hindsight but just with the benefit of knowing how this country works, know that we would never ever get to that position in anyone's lifetime, in my judgment.

I think it was a serious attempt, but the problem was that the finance minister did not honour some commitments that were made by the federal government. As many members on this side have pointed out, including the member who has just come over to this side of the House, a contract, a commitment by the Government of Canada, should be honoured. The Atlantic accord was a commitment by the federal government. The premiers were counting on that. To go back on that, and to try to put a rose-coloured glass around it as if the Atlantic accord was being respected, is hypocritical in the utmost.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, this budget from the Conservatives has been rightly criticized because of the broken promises right across the country, including the Atlantic accord and broken promises to British Columbia.

We have also seen another characteristic of this Conservative budget, which is shovelling money off the back of a truck to the corporate sector, with \$9 billion in corporate tax cuts being maintained and \$1 billion in subsidies for the profitable oil and gas sector. It is hard to tell hard-working Canadians who are already being gouged at the pumps that their taxes are also going to fuel that enormous profit in the oil and gas sector. We also have seen tax forgiveness, with hundreds of millions of dollars of moneys owed simply written off by the Conservative government.

The Conservative approach is very similar to that of the former Liberal government, which we saw for 13 years as it broke promises and shovelled money at the corporate sector. My question for the member is very simple. Does he realize now that the Liberals were wrong to do it when he sees the Conservatives doing exactly the same thing the Liberals did when they were in power?

• (1730)

**Hon. Roy Cullen:** Mr. Speaker, the member for Burnaby—New Westminster sort of rewrites history as he speaks, but unlike that member of the NDP, I and most if not all of my colleagues on this side of the House happen to believe that to create jobs and economic activity in this country we have to create an environment that attracts investment. If our corporate tax rates are not competitive, we could deal with those. We need to do this.

A classic example is Ireland, which decided to lower—

**The Deputy Speaker:** Order, please. I am sorry, but the time for questions and comments has expired. The hon. member for Burlington, resuming debate.

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, I may be the last speaker on *Aspire*, our budget for 2007, which will make for a stronger, safer and better Canada.



*Government Orders*

Our government has tabled a balanced budget that moves to restore fiscal balance to Canada, cuts taxes for working families, reduces the national debt and invests in key priorities such as improving health care and environmental protection.

Budget 2007 helps in the restoring of fiscal balance by providing \$39 billion in additional funding over seven years, which will allow the provinces and the territories to do a better job in providing the services and infrastructure that matter to Canadians. That includes everything from roads, bridges and public transit to better equipped universities and colleges. It includes improving on health care. It includes clean rivers, oceans and air. It includes job training that helps Canadians compete with the best in the world.

We will see further tax relief for families with the working families tax plan, which includes a \$2,000 per child tax credit. Budget 2007 also helps parents save for their children's education by strengthening the registered education savings plan program, and it supports seniors by raising the age limit for registered pension plans and registered retirement savings plans to 71 years of age from 69.

There are further debt reductions that will result in savings for Canadians. After paying down \$13.2 billion on Canada's national debt in September 2006, we will further reduce the debt by \$9.2 billion. Thanks to the government's tax back guarantee, the interest savings on this year's debt repayment will be returned to Canadians in the form of further tax cuts.

Our government will be investing in Canadians by providing \$550 million per year for the working income tax benefit and \$140 million over two years to establish a registered disability savings plan, something I worked very strongly on the finance committee to implement.

We are focused on preserving the environment with a balanced action plan, including rebates on fuel efficient vehicles and efficient alternative fuel vehicles, an incentive to get older, polluting cars off the road, and a green levy on fuel inefficient vehicles, and by providing \$1.5 billion to establish a Canada ecotrust for clean air and climate change.

The budget provides a national water strategy, something for which I have been advocating since the last election. I am happy to see that the Hamilton Harbour has been specifically targeted as an area that we need to clean up.

Our government will continue to work at improving health care by investing \$400 million for the Canada Health Infoway to support the development of electronic health records and up to \$612 million to support jurisdictions that have made commitments to implement patient wait time guarantees, and by providing the provinces with \$300 million for a vaccine to help prevent cervical cancer.

Budget 2007 is historic. It restores fiscal balance, implements major elements of Canada's long term economic plan, Advantage Canada, and will create opportunities for Burlingtonians and all Canadians to fulfill their dreams of a good job, a world class education for their children, a home of their own and a retirement they can count on.

What does the budget mean for Ontario? Managing Canada's \$1.5 trillion economy means making choices and striking the right

balance. In budget 2007 we have achieved this by balancing the budget, cutting taxes for working families, investing in priorities like health care, the environment and infrastructure, and restoring the fiscal balance by providing provinces the resources they need to deliver the front line services that matter to Canadians.

• (1735)

For my province of Ontario, restoring the fiscal balance brings federal support for Ontario to \$12.8 billion in 2007-08. This includes \$8.1 billion under the Canada health transfer, \$3.8 billion for the Canada social transfer, which includes money for post-secondary education and child care, and \$664 million for infrastructure. Also, \$205.4 million is available to the Ontario government through the patient wait time guarantee trust. Another \$117.2 million is available to the Ontario government to implement the immunization plan that I just mentioned.

As well, \$574 million will be paid to the Ontario government for outstanding commitments under the Canada-Ontario agreement. There also will be \$298.5 million in gas tax funding going directly to municipalities in Ontario. There is \$400 million for an access road for a new Windsor-Detroit border crossing. We will see \$963 million to fund transit projects in the greater Toronto area. There will be \$38 million in corporate income tax relief from changes in capital cost allowances for buildings. There will be \$383 million in additional corporate tax relief from the temporary two year writeoff for manufacturing equipment over the next two years.

We will see approximately \$35.2 million in tax savings for farmers, fishers and small business owners through an increase in the lifetime capital gains tax exemption to \$750,000. As well, Ontario will receive \$586 million from the Canada ecotrust for clean air and climate change. For Burlingtonians and Ontario, the new \$2,000 child tax credit will save parents in Ontario \$597 million. An increase in the basic spousal amount will provide an estimated \$109.6 million in tax relief in regard to those who are the supporting spouse or a single taxpayer supporting a child or a relative. Also, the working income tax benefit will benefit workers of Ontario with \$212 million in tax relief.

*Government Orders*

Ontario farmers, some of my favourite people in the world, will receive approximately \$240 million under the new initiative in budget 2007. Increasing the RRSP and registered pension plan maturation age will save Ontario taxpayers \$56 million. As part of the national water strategy, there is \$27.5 million to clean up the Great Lakes. There is \$50 million for the Perimeter Institute in Waterloo, and I am not exactly sure what it does, and there is \$6 million to help move the CANMET Materials Technology Laboratory to Hamilton.

All of that was just about Ontario. I wanted to highlight what the numbers actually mean and what members are actually going to be voting against if they do not support this budget.

As a member of the finance committee, I had the opportunity to go across this country and also to talk to people here in Ottawa at meetings. I can tell members that not one group that I can recall came to tell us to spend less money. Everybody wanted more money, more tax money for whatever their cause was, and that is part of the balance of government. We cannot solve everybody's problems. We do have to set goals and objectives. We did that as the finance committee. We presented a report that had recommendations in it and some of those recommendations are in the budget.

Others are priorities of this government that we had set out during the election to accomplish for Canadians. We are doing it through this budget. We can stand up here all we want and talk about things that are not in the budget, but I can tell members about people who told me that for every dollar we spend we get three back, so let us add up the billions and billions of dollars we are spending. Under that scenario, which we know is not accurate, we would just continue to spend every single penny we had and it would come back threefold. That is just not the way the economy works. That is not the way the real world works. We have to make choices.

This budget makes choices. We have put in the budget a number of things that deal with restoring the fiscal balance of this country. Not everybody agrees. We have heard that from our own side. Not everybody agrees with our approach, but we cannot have side deals with different provinces all over this country and call it a national program. We have put together a national program. We are working on those issues. It takes up a big chunk of this budget. I have told this to my constituents who say there is no money for this or that. We need to set the record straight. We needed to get this country back on the right road from a fiscal balance perspective.

• (1740)

The party opposite does not believe there was a fiscal imbalance. If there was not, then why are people screaming and yelling at our door that they want more money and they want a different program than what is provided?

We have done that. We have taken the initiative as a government. We have taken some very bold steps with this budget. It tries to provide balance for everybody. It is a balanced budget and a good budget for this country. I am very proud to be part of the finance committee and of the government. I am proud of the budget aspirations because they will make a stronger, safer and better Canada.

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, I want to ask the hon. member for Burlington a very simple

question. He is from a nice riding in central Canada. He has visited my riding and knows that it is a nice place as well. For a budget that is so wonderful, in his words, why is it receiving such a poor reception in all of Atlantic Canada? Is it because the word of the Government of Canada has been broken by the implementation of this budget and that the Minister of Finance would dare to sign an open opinion in the maritime provinces as if he were the leading minister in Atlantic Canada?

I wonder if the member would appreciate it if the minister responsible for Ontario abdicated his responsibility to represent Ontario and had a minister from New Brunswick sign a rather scathing letter completely rejecting the arguments of most of the premiers, almost all the MPs and almost all the people of Atlantic Canada. How can the government stand behind a budget that has ignored and, worse, betrayed a whole region of Canada?

**Mr. Mike Wallace:** Mr. Speaker, I simply disagree with the member's debate on this issue.

In order for him to understand, I will read from page 112 of the budget. It states, "Budget 2007 Implements the Recommendations of the Expert Panel on Equalization".

By the way, I believe that panel was appointed by the Liberal government at the time. It goes on to read:

Budget 2007 delivers a new Equalization program that is fair to Canadians living in all provinces. It will be formula-driven and principled. It will be simplified to enhance transparency and accountability. It will be stable and predictable. It will meet the commitments related to exclusion of non-renewable resources and respecting the offshore Accords.

We are standing by our word and honouring our commitments and this budget does that. I cannot speak for other people but in my opinion it is black and white in the budget. We will aspire to do what is right for this country and this budget does that.

[*Translation*]

**The Deputy Speaker:** It being 5:45 p.m., pursuant to order made earlier today, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of third reading of the bill now before the House.

The question is on the motion that this question be now put. 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 nays have it.

*And five or more members having risen:*

**The Deputy Speaker:** Call in the members.

• (1810)

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 201)*

**YEAS**

Members

Abbott	Ablonczy
Albrecht	Allen
Ambrose	Anders
Anderson	Arthur
Asselin	Bachand
Baird	Barbot
Batters	Bellavance
Bernier	Bezan
Bigras	Blackburn
Blais	Bonsant
Bouchard	Boucher
Bourgeois	Breitkreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Brunelle
Calkins	Cannon (Pontiac)
Carrie	Carrier
Casson	Chong
Clement	Cummins
Davidson	Day
Del Mastro	Demers
Deschamps	Devolin
Doyle	Duceppe
Dykstra	Emerson
Epp	Faille
Fast	Fitzpatrick
Flaherty	Fletcher
Freeman	Gagnon
Galipeau	Gallant
Gaudet	Goldring
Goodyear	Gourde
Gravel	Grewal
Guay	Guimond
Hanger	Harper
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Khan
Komarnicki	Kotto
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lake
Lalonde	Lauzon
Lavallée	Lemay
Lessard	Lévesque
Lukiwski	Lunn
Lussier	MacKay (Central Nova)
MacKenzie	Manning
Mark	Mayes
Ménard (Hochelega)	Ménard (Marc-Aurèle-Fortin)
Miller	Mills
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Mourani	Nadeau
Nicholson	Norlock
O'Connor	Obhrai
Oda	Ouellet
Pallister	Paquette
Paradis	Perron
Petit	Picard
Plamondon	Poilievre
Prentice	Preston
Rajotte	Richardson
Ritz	Roy
Scheer	Schellenberger
Shipley	Skelton
Smith	Solberg
Sorenson	St-Cyr

St-Hilaire  
Storseth  
Sweet  
Basques)  
Thompson (New Brunswick Southwest)  
Tilson  
Trost  
Van Kesteren  
Vellacott  
Vincent  
Warawa  
Watson  
Yelich— 157

*Government Orders*

Stanton  
Strahl  
Thibault (Rimouski-Neigette—Témiscouata—Les  
Thompson (Wild Rose)  
Toews  
Tweed  
Van Loan  
Verner  
Wallace  
Warkentin  
Williams

**NAYS**

Members

Alghabra	Angus
Atamanenko	Bagnell
Bames	Beaumier
Bélangier	Bell (Vancouver Island North)
Bell (North Vancouver)	Bevilacqua
Bevington	Black
Blaikie	Bonin
Boshcoff	Brison
Brown (Oakville)	Byrne
Casey	Chan
Charlton	Chow
Christopherson	Coderre
Comartin	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
Cuzner	D'Amours
Davies	Dewar
Dhaliwal	Dhalla
Dion	Dosanjh
Dryden	Eyking
Folco	Godfrey
Goodale	Guarnieri
Holland	Hubbard
Ignatieff	Jennings
Julian	Kadis
Karygiannis	Keeper
Layton	LeBlanc
Lee	MacAulay
Malhi	Marleau
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Sault Ste. Marie)	Masse
Matthews	McCallum
McDonough	McGuinty
McGuire	McTeague
Merasty	Murphy (Moncton—Riverview—Dieppe)
Nash	Neville
Owen	Pacetti
Patry	Pearson
Priddy	Proulx
Redman	Regan
Robillard	Rodriguez
Rota	Russell
Savage	Savoie
Scarpaleggia	Scott
Sgro	Siksay
Simard	Simms
St. Amand	St. Denis
Stoffler	Szabo
Telegdi	Thibault (West Nova)
Tonks	Turner
Volpe	Wasylycia-Leis
Wilfert	Wilson
Wrzesnewskyj— 103	

**PAIRED**

Members

Allison	André
Benoit	Cardin
Crête	Finley
Gauthier	Guergis
Kenney (Calgary Southeast)	Malo— 10

**The Speaker:** I declare the motion carried.

## Government Orders

[English]

Before I put the question on the next motion, I should advise hon. members, who might be attending the reception that I am hosting this evening at Kingsmere, that buses will be available to shuttle members to and from the reception.

[Translation]

The buses will be behind the Confederation Building after the votes. Everyone is welcome.

• (1815)

[English]

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the yeas have it.

*And five or more members having risen:*

• (1820)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 202)

## YEAS

## Members

Abbott	Ablonczy
Albrecht	Allen
Ambrose	Anders
Anderson	Arthur
Asselin	Bachand
Baird	Barbot
Batters	Bellavance
Bernier	Bezan
Bigras	Blackburn
Blais	Bonsant
Bouchard	Boucher
Bourgeois	Breitreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Brunelle
Calkins	Cannon (Pontiac)
Carrie	Carrier
Casson	Chong
Clement	Cummins
Davidson	Day
Del Mastro	Demers
Deschamps	Devolin
Doyle	Duceppe
Dykstra	Emerson
Epp	Faillie
Fast	Fitzpatrick
Flaherty	Fletcher
Freeman	Gagnon
Galipeau	Gallant
Gaudet	Goldring

Goodyear	Gourde
Gravel	Grewal
Guay	Guimond
Hanger	Harper
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Khan
Komarnicki	Kotto
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lake
Lalonde	Lauzon
Lavallée	Lemay
Lessard	Lévesque
Lukiwski	Lunn
Lussier	MacKay (Central Nova)
MacKenzie	Manning
Mark	Mayes
Ménard (Hochelega)	Ménard (Marc-Aurèle-Fortin)
Miller	Mills
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Mourani	Nadeau
Nicholson	Norlock
O'Connor	Obhrai
Oda	Ouellet
Pallister	Paquette
Paradis	Perron
Petit	Picard
Plamondon	Poillievre
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Roy	Scheer
Schellenberger	Shipley
Skelton	Smith
Solberg	Sorenson
St-Cyr	St-Hilaire
Stanton	Storseth
Strahl	Sweet
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thompson (New Brunswick Southwest)	
Thompson (Wild Rose)	Tilson
Toews	Trost
Tweed	Van Kesteren
Van Loan	Vellacott
Verner	Vincent
Wallace	Warawa
Warkentin	Watson
Williams	Yelich — 158

## NAYS

## Members

Angus
Bagnell
Beaumier
Bell (Vancouver Island North)
Bevilacqua
Black
Bonin
Brisson
Byrne
Chan
Chow
Coderre
Crowder
Cullen (Etobicoke North)
D'Amours
Dewar
Dhalla
Dosanjh
Eyking
Godfrey
Guarnieri
Hubbard
Jennings
Kadis
Keeper
LeBlanc
MacAulay

Malhi	Marleau
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Sault Ste. Marie)	Masse
Matthews	McCallum
McDonough	McGuinty
McGuire	McTeague
Merasty	Murphy (Moncton—Riverview—Dieppe)
Nash	Neville
Owen	Pacetti
Patry	Pearson
Priddy	Proulx
Redman	Regan
Robillard	Rodriguez
Rota	Russell
Savage	Savoie
Scarpaleggia	Scott
Sgro	Siksay
Simard	Simms
St. Amand	St. Denis
Stoffer	Szabo
Telegdi	Thibault (West Nova)
Tonks	Turner
Volpe	Wasylcia-Leis
Wilfert	Wilson
Wrzesnewskyj- — 103	

### PAIRED

#### Members

Allison	André
Benoit	Cardin
Crête	Finley
Gauthier	Guergis
Kenney (Calgary Southeast)	Malo- — 10

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

[English]

**The Speaker:** It being 6:24 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

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## PRIVATE MEMBERS' BUSINESS

• (1825)

[English]

### HERITAGE LIGHTHOUSE PROTECTION ACT

The House resumed from March 27 consideration of the motion that Bill S-220, An Act to protect heritage lighthouses, be read the second time and referred to a committee.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, it is pleasure to join in this debate and speak on behalf of the motion. I commend my colleague for bringing this forward to the House.

Certainly, being from a riding that is essentially a coastal riding, there are a great number of coastal communities throughout Cape Breton—Canso. When we look at lighthouses, they have played such an integral part of what it is that we are as a community. They are not past their function but certainly in some parts of small coastal communities they become much more than that.

I know the technology is past with what is available to mariners, fishermen and shippers now. Many lighthouses have fallen into the realm of redundancy, but still, when we look down a coastline and see the picturesque beauty of a lighthouse standing on a point, certainly it is something that has a great deal of appeal, something in

### Private Members' Business

which residents of that particular community take a great deal of pride.

As well, when we have visitors who come to the coastal communities for that experience, certainly lighthouse tours are an essential part and a very important part of attracting people to rural communities. In rural communities tourism is an essential industry that is very important.

In essence, when people tour coastal communities, and I look at my own riding, they go around the Cabot Trail, they drive down through Guysborough to the little community of Canso, and they go around Isle Madame. The scenery is incredible. One can drive up along the west coast of Cape Breton through Grand Étang and Chéticamp. If one gets there on a windy day with the surf crashing against the rocks, there is nothing more spectacular.

People want to do more than just look at the scenery. They want to get out and want an experience. I think that is one thing that we have learned throughout my riding. People want to get out of the car to hike the trails, listen to the music, experience the culture, and meet the people. They want that interactive experience.

Many people really see lighthouses as a key draw, something that people want to get in, walk up, go through the light, read the history of the place, and read some of the marine stories that took place in the locale. Interpretive areas throughout these lighthouses are becoming very popular and essential parts of these coastal communities.

Currently in Canada we have about 583 lighthouses, 3% of which are fully protected under current heritage laws. As I understand the bill before us, the legislation would designate federally owned heritage light stations as heritage sites and ensure that they are maintained according to conservation standards. It would also require that communities near the lighthouses are consulted prior to changing, selling, transferring or demolishing any of the designated stations.

The legislation has been brought forward driven by a number of different senators in the past, but as the bill came forward before the intent was that the legislation would result in the buildings receiving similar protection to train stations which are protected under the Heritage Railway Stations Protection Act. We know that under that act rail companies must seek approval from the environment minister, consult extensively before there is any kind of a transfer, sale or any kind of change or alteration to the ownership of that particular train station.

I will refer back to my riding. I have a couple of spectacular lighthouses in my riding. People are very familiar with the national historic property at Louisbourg and the fortress there. One of the best views of Louisbourg can be seen by hiking out to Lighthouse Point just out past Havenside in Louisbourg. It is an incredible lighthouse. From there it is sort of focal point to launch from.

*Private Members' Business*

●(1830)

A community group is trying to develop a whole trail system from that lighthouse, with the lighthouse being the focal point and then moving on from there. The plan they are putting forward involves a number of different styles of trails that would accommodate those in wheelchairs. The oceanside experience and the marine experience would not be limited to able-bodied people. Those who need assistance would also be able to enjoy it.

DFO just finished an extensive restoration of Mabou Harbour. The Department of Fisheries and Oceans has done a fabulous job of redeveloping Margaree Harbour. However, work still needs to be done on the lighthouse but a community group has taken on the challenge. It is looking to secure some funds and develop some partnerships with people within the community and some of the funding agencies to further support the development of this lighthouse project.

There is a great deal of interest within rural communities and coastal communities to ensure these lighthouses are sustained.

Many of these structures stand in some harsh elements, such as coastal winds, storm surges and salt spray, and these elements have a great deal of impact on these structures. In many communities, some of these fabulous old structures and these heritage structures have not been maintained and are really starting to show their wear. If we do not do something soon, these communities will lose an important aspect of their history, which would be criminal.

We see this bill as giving us an opportunity to support these rural communities. We are supportive of this bill because it would certainly expand tourism opportunities within rural communities and we are certainly supportive of that.

What concerns those of us on this side of the House, as well as a couple of members on the other side of the House with whom I have spoken, is that we are under the gun here with respect to time. We do not know what is ahead of us as far as time is concerned. A great deal of talk has been going on about continuing on with the parliamentary session and, hopefully, that will happen. I know the government is very keen on getting out of here because it has not had a good couple of weeks. A couple of the members have their cars warming up in the parking lot now wanting to get out of Ottawa. However, there is still a great deal to do here and a large number of issues that Canadians want dealt with, and this is just such an issue.

This issue has been brought forward on a number of different occasions. The bill was initiated in the Canadian Senate and is co-sponsored by my colleague from South Shore. It has a legitimate opportunity of being passed this time should this Parliament live out its natural life. People on this side of the House are looking forward to staying and addressing these important issues and certainly this lighthouse issue.

Mr. Speaker, I know you are an old rock and roller and you may have thought that this legislation was to support Lighthouse, that great Canadian band with Bob McBride who sang the song *One Fine Morning*, but this is about coastal lighthouses. This is a great piece of legislation. Hopefully, we will have an opportunity to support it with a vote and we look forward to doing that when it comes forward in the House.

●(1835)

**Ms. Catherine Bell (Vancouver Island North, NDP):** Mr. Speaker, I am pleased to speak to the bill that aims to protect our heritage lighthouses. I also want to acknowledge the work of my colleagues, the member for Sackville—Eastern Shore who has spoken on this issue and is in support of it, and the member for Halifax who understands the value of maintaining our heritage.

I listened to the previous member speak and although he is from the east coast and talked about the beautiful scenery and the crashing waves on the coast of the Atlantic provinces, I want to talk about where I come from on the west coast of British Columbia where we also have some lighthouses that are no longer in use because of advancing technology and other ways of protecting and monitoring our coastlines. It is also with some pride that I talk about the beauty of my area and the crashing waves on the west coast.

When I look at the “whereases” in this bill, the first whereas says:

WHEREAS lighthouses have long graced Canada’s rugged coastlines and majestic shores, providing and symbolizing direction, hope and safe harbour to generations of mariners;

To me that conjures up so many images of seafarers of long ago and currently who ply our coasts in trade and just thinking of how the lighthouses were a beacon of hope in a dark and stormy night or when they see land and knew where they were. So our lighthouses have long been part of our coastal history.

In protecting these monuments to our past, by designating them a heritage site and protecting, maintaining and ensuring they are there for future generations, we can continue to have these images in our mind and remember and reflect on what it was like in days gone by when we relied on lighthouses to keep us safe and to get our bearings.

The bill explains in great detail how a lighthouse would be designated and what would happen with it. It also sets out some parameters under which it should be restored. It is important to protect the lighthouses that we deem to be heritage property but we also need to ensure they have adequate funding. For many of our heritage buildings and heritage properties, we see volunteer groups working very hard and raising funds to keep these projects going to ensure they are there for tourism and economic diversity in our small communities but we do not see a lot of funding from the government.

If the bill were to pass, I would certainly hope that the government would see fit to ensure there is adequate funding because these lighthouses, in many cases, are in very remote areas, especially the ones in my riding of Vancouver Island North. We have the Nootka light, the Cape Scott and the Cape Mudge which are located in places that are only accessible by boat. If they were deemed heritage sites, considerable funding would be necessary to maintain and keep them in a safe operating condition for tourists and other economic generation.

*Private Members' Business*

I want to talk briefly about the west coast where my parents lived for quite a number of years. In the winter they were the caretakers of a fish camp out on Nootka Island, which was basically the point of contact for Europeans when they came to Canada because it has a lighthouse that is located at the remote end of Nootka Island. When one looks out across the ocean and thinks of the vastness of it, one knows that the next stop across that ocean is Japan. The lighthouse is on the very edge of the Pacific.

● (1840)

My parents lived there for a number of years during the winter months and got to know the lighthouse keepers at Nootka light. Those people were always on call. They were always there for mariners, sailors, ordinary fishermen, commercial fishermen and anybody who happened to be out on the waters on the west coast, making their living or enjoying their lives. That lighthouse has changed hands. There are other people there now.

The people who were there at that time spoke so often of the need to have staffed lighthouses on our coast, because sometimes the technology just does not work, especially in that remote a location. Satellites may work, but quite often cellphones do not work in those areas. Satellites phones do not always work. There is a need to make sure there is safety on our coast and that some of these lighthouses remain staffed and are there for protection. If it takes a few hours to get from point A to point B by boat and people are in a crisis out on the wild Pacific Ocean, they would not have to wonder if help is going to arrive in six hours or in two hours. I think it is important to make sure we keep some of our lighthouses staffed.

I also want to touch on something that my colleagues from Nanaimo—Cowichan and Victoria have talked to me about. They also have lighthouses in their ridings. There are many volunteer groups and a huge broad base of support for heritage lighthouses. These people have watched the bill through all its manifestations over the years. It has been introduced five or six times in the House and has been spoken about, but it never goes anywhere.

We know that there are many people in our communities who would be ready to start working on the preservation of heritage lighthouses if this bill were to pass. I want to let everyone know that there is broad community support for the bill. I hope we can actually get something done with it this time, as the member opposite said in his remarks.

I agree that preservation of heritage lighthouses on our east and west coasts can be an economic draw for some of our smaller communities such as Port Hardy. We have Cape Scott, which is the beginning of the north coast trail that is being built, and we are seeking more funding for that trail. As I said when I spoke in the House last week, the trail draws thousands of people a year. We know about the west coast trail and how popular it is with wilderness hikers from around the world. The trail I am speaking of would not be connected to that west coast trail, but it would be an extension. With a heritage lighthouse on it, at some point it may draw even more people.

These are things that we can do in Canada to preserve our heritage. We can showcase ourselves in a way that no other country can. We can make sure that we diversify our economies by increasing our tourism base in hiking trails and walking trails and by

exploration in areas that we may not have thought of as popular tourist destinations in the past.

Again I want to thank the member who introduced the motion, and I also thank Senator Pat Carney, who did so much work on the bill in the Senate. I thank her for her work in pushing it forward and making sure that it got to the House. I support this bill.

● (1845)

**Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC):** Mr. Speaker, I appreciate the opportunity to rise today to speak to Bill S-220.

Let me begin by thanking the member for South Shore—St. Margaret's for sponsoring the bill in the House and also the hon. Senator Pat Carney from British Columbia who brought the bill forward to this chamber. She carries on the work of the late Senator Forrestall of Nova Scotia. He cared deeply about Canada's lighthouses as an indelible symbol of our shared heritage, as do I and many members in this place.

Bill S-220 seeks to protect and preserve heritage lighthouses by requiring their maintenance as heritage monuments. Currently there are about 750 "lighthouse like" aids to navigation in Canada and the bill would provide statutory protection to many of them.

As a proud Canadian from the west coast and a strong supporter of communities along the Pacific coast, lighthouses have a special place in the hearts of many British Columbians. For many communities, lighthouses stand as an important part of their cultural identity.

Like the railway tracks that stretch across our landscape, like the grain elevators that rise from the Prairies, lighthouses are a part of the fabric that is Canada. They are woven into our songs, poetry, stories and even our art. We will even find them from time to time on our postage stamps. Not only that, they are a prime tourist destination for thousands of visitors from across Canada and around the world.

Lighthouses have helped to shape the history of my province. Like many, I recognize and appreciate the role they have played in opening the west coast to development, trade and commerce. In fact, nine west coast lighthouses are already designated as federal heritage buildings. Let me speak for a moment or two about just a few of those.

To begin where it all began, the white tower and red brick lightkeeper's house of Fisgard have stood faithfully at the mouth of Esquimalt Harbour since about 1860. Fisgard is Canada's first manned light station. For almost a century and a half, this lighthouse, and the one at nearby Race Rocks, has shone the way through the Strait of Juan de Fuca and on to Victoria Harbour for countless mariners.

Today it is still a welcome guide for many sailing these waters, including those heading to the Royal Roads anchorage and Esquimalt naval base. The lighthouse and the Fort Rodd Hill artillery base are designated national historic sites and successful destinations for tourists and history buffs alike.

*Private Members' Business*

Point Atkinson lighthouse in west Vancouver may well be the Pacific coast's most famous. The original structure was built around 1874. In about 1912 a hexagonal concrete tower was built to take its place. This lighthouse, with its powerful beam and strategic location at the outer approach to Burrard Inlet, has provided safe passage to many a mariner sailing into Vancouver. For decades, it has helped protect the city's bustling international shipping fleets.

Vancouverites care deeply about this lighthouse and they care about the surrounding 75 hectare park, which, incidentally, contains the last stand of old growth forest in the Lower Mainland, mostly Douglas fir. This dense forest provided a fittingly dark background for the lighthouses' bright beams, and I and many others are pleased that they are both still there today.

Estevan Point is another example of B.C.'s historic lighthouses. It was built in 1909 and is said to be one of only two Canadian lighthouses to be attacked by hostile forces. Historians today debate whether the shells that missed their mark and drew no casualties in 1942 were, indeed, from an enemy submarine off Vancouver Island. The other theory is that the attack was staged by an allied ship to provide political cover for the Canadian government's controversial move to implement conscription, but we will not get into that debate today.

Either way, the Estevan lighthouse stands as a beacon of our past and a true piece of Canadiana. It is one of the most distinctive lighthouses in all of British Columbia. The spectacular flying buttresses of the Estevan light station soar almost 46 metres into the sky. It is one of only six remaining lighthouses in Canada to feature this unique architectural style.

It is clear that lighthouses shine brightly in the history of my home province and other parts of Canada. Before the advent of the automobile, our waterways were the highways of choice for travellers and their cargo and lighthouses were their road signs. The value of lighthouses as icons of the past is undeniable.

● (1850)

However, the 21st century has been marked by rapid technological change and with that change the operational role of lighthouses is diminishing. New marine safety and navigational technology are replacing the need for lighthouses in guiding marine traffic. As a result, many have become operationally redundant and many have fallen into poor condition.

Should we care? I feel strongly that we should. Lighthouses often define the very culture and spirit of the Canadian community marking its rightful place in the history of our country.

However, just as technology has changed with time, so too have communities across Canada. To succeed, communities are seeking new opportunities and adapting themselves to the economic, cultural and social realities of today. Similarly, we can be innovative in defining new roles for lighthouses within these communities.

For some time now, DFO has worked with other federal departments and levels of government, as well as community groups and non-profit organizations, to transfer surplus lighthouses for alternate public uses. In fact, communities can purchase surplus lighthouses, for continued public use, for the nominal fee of \$1.00.

Would we like to maintain every lighthouse of historical significance in the country? We certainly would. However, this is beyond DFO's mandate and resources. Our job is to provide Canadians with basically three things: one, sustainable fisheries and aquaculture; two, healthy and productive aquatic ecosystems; and, three, safe and accessible waterways. These duties cannot be undermined because they, too, are important to Canadians.

Canada exports about \$4.1 billion in fish and seafood a year. Every year, more than 100,000 transport vessels make their way through our waters. They carry 360 million tonnes of goods, with an import or export value of \$85 billion.

That is why our government, on behalf of Canadians, invests in things like fisheries science and management, enforcement and habitat protection, oceans stewardship, renewing the Coast Guard fleet and modernizing aids to navigation. We work with the local community in keeping Canada's small craft harbours safe and functional. World events have expanded DFO's role, through the Canadian Coast Guard, in maintaining maritime security along our shores, in conjunction with other agencies.

I must agree with my colleague from South Shore—St. Margaret's, who is championing this bill in the House. While the goals of the bill are entirely supportable, its methods need some refining. In fact, just finding a clear definition of "lighthouse" is itself challenging. As I mentioned, there are 750 structures that the public perceives as lighthouses, which could come under our heritage protection if the bill passes as it stands now.

Under Bill S-220, Parks Canada would be responsible for designating heritage status and DFO, as the primary custodian of lighthouses, would have to fund almost all the costs associated with preserving them. Clearly, a sober and pragmatic approach is required.

Under our current operating budget, DFO would be forced to make some tough choices to deliver our newly assumed heritage responsibility. However, at what cost? The resources to maintain lighthouses have to come from somewhere.

What would we take back from a fishing industry that can ill afford further pressures? Would we choose to impact the renewal of our fisheries, the management of our oceans or the protection of our aquatic ecosystems? Could we continue improving our small craft harbour infrastructure, which Canadian fishers dearly need to earn a living? Perhaps most important, what about the safety of persons and property travelling on our waters?

These are choices that none of us at DFO would wish to make and that Canadians should not have to face, and I hope we will not have to.

Historian Desmond Morton once wrote:



Canadians, like their historians, have spent too much time remembering conflicts, crises, and failures. They forgot the great, quiet continuity of life in a vast and generous land. A cautious people learns from its past; a sensible people can face its future. Canadians, on the whole, are both.

I think that speaks volumes to the debate we are having today.

I believe in honouring our maritime heritage and I believe this is a shared responsibility, including but not limited to the Department of Fisheries and Oceans.

We fully support the principles of Bill S-220. We are willing to work with other levels of government and community members, who care about preserving these vital links to our past and can make the most of these opportunities to honour our maritime heritage.

Canadians do have a strong attachment to lighthouses. However, we also need to move from an emotionally based argument to a practical one. Simply put, true heritage lighthouses need to be protected and preserved for the education and enjoyment of current and future generations. They need to have new life breathed into them. They need to be rejuvenated so they can play a new role in community life.

• (1855)

Lighthouses are a symbol of survival and hope in hundreds of Canadian communities. In fact, with the exception of only two, every province in Canada has lighthouses. As Canadians, we all have a responsibility to protect these important symbols because it is through our history that we come to know ourselves as a people. I believe we all have a role to play in that regard.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Speaker, it is a pleasure and an honour to rise and wrap up speaking on Bill S-220. In doing so, I thank my colleagues from all parties present for their work and input on this private member's bill. I thank them for their support of the intent of the bill.

As well, I recognize the support and the input from the Minister of Fisheries and Oceans and the Minister of the Environment. I would be remiss if I did not recognize Senator Carney and her sponsorship of the bill in the Senate. In mentioning Senator Carney, I would be remiss if I did not mention the late Senator Michael Forrestall who sponsored the bill not once but five times in the Senate. I am sure he is looking down today thinking that finally this has some opportunity and some chance of coming to fruition.

As well, there is a number of other individuals to thank such as Barry MacDonald of the Nova Scotia Lighthouse Preservation Society for his input into the bill. Hopefully, after second reading, the bill will proceed to committee. There are some amendments that we are looking to bring at committee, and I am sure there will be some discussion on those. It is important, for the first opportunity after many years and many people working on the bill, that we can see some light at the end of the tunnel.

I will point out one of the amendments that we will consider in committee. I will not belabour this tonight because I think most of the members understand it. However, so people who are lighthouse supporters and who are listening to this will understand, I will mention it briefly.

As the bill is currently drafted, it takes an inconsistent approach to public notices and public meetings. It would require a public meeting

### *Adjournment Proceedings*

for decisions related to conservation work, despite provisions in the bill that already require any alterations to protect heritage value to be of a high standard. At the same time, the bill does not require a public meeting if a lighthouse were to be demolished or torn down. This was simply an oversight. This needs correction.

It is our intent to bring substantive, reasonable and sensible amendments like this to committee. We are hopeful that there will support from all the members, who have supported the bill to this point, at committee to make these types of changes.

The other aspect that must be understood is the overall cost has to be reasonable and within DFO's budget. As it now stands, we are expecting that DFO will have to find more money in its budget than it intended for some type of reasonable and orderly divestiture process.

Both the Minister of Fisheries and Oceans and the Minister of the Environment are all right with that. They know they will have to find some more dollars. For the first time, I think we have a golden opportunity to preserve lighthouses and lighthouse infrastructure in coastal Canada in perpetuity, whether that is east, west, north, south or the inland waterways. That is the point of this bill.

One more time, I would like to recognize the outstanding work of the late Mike Forrestall on this bill, and thank him for that.

• (1900)

**The Deputy Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** 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:** Pursuant to Standing Order 93, the division stands deferred until Wednesday, June 13, 2007, immediately before the time provided for private members' business.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

JUSTICE

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, I am pleased to speak during the late show this evening about the court challenges program.

*Adjournment Proceedings*

On September 26, 2006, almost a year ago, the Conservative government abolished the court challenges program, which provided minorities with the means to defend their rights in court. When we say “defend their rights” we must not forget that it is extremely expensive to go to court, so it was a way to help minorities.

Let us remember the facts about the court challenges program. Initially, this program was introduced by the Liberal government. After Brian Mulroney's Conservative government was elected, the program was cancelled, only to be reinstated by Jean Chrétien's government several years later. Then this program was once again abolished. By whom? It just so happens that it was by another Conservative government, in September 2006.

There are some myths to debunk. The court challenges program is very useful, as I mentioned earlier. In terms of official languages, it helped francophones outside Quebec. We must look further than that. This program also helps anglophones in Quebec, religious minorities, the disabled, women and all other minorities. I say “women” despite the fact that women in Canada are not a minority, but a majority. But this is still the reality. This was what the court challenges program was for.

We can see the benefits of this program for all minorities across Canada. Under the court challenges program, several groups were able to defend their language rights with respect to their schools or hospitals, or to obtain French-language services. This has allowed many communities and many families to obtain services in French. This has also helped many young people in various communities, often rural ones, to receive services in French. Previously, it was difficult to obtain them because governments—federal and provincial—did not take the issue seriously and decided that they would not provide services to the minority, even though this is a right in our country. The court challenges program was definitely a useful tool and should definitely be reinstated.

We have the example of French-language schools in the regions and ensuring that services are offered in both official languages. There is also the example of Montfort hospital, located in Ottawa, which would not have survived had the court challenges program not been available, as is the case today. The reality is that people need such a program to assert their rights. It is not so much about respect for the law as it is about asserting one's rights.

The Conservative government has trampled people's rights. In addition, it is contravening the Official Languages Act. As you know, since Bill S-3 was passed in the 38th Parliament, the Official Languages Act has been amended. As it stands, the government must take positive action to ensure that official languages communities have the requisite tools to advance the cause of the French language in their community. By positive, we mean making progress. By eliminating the court challenges program, the Conservative government—

● (1905)

**The Deputy Speaker:** The hon. Parliamentary Secretary to the Minister of Justice and Attorney General of Canada.

[*English*]

**Mr. Rob Moore (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, I will read from the hon. member's question referencing improved

access to legal aid. This was a question he put to the Minister of Justice and he asked that if the minister refuses to budge and does not save the court challenges program, would he at least improve access to legal aid to provide Canadians with justice.

It is the question's premise, that somehow this government is not paying its share for legal aid, that I want to completely reject. I want to speak of the contribution that our government is making toward the court system and ensuring that accused in our system have access to justice and access to legal aid.

One of our government's key priorities is to protect Canadian families and communities through a strengthened justice system that is accountable, efficient, accessible and responsive. Criminal legal aid ensures that an accused will not go free simply because in the absence of being able to pay for a lawyer himself or herself, the right to a fair trial would be violated.

Since the 1970s, the federal government has been contributing to the cost of criminal legal aid through agreements with the provinces. The federal government has also provided resources to the territories for both criminal and civil legal aid through contribution agreements.

In recent years, growing pressures on the legal aid system have led the federal government in collaboration with the provinces and territories to conduct extensive research to examine the needs and to consider innovative ways of ensuring that the legal aid needs of economically disadvantaged Canadians are met. I think this speaks to some of what the hon. member was saying in his speech to ensure that there is access to justice.

The agreements respecting legal aid covering fiscal year 2003-04 to fiscal year 2005-06 initiated a legal aid renewal strategy. These agreements were subsequently extended by one year by our government.

With regard to the provision for civil legal aid, which is quite distinct from criminal legal aid, the federal government has contributed to the provision of civil legal aid since the early 1970s. Initially, funding to the provinces was provided through the Canada assistance plan. Then in 1995-96, the Canada assistance plan was absorbed into the Canada health and social transfer, known as the CHST. Now the Canada social transfer has replaced the Canada health and social transfer.

Canada's new government in budget 2007 extended the CST to 2013-14. The budget also provides that support for social assistance and social services, including civil legal aid, will increase to \$6.2 billion in 2007-08. As a result of the 3% annual CST escalator, this funding will increase to \$7.2 billion by 2013-14.

*Adjournment Proceedings*

In addition to civil legal aid resources contained in the CST, since 2001-02 the federal government has also provided through the legal aid agreements an additional \$11.5 million annually for immigration and refugee legal aid to the six provinces currently providing these services. Those include British Columbia, Alberta, Manitoba, Ontario, Quebec, and Newfoundland and Labrador.

Canada's new government is committed to continued funding for criminal legal aid. That is why for the first time in over 10 years, and this is important, we are increasing permanently the ongoing funding for criminal legal aid by the \$30 million provided as interim resources—

• (1910)

**The Deputy Speaker:** The hon. member for Madawaska—Restigouche.

[*Translation*]

**Mr. Jean-Claude D'Amours:** Mr. Speaker, I fully understand the message that the Parliamentary Secretary to the Minister of Justice and Attorney General of Canada would like to send, but my question had nothing to do with legal aid for criminal matters.

However, one has to wonder if the Parliamentary Secretary to the Minister of Justice and Attorney General of Canada does not think that official language minority communities wishing to defend their rights should apply for legal aid in the criminal court system. I do not think the government fully understands the needs facing minorities in terms of defending their rights. Such comments are completely unacceptable.

Will the government finally show some understanding and bring back the court challenges program in its entirety—not partially, but in its entirety? Do we have to elect a Liberal government for the court challenges program to be fully reinstated, and not only for official language minority communities, but for all minorities, including linguistic minorities, people with disabilities and all other minorities?

[*English*]

**Mr. Rob Moore:** Mr. Speaker, we can have that debate also on the court challenges program.

The member said that unless there is proper access to legal aid and to the court challenges program, only the rich will have equal rights which is unacceptable. He asked if the Minister of Justice would improve access to legal aid to provide Canadians with the justice they are guaranteed in the Canadian Charter of Rights and Freedoms.

It is based on that question that I am providing this answer on what our government is doing to enhance legal aid and therefore enhance access to justice for the individuals whom the member referenced in his question, those who need help through legal aid.

The permanent funding over 10 years is unprecedented. It provides the provinces with stable funding for their legal aid programs. Over the next five years, the government will contribute \$560 million to the provinces—

**The Deputy Speaker:** Order. I am sorry, but the hon. parliamentary secretary's time has expired.

The hon. member for Gatineau.

[*Translation*]

## OFFICIAL LANGUAGES

**Mr. Richard Nadeau (Gatineau, BQ):** Mr. Speaker, on May 16, I asked the Minister for la Francophonie and Official Languages how embarrassed she was to learn that the Commissioner of Official Languages was criticizing the abolition of the court challenges program. This program helped keep the Montfort Hospital going in Vanier, here in the Ottawa area. It also helped groups such as francophones in Alberta and Saskatchewan and Acadians fight for their own schools.

We know that the government did not decide to abolish the court challenges program to achieve economies of scale. It was for purely ideological reasons, but in the process, the government has violated the rights to equality of women, homosexuals, first nations, immigrants and official language minorities in Quebec and the rest of Canada. In fact, a number of minority groups have been hurt by the abolition of this program.

And what about the federal government's decision to eliminate the requirement that senior military officers be bilingual? What about the federal government's appointment of a unilingual anglophone as ombudsman for victims of crime? What about the appointment of a chair of the National Capital Commission in Ottawa who does not speak a word of French in a so-called bilingual region?

My question was: why has the government repeatedly attacked official language rights and equal respect for French and English? However, the examples I gave were mainly about French.

We also know that on October 17, 2006, the current Prime Minister said that the court challenges program was no longer useful because his government intended to respect the Constitution. That adds insult to injury because by abolishing the court challenges program, the current government is respecting neither the Official Languages Act nor the famous Bill S-3, which strengthened the Official Languages Act. The government voted in favour of the bill, but is not respecting it. Part VII stipulates that the government must take action to ensure respect for official languages.

The Prime Minister's statements are contradictory. Moreover, the federal government cannot guarantee that provincial governments, school boards, school divisions, municipalities and other bodies will respect the Constitution. That is why the court challenges program must remain in place.

Just today, the Quebec Community Groups Network itself told us that it believes that by eliminating this program, the government is failing to respect the act. The Commissioner of Official Languages, Graham Fraser, said this in committee, as did the Fédération des communautés francophones et acadienne du Canada. The Société des Acadiens et Acadiennes du Nouveau-Brunswick said it before the Standing Committee on Official Languages today. Gisèle Lalonde, who led the fight to keep the Montfort hospital, emphasized this point. Guy Matte, who chaired the court challenges program, was not even consulted about the effectiveness of the program.

*Adjournment Proceedings*

•(1915)

**Mrs. Sylvie Boucher (Parliamentary Secretary to the Prime Minister and Minister for la Francophonie and Official Languages, CPC):** Mr. Speaker, I am pleased to speak to the comments made by my Bloc colleague in the House on May 16.

The Government of Canada has not trampled on the equality rights of any Canadian. Our government is committed to ensuring that its laws respect human rights. It is the rightful responsibility of the government to do so. Our government is accountable to the Canadian public for establishing priorities and ensuring that every tax dollar is used as effectively as possible and in the interests of all Canadians.

As you know, the court challenges program was instituted in 1978. Its initial objective was to help minority language groups or individuals to assert their linguistic rights under the Constitution. In 1985, the mandate of the CCP was broadened to include groups asking for equality, or in other words, members of our society faced with any form of discrimination.

The purpose of the program was to clarify the scope of equality rights and language rights by making it possible to launch test cases dealing with these issues, thus establishing the case law in this area. Given that the program was in existence for some 30 years, those supporting its reinstatement must recognize that we now have a fair body of case law in language and equality rights.

We have stated many times that it is the government's responsibility to ensure that legislation and policies respect the constitutional standards set out in the Charter. We will continue to do so. It is also important to recognize that since the program was created, Canadian society has made significant progress with respect to language rights and equality.

For example, in 1988, the government of the day strengthened the Official Languages Act by stating that federal institutions were committed to supporting the growth and development of official language minority communities.

Also in 1988, the government passed the Canadian Multiculturalism Act, making Canada the first country in the world to enact such legislation. The act confirms that multiculturalism is a fundamental value for Canadian society and the Government of Canada. Through the multiculturalism program, the Government of Canada finances projects that recognize the value of our diversity and address issues facing cultural communities.

For example, consider the foreign credentials recognition issue. Access to the job market is crucial to the integration of ethnocultural communities. Our government recognizes that people with foreign credentials often encounter major obstacles. We are committed to doing everything in our power to help them overcome those obstacles.

That is why we are funding projects to support professionals as they take the necessary look at job market access. This will enable new Canadians to begin the qualification process and search for a job that matches their talents, abilities, and above all, their experience.

Furthermore, our government has cut the permanent residence fee in half and has allocated over \$300 million to additional settlement measures.

With respect to official language minority communities—

•(1920)

**The Deputy Speaker:** I am sorry to interrupt the hon. Parliamentary Secretary to the Prime Minister and Minister for la Francophonie and Official Languages.

The hon. member for Gatineau.

**Mr. Richard Nadeau:** Mr. Speaker, we are still hearing things that are completely beside the point. Again today, in the Standing Committee on Official Languages, we saw the Conservative government returning to its good old Reform roots, with an ideology completely against the French fact in a minority setting. We saw that today. It is not even remotely familiar with the history of the fights led by French-speaking minorities in the last century to have their views accepted.

The court challenges program is a necessary tool to prevent David and Goliath-type fights. We are talking about the government, with its army of lawyers, against volunteers and parents who cannot pay for an army of lawyers to have their rights respected. This is why the court challenges program is so important.

I hope the Conservative government can get its heart in the right place and recognize this vital tool for fully recognizing the rights of this country's minorities.

**Mrs. Sylvie Boucher:** Mr. Speaker, I will not get into a debate about court challenges at this time, because, as we all know, that matter is currently before the courts. Furthermore, I am fully aware of the fact that we will be debating a motion calling for that program to be re-instated next week. To enter into such a debate now would therefore be a waste of precious time at taxpayers' expense. We will be pleased to debate this next week.

I would like to remind my hon. Bloc colleague that everyone is entitled to their opinion. Whether they are for or against it, everyone is entitled to their opinion, and no one who testified before the Standing Committee on Official Languages should have their reputation tarnished.

We are working in cooperation with all members, and all members are entitled to their opinion. As for—

[*English*]

**The Deputy Speaker:** Order, please. I am sorry, but the time has expired.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:22 p.m.)





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