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(HANSARD)

Tuesday, February 24, 2009

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, February 24, 2009

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1005)
[English]

MARINE ATLANTIC INC.

Hon. Rob Merrifield (Minister of State (Transport), CPC): Mr. Speaker, pursuant to Standing Order 32(2) I am pleased to table, in both official languages, the summary of the Marine Atlantic Inc. corporate plan 2008-09 to 2012-13.

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INTERPARLIAMENTARY DELEGATIONS

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canada-Japan interparliamentary group respecting its participation in the annual visit by the co-chair, held in Tokyo, Japan, April 21-25, 2008.

Pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canada-Japan interparliamentary group respecting its participation in the 16th annual bilateral meeting with the Japan-Canada Diet Friendship League held in Tokyo and Hokkaido, Japan, July 16-23, 2008.

Pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canada-Japan interparliamentary group respecting its participation in the 29th general assembly of the ASEAN Interparliamentary Assembly held in Singapore, August 18-22, 2008.

Finally, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canada-Japan interparliamentary group respecting its participation in the second parliamentarians' workshop at the Asia-Pacific Parliamentarians Conference on the Environment and Development held in Seoul, Korea, November 1-2, 2008.

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Procedure and House Affairs.

Pursuant to Standing Order 91.1(2) this report contains a list of items added to the order of precedence as a result of the replenishment that took place on Tuesday, February 10 under private members' business that should not be designated non-votable.

The Speaker: Pursuant to Standing Order 91(1)(2) the report is deemed adopted.

(Motion agreed to)

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present the seventh report of the Standing Committee on Procedure and House Affairs regarding the associate membership of committees of the House. If the House gives its consent, I move concurrence at this time.

The Speaker: Does the hon. member for Elgin—Middlesex—London have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

* * *

PETITIONS

VISITOR VISAS

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by over 100 individuals from the Ottawa-Gatineau area who are members of the St. Leopold Mandic Croatian Church, Croatian S.C. Jadran and the Croatian Folklore Ensemble "Croatoan".

Business of Supply

The petitioners strongly urge the government to adopt my motion, Motion No. 247, and lift visitor visa restrictions on Croatia. The days of the Iron Curtain have ended. Croatia is on the way to joining the European Union, is on its way to joining NATO and is standing shoulder to shoulder with Canadian armed forces in Afghanistan and with our partners in other NATO-led missions.

It is time for Canada to follow the example of Belgium, France, Germany, Greece, Italy, the Netherlands, Norway and the United Kingdom and lift visitor visa requirements for Croatia.

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, at a time when accountability is a very hot issue in this place, I am pleased to present yet another petition forwarded to me by a Mr. White from Whitby, Ontario, on the subject matter of income trusts.

In this petition, Mr. White declares that he remembers the Prime Minister having said that the greatest fraud is a promise not kept. He also reminds the Prime Minister that he promised never to tax income trusts but broke that promise and imposed the 31.5% punitive tax, which permanently wiped out over \$25 billion of the hard-earned retirement savings of over two million Canadians, particularly seniors.

The petitioners, therefore, call upon the Conservative minority government to: first, admit that the decision to tax income trusts was based on flawed methodology and incorrect assumptions; second, to apologize to those who were unfairly farmed by this broken promise; and, third, to repeal the punitive 31.5% tax on income trusts.

* * *

• (1010)

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—SECURITIES COMMISSION AND EQUALIZATION

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ) moved:

That, in the opinion of the House, the government should immediately renounce two measures contained in the recent budget:

- (a) establishing a national securities commission, because establishing such a commission would constitute an intolerable intrusion into Quebec's jurisdiction, and the current passport system functions very well; and
- (b) unilaterally amending the equalization formula, since the Prime Minister, in a letter to the Premier of Quebec dated March 19, 2007, promised that transfers to the provinces would be predictable and long term, and should also comply with the government of Quebec's request to give the revenues generated by Hydro-Québec's transmission and distribution activities the same treatment, regardless of the equalization calculation, as that given Hydro One's revenues.

He said: Mr. Speaker, I will be sharing my time with the member for Montmorency—Charlevoix—Haute-Côte-Nord.

Today I am bringing forward this motion, the main purpose of which is to correct two major elements of the Conservative budget that go against Quebec's best interests. Indeed, the idea of establishing a national securities commission and that of unilaterally amending the equalization formula are two elements of the last budget that are in total contradiction with the requests made by all political parties represented in Quebec's National Assembly. In fact, these political parties passed a unanimous resolution condemning the two elements mentioned in today's motion.

First of all, with regard the finance minister's intent to create a single securities commission, as it has been said, securities regulation is a provincial jurisdiction under the Constitution. One of the biggest problems is that it is hard to understand why the government would want to go ahead with this idea when a very effective system is already in place. As for the jurisdictional issue, we all know that securities regulation falls exclusively under Quebec's jurisdiction, and the federal government has to respect that.

Establishing a single securities commission would create a regulatory monopoly, which is an extremely dangerous situation, and would mean that Canada would lose the present benefits of regulatory competition. There are in fact—this is what is hard to grasp—very few arguments to support the fact that this sort of structure would reduce direct costs. We have the example of Australia, which seems to be pointing to the absolute opposite direction to where the government wants to go. The opposite of this, a system based on harmonization and mutual recognition—what is called the passport system and is currently used—presents some advantages which have in fact led the European community to opt for that regulatory approach. So why does the Conservative government want to go in the opposite direction? The passport system works very well. It allows a coordinated approach to law enforcement and a uniform protection of investors. This system also enables each securities regulator to develop its own approach and areas of expertise. That makes it possible to have different but complementary approaches to compliance with the regulations by those affected.

This system would work even better if Ontario decided to not go it alone and joined the other provinces. If it did, this would make the present system work even better. But we know why it is not doing so: it would stand to benefit from the single regulator the Conservative government has in mind.

This different but complementary critical vision makes it easier to detect and prevent scandals such as we have seen in the United States, where these issues are submitted to a centralized authority. Those scandals had huge societal costs.

The presence of the 13 regulators ensures that the drafting and implementation of regulations will take into account the diversity of opinions and ensure adequate representation of small markets. A number of innovations have originated on the regional level, and that will not survive, or is not likely to, with a single regulatory body.

I could give examples of this diversity from the regional bodies: the west created the Junior Capital Pools, a capital pool company; Quebec, the stock savings plan and the workers' fund, under the aegis of the Autorité des marchés financiers du Québec. As well, there is the considerable contribution made by Quebec to the creation of the International Organization of Securities Commissions.

• (1015)

The creation of a securities commission would put all of those elements at risk. Should the government act on its intention, Quebec would really be in trouble.

Now that Toronto has acquired the exchange, Quebec's Autorité des marchés financiers is the last bastion against the disappearance of stock market activity from Montreal. The AMF has the regulatory power to require ongoing exchange activities in Montreal. It oversees exchange activities and has the power to establish operating rules, specifically with respect to percentages and shares held.

There are a lot of reasons why today's motion must be implemented as quickly as possible. The government must reverse the intention it expressed once again in the latest budget.

The decision to unilaterally amend the equalization formula without prior consultation or notice of intent on the part of the government is completely unacceptable to Bloc Québécois members and to Quebec.

Earlier, I talked about a resolution passed unanimously by all political parties in Quebec's National Assembly, and I want to mention it again. This unilateral decision is unacceptable to Quebec. It is unacceptable because it will deprive Quebec of \$991 million in the 2009-10 fiscal year and even more in years to come.

There is a myth in Canada, particularly in the west, that Quebec is the spoiled child of Confederation, the one that takes everything and gives nothing in return, but nothing could be further from the truth. It is true that Quebec receives the most equalization payments, but that is just because Quebec is a populous province.

For 2008-09, Quebec will receive the lowest per capita transfer payments of any province receiving equalization. Quebec will receive \$1,037 per inhabitant, while Prince Edward Island will get \$2,310, New Brunswick \$2,111, Newfoundland \$1,781, and Manitoba \$1,732. So Quebec is not at all the spoiled child. Quebec gets the lowest per capita transfer payments of them all.

I said earlier that this is unacceptable, but there is also another major reason. Not only was it unpredictable—there was no warning and Quebec will be deprived of revenue it was counting on—but this decision completely goes against what the Prime Minister himself said in a letter to the Quebec premier in March 2007.

The Prime Minister and the Conservative government boasted about correcting the fiscal imbalance. We said that it was not true. In

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a letter to Mr. Charest, the Conservative Prime Minister wrote the following:

But much more fundamentally, this means that for the first time in decades, provinces and territories can now count on long-term, predictable and substantially growing federal support for shared priorities including health care, post-secondary education, training and social programs, and the rebuilding of Canada's infrastructure.

Once the Conservative government and the Prime Minister unilaterally amend their commitments, which they said would benefit post-secondary education, health care and training and social programs, does this mean that the provinces will be abandoned? I think the answer is obvious.

• (1020)

It is completely unacceptable that the Conservative government has chosen to amend the equalization formula this way when, in this letter, it formally committed itself to making equalization predictable. The Quebec government and Quebecers are getting swindled. Quebecers are going to have to foot the bill because the Quebec government will have to continue providing these services. Quebecers alone will have to pay, when the Conservative government committed to something altogether different.

[*English*]

Hon. Diane Ablonczy (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, I appreciate the Bloc bringing forward debate on an important issue. I want to ask my colleague about this matter of a national securities regulator. The member will know that participation in a national securities regulator is entirely voluntary and it will be up to each of the provinces as to whether they participate.

My question is twofold. First, does my friend and his family feel it is honest to suggest that somehow there is a degree of coercion by the federal government in this matter of a national securities regulator when he knows full well that participation is entirely voluntary? Second, do members of the Bloc feel it is their duty to tell their provincial government in Quebec what to do with respect to a national securities regulator from Ottawa? They are speaking from Ottawa, but it is really up to the provincial government as to whether it participates. I would be interested in my friend's views on that issue.

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Speaker, I will answer the question of my colleague opposite, especially the second part of his question, saying that it is up to the Government of Quebec to decide whether or not to participate in a single securities commission. That decision has already been made. In a unanimous resolution, the Government of Quebec clearly indicated that it was not interested in a single securities commission. That totally flies in the face of Quebec's exclusive jurisdiction over these matters.

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The hon. member's question is an inappropriate one. Quebec will not subject itself to such a decision, and the Conservative government's intentions are Machiavellian. According to experts consulted, the purpose of the bill would be to allow businesses to choose which securities commission they want to go with, should the Government of Quebec decide to maintain the AMF in Quebec.

We can see that this is a flawed process that would have businesses adhere to a securities commission without eventually being able to participate in the Canadian market. It is a con job. Quebec will continue to oppose such decision and intentions. Members of the Bloc Québécois—

• (1025)

The Deputy Speaker: Order, please. The hon. member for Timmins—James Bay.

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, when we are discussing this idea of a common regulator for Canada there are two issues which have to be addressed. Number one is whether we actually believe that the Conservatives have a plan that could make a common securities regulator work given their complete lack of interest in any kind of corporate accountability. That is a big question and that is the crux of the debate.

Second, I have a problem with the Bloc motion. I recognize the record that each of the provincial jurisdictions has, but we have a record in Canada of some of the dodgiest fly-by-night penny stock scams anywhere in the world that are being perpetrated where they get booted off the TSX and they move to the Vancouver Stock Exchange. We saw Bre-X out of Calgary. We have seen so many dodgy derivatives pushed on the market. It is an issue that has to be addressed because we have failed at the provincial levels, even with the passport system, to deal with this.

I would like to hear my hon. colleague speak of the need to reassure investors and consumers that the jurisdictions of Canada are serious about taking on the kind of corporate fraud that has been perpetrated time and time again.

[*Translation*]

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

Obviously, we have absolutely no idea of what the Conservative government's plans are when it talks about establishing a single securities regulator. What is the game plan? What we are realizing is that there is none. There is no game plan. The government should put in place instead a process to prevent the foreign takeover of Canadian and Quebec businesses, as we are seeing more and more these days. The Toronto stock exchange is in difficulty not just because of the economic crisis, but to a large extent because of the foreign takeover of Canadian and Quebec businesses.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would first of all like to congratulate my colleague from Saint-Maurice—Champlain on his speech, but also to thank him for having presented this motion which is today before the House, because the subject is very important for Quebec and Quebeckers.

To begin, we have here with this motion another demonstration of the effective role played by the Bloc Québécois. For proof of this, what party is focusing on this situation brought about by the Budget Implementation Act, 2009 which will substantially penalize Quebec as well as the entire population because of the services that this province has to provide to the citizens we represent?

Under the calculation of equalization, Quebec would be penalized \$991 million. That is no small amount. And what is that money being used for? By the way, we will not be guilty of the same paternalism we often encounter from the Conservatives, who say we have voted for a budget with billions and billions of dollars in infrastructure programs. They would almost have us believe that this money is coming out of the pockets of the Conservative ministers and members. Hold on there. Quebeckers pay \$54 billion in income taxes to Ottawa every year. When the federal government invests in Quebec, I hope that no one here—among those listening to us and those in the gallery—thinks that the federal government is giving us any gifts. That is our money. This is precisely what Maurice Duplessis, in his time, was saying when he referred to federal encroachments in fields of provincial jurisdiction: give us back what is ours. That is what this motion means.

Which party is defending the consensus of the National Assembly at the three-day special session in January? Not one Conservative member has risen on this subject, nor one member of the Liberal Party. Only the members of the Bloc Québécois have addressed this. Our objective and our role, our reason for being, is to defend the interests of Quebec. This we demonstrate on a daily basis, not just during election campaigns, as we saw on the trailer of the former senator and minister Michael Fortier, which announced that the Bloc is unnecessary, that it has cost so many billions of dollars.

One thing: when you lie, your lie must not be so big that no one will believe it. If you tell a little lie, something a little more restrained, it raises a doubt, and people will say, yes, maybe it is true, maybe it is possible. They said that the Bloc had cost \$450 billion because we were in the opposition. Hold on there. From 1900 to 2006, over 106 years, the Conservative Party was in opposition for 62 years. That means that, when the Conservatives were in opposition, that cost money, billions of dollars, and they did nothing? That is patently ridiculous.

When we say that the Bloc is here to defend Quebeckers' interests, it is because we can back up that statement. We raised this issue here in the House. The House is going to vote. Members from all parties will have the chance to say yes to Quebec, yes to the National Assembly consensus, or else to trample on that consensus. By the way, when we refer to the National Assembly consensus, we are talking about a unanimous motion passed by all three parties represented in the National Assembly, not just the Parti Québécois. There is also the Liberal Party of Quebec, headed by Jean Charest, and the Action Démocratique party, which was then led by Mario Dumont, who should be leaving political life today. That is the consensus we are talking about: a unanimous motion passed by the National Assembly.

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•(1030)

Two provisions of the budget implementation bill clearly penalize Quebec: the new method of calculating equalization payments and the creation of a centralized securities commission in Toronto, even though the current system works well and Quebec and the provinces have their own commissions.

Quebec's Autorité des marchés financiers plays its role fully. Why does the federal government still want to stomp on the provinces' jurisdictions? Why are this Prime Minister and this Conservative government, which kept on saying they were going to practise open federalism, throwing everything out the window and slapping Quebec in the face at the first opportunity? This is totally unacceptable.

I call on the elected members of the Conservative Party from Quebec. I am a member from the Quebec City area. I call on the members for Beauport—Limoilou, Charlesbourg—Haute-Saint-Charles, Lévis—Bellechasse and Lotbinière—Chutes-de-la-Chaudière. I could also mention the Minister of Foreign Affairs, who is the member for Pontiac. I challenge them. What do they think of the consensus reached by the National Assembly of Quebec? Do they agree to vote with the Bloc Québécois for this motion, which only confirms that consensus?

That is the difference between a Bloc Québécois member and a Conservative Party member from Quebec. My colleague from Saint-Maurice—Champlain has brought that difference to light by putting this motion before the House for debate so that the masks come off and we see who is really defending Quebec's interests in this House.

•(1035)

[English]

Hon. Diane Ablonczy (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, I am back again on the national securities regulator. I do not quite understand. The Bloc is seeming to concentrate on a sense of outrage and injury and I do not see any need for it. The member who spoke previously said that the government of Quebec has already decided not to participate. That is its right. If the decision has already been made, why are we hashing it over in the House today?

The member suggested that giving businesses a choice in how they arrange their business affairs, whether they incorporate federally or provincially and how they choose to do business is somehow a bad thing. I do not know if the Bloc has noticed but we are in some very difficult economic waters. Surely it would be a good thing to do all we can to give businesses some choice and help them arrange their affairs to best succeed and best operate.

I am really puzzled that the Bloc is making such a big deal out of a purely voluntary proposal, and one which Bloc members themselves admit will give business a choice, which should be helpful to businesses in these difficult economic times.

I wonder if my friend could address that, because I think he is not keeping the big picture in mind in any way.

[Translation]

Mr. Michel Guimond: Mr. Speaker, I thank the hon. member for Calgary—Nose Hill, whom I know well and also appreciate. She and I have been in this House since 1993. My answer is simple.

Securities fall under the jurisdiction of the provinces, which includes Quebec. Just thinking about proposing this is a direct interference in an area under provincial jurisdiction. The federal government has no business there. The existing system works. The Bloc is not the only one to say that: the World Bank and the OECD also agree. What more does the government need?

In Quebec, there is a consensus that this does not make sense. The hon. member represents the region of Calgary. There is a legislative assembly in Alberta. I am convinced that deep down, and because she is a parliamentarian of integrity, she respects the decisions of the Alberta legislature. This is precisely what we are doing here. This is why I said that we are carrying the Quebec consensus.

This new body is not accepted in Quebec. The government cannot claim that this is done on a voluntary basis. Everything is based on the offer. This entity will weaken the provinces' position, and financial market authorities in each of the provinces will become irrelevant. The federal government—

The Deputy Speaker: The hon. member for Timmins—James Bay.

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I am sort of at a loss watching the sound and the fury coming from my colleague. His debate is taking place amidst an international meltdown of confidence.

Again, I recognize that people would not necessarily believe that the Conservatives have any real agenda that would actually bring about corporate accountability, but I have not heard the Bloc address the issue that across the various jurisdictions in Canada there has been one stock scandal and fraud after another. We have been known as the wild west for penny stocks. It has happened in jurisdiction after jurisdiction. We have some of the dodgiest derivatives markets in the world.

Saying that this is an unfair intrusion into the affairs of Quebec does not change the fact that there needs to be confidence. I have not heard anything from the Bloc in terms of how those members would address the people who are watching this country and ask where the accountability is in terms of ensuring investor and consumer confidence and making sure that each of the jurisdictions is doing the job it is supposed to do.

•(1040)

[Translation]

Mr. Michel Guimond: Mr. Speaker, it is not for me to make suggestions regarding the Autorité des marchés financiers, since it falls under provincial jurisdiction. What we are asking for is to maintain the status quo. We want the existing structure to remain the same, because it is working.

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Moreover, the Autorité des marchés financiers has uncovered scandals in Quebec. White collar criminals are a reality. We had some in Quebec, such as Vincent Lacroix and others. I could give names.

This structure is working. The market can regulate itself and the Autorité des marchés financiers is able to do its job effectively.

Since they are asking for a suggestion, I will give them one: let us keep things as they are and maintain the status quo.

Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, I was somewhat surprised when I read the motion moved by the hon. member for Saint-Maurice—Champlain, the motion currently before the House.

There are two parts to the motion. The first has to do with the national securities commission, which would be voluntary, and second, the motion attacks the increases to equalization that the federal government pays Quebec.

As for the voluntary securities commission, on behalf of the Government of Canada, I am proud to announce here today that the securities commission proposed by our government will be voluntary.

I would also like to announce that if a province does not wish to join, it will not be forced to do so. Clearly, this announcement makes the Bloc Québécois' motion redundant and pointless. I would like to mention one other thing.

[*English*]

Mr. Speaker, I will be sharing my time with the member for West Vancouver—Sunshine Coast—Sea to Sky Country.

[*Translation*]

Regarding the securities commission, I was very surprised to learn that the hon. member wanted to take away provincial jurisdiction over this matter. What he is saying is that the provinces should be forced to refrain from voluntarily participating in a common system. For instance, he is telling Ontario that it no longer has the right to choose whether or not it will join the other provinces in a voluntary system. He just announced that the Bloc Québécois no longer believes that this falls under provincial jurisdiction. We recognize that it falls under provincial jurisdiction, so we are giving provinces the choice. Once again, if Quebec or any other province decides not to participate, they will not be forced to do so.

I do not wish to appear sarcastic, since the question before us is so serious, but if I infer a little from what my Bloc colleague said, I could conclude for example that inviting someone out for supper can be considered a terrible intrusion upon their privacy.

And now for the issue of equalization, the second component of the motion tabled in this House by the member for Saint-Maurice—Champlain. First of all, I note that my colleague has said nothing about the fact that Quebec will continue to receive significant federal transfers from Canada.

Equalization payments of \$8.3 billion, an increase of \$3.5 billion, will go to Quebec. That is a 74% increase since 2005-06. I will repeat that. The Conservative government has increased equalization

payments to Quebec by 74% since 2005-06. That is a huge increase. Quebec receives the largest amount of equalization payments of all the other provinces. Quebeckers are celebrating the fact that our Conservative team in Quebec kept promises made to their province. The 74% increase and, I repeat, the fact that Quebec receives the largest amount of equalization payments of all the other provinces, indicates that the Conservative team is keeping its promises made to voters and fellow citizens. The Bloc has never accomplished anything and that is why all it does in this House is complain.

Under the Conservative government, Quebec has made major gains, especially the 74% increase in equalization payments over three years. The benefits to Quebec by being part of Canada demonstrate the extent to which the sovereignist plan would instead go against the interests of Quebec. The real reason why the Bloc is upset with the Conservative government is because we are showing Canadians that our country works, that it is successful and that citizens of all provinces, including Quebec, benefit greatly from being part of our country.

• (1045)

I now invite questions from my distinguished colleagues.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I listened carefully to the parliamentary secretary's speech. He talked about giving us a choice. The choice he is giving us reminds me somewhat of a person who would receive his or her paycheque and be told by a neighbour, "You should give me your paycheque and I will tell you how you should spend it."

I believe that the person who worked for that paycheque should be free to spend it as he or she pleases.

The parliamentary secretary would have us believe that we have a choice. However, it is basically a provincial jurisdiction. Therefore the government does not even need to do the thinking for us. It has enough thinking to do to take care of its own business without having to meddle in somebody else's business.

Since it is a provincial jurisdiction, we do not need the Conservatives to tell us what to do. They should work on other issues, like the economic crisis. I think it would be much better for everybody if they focused on something that would be really useful to workers, like the program for older worker adjustment.

There are far more important things than trying to find solutions or trying to create institutions just for the sake of it. This area falls under provincial jurisdiction. The government should really focus its efforts on initiatives that are relevant, not irrelevant.

Mr. Pierre Poilievre: Mr. Speaker, I want to stress the fact that all provinces have a choice. If a province wants to join the common system, it can do so. If it does not want to join in, it does not have to. It has a choice. On this side of the House, we respect the will of all provinces.

Business of Supply

• (1050)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the entire world watched the Bre-X fraud being perpetrated on thousands of investors. It started out in the penny stock capital in Calgary and moved to the TSX. When it all came down, at the end of the day the RCMP had to say they did not have enough evidence to charge anybody with fraud or to go further.

The international community of investors pointed to Canada and said that we were a laughingstock in terms of our willingness to take on corporate fraud of the kind that had taken place with the Bre-X scam, with the other scams that had gone before it and with the other scams that came afterward.

I would like to ask my hon. colleague, even if we have a national regulator such that one can opt in or opt out depending on how one is feeling on a particular day in a particular province, what further steps will there be to ensure corporate accountability so that the kinds of flagrant scams like Bre-X and so many others will not continue to be perpetrated just because we have a single regulator, as opposed to a patchwork system?

Mr. Pierre Poilievre: Mr. Speaker, I thank the member for what I think most members of the House would agree was an excellent question.

We need to crack down on corporate fraud and we need better systems to ensure that never again do these sorts of financial catastrophes happen. We think also of the thousands and thousands of investors who lost livelihoods in the Bre-X affair.

That is why a number of provinces are choosing voluntarily to come together in a common system. We as a federal government are not going to take away their provincial jurisdiction by blocking them from their voluntary efforts to form a common securities commission to tackle problems just like this one.

I would encourage more discussion and I look forward to seeing what voluntary decisions the various provinces make in improving the way in which we regulate and monitor our capital markets.

The Deputy Speaker: Questions and comments.

[Translation]

This will have to be a very short question.

The hon. member for Shefford.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I would like the Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs to tell the House why the government wants to establish a national financial institution for Canada instead of leaving things as they are. What does the government stand to gain from that?

The Deputy Speaker: The hon. Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs will have to make his answer very short.

Mr. Pierre Poilievre: Mr. Speaker, what we want is to provide choice for the provinces. They can choose to work together within a common system. Those who want to join in will be able to do so.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, several reasons have led me to take part in this debate on the motion tabled in the House by the hon. member for Saint-Maurice—Champlain, calling on the government to remove two measures contained in the latest budget.

I would first challenge the relevance of this motion, the wording of which is perfectly unintelligible. The budget was passed democratically by this House. Yet the Bloc Québécois—which is never lacking in imagination—is now calling on the House to revisit that debate and remove certain aspects that it believes ill serves Quebec's interests, which it purports to defend tooth and nail, hand on heart.

I do not believe that the Bloc's attitude, as reflected in this motion, serves anyone's interests. Quebecers, like all Canadians, are pleased with the passage of our government's economic action plan. And like all Canadians, they understand all too well how the current economic situation impels the Government of Canada to take strong, targeted measures in response. And that is exactly what we have done.

What is more, we have done so in a spirit of consultation and cooperation. We have consulted extensively with Canadians, governments, municipalities and First Nations. Contacts have been established and meetings have taken place with all governments. The opposition parties have also been a part of that process.

On December 17, the Minister Finance met with his provincial and territorial colleagues in Saskatoon. I would point out that the provinces were informed at that meeting of the changes to the equalization formula. On January 16, our Prime Minister met with the premiers and territorial leaders to reach agreement on measures to stimulate the Canadian economy.

At that meeting, the country's political leaders agreed to work on carrying out a number of those measures with the main objective of strengthening the domestic economy and making new, substantial investments to ensure ongoing access to credit and protect Canadians' pension plans. For workers and job seekers, they agreed to change two aspects of the Agreement on Internal Trade (AIT), thus enhancing labour mobility. On infrastructure, they agreed to take immediate measures to get projects up and running and to fast-track funding for projects starting in the 2009 and 2010 construction season.

The economic action plan tabled by the Minister of Finance reflects the intentions expressed by the premiers and territorial leaders on January 16, notably by making new, substantial investments in the budget to support the economy in the short term and also prepare it for longer-term challenges. Through that budget presented by the Minister of Finance, our government is firmly committed to the path of economic recovery, and we hope that our partners will be as well, in light of the results obtained at the meeting with the premiers and territorial leaders.

That was the spirit in which the budget was designed and prepared. So I am astonished that the motion by the honourable member for Saint-Maurice—Champlain talks about, for example, an unacceptable intrusion into Quebec's fields of jurisdiction, in the case of a national securities commission. What does that mean, exactly?

Business of Supply

The budget clearly states that the government will first set up an office to plan the transition towards the new system. In addition, it will consult participating authorities on tabling a securities bill later this year. Moreover, the government is working with willing provinces and territories to establish a more efficient, streamlined system for regulating securities, reflecting regional expertise and interests.

●(1055)

You will note that I referred only to the provinces and territories “willing” to take part in this process. Those that are unwilling will not have to do so, as they are invited on a voluntary basis. And a voluntary basis in no way means an unacceptable intrusion into a field of provincial jurisdiction.

I hasten to point out our Prime Minister's renewed commitment to respect provincial fields of jurisdiction, which has always been a cornerstone of our government's relations with the provinces. So much for the first part of the motion.

The second pertains specifically to equalization. Equalization payments have increased by 56% since 2003-04, and they were already increasing at an unsustainable pace, given the recent volatility of natural resources markets. The government is acting to ensure that increases in equalization payments are more in line with economic growth, so as to ensure the viability of the program and protect the provinces against any overall decrease in equalization payments.

Transfers will continue to increase, at a rate of 6% a year for the Canada health transfer and 3% for the Canada social transfer. Equalization payments will continue to increase at the same pace as the economy. Total assistance to the provinces by the Government of Canada, including for infrastructure, will reach a record \$60 billion in 2009-10.

Under this budget, Quebec will continue to receive substantial federal transfers in 2009-10, to the tune of \$17.6 billion, up \$700 million over last year and roughly \$5.2 billion more compared with 2005-06. That longer-term support is increasing. And that means that Quebec has the resources it needs to provide key public services and contribute towards common national objectives, including in the fields of health care, post-secondary education and other key components of Canada's social safety net. With respect to equalization, Quebec will receive over \$8.3 billion in 2009-10, an increase of \$3.5 billion, or 74%, since 2005-06.

One of the criticisms in this motion regarding the equalization calculation suggests that Quebec would be treated unfairly with respect to Hydro-Québec dividends. The difference is that Hydro-Québec, unlike Hydro One, which is mentioned in the motion, is a corporation that produces hydroelectricity. That is why it is included in the natural resources revenue base.

With respect to the Canada health transfer, Quebec will receive \$5.8 billion, \$279 million more than it did last year. Quebec's share of the Canada social transfer amounts to \$2.5 billion, up by more than \$373 million, or 17.4%, since 2005-06.

I could talk at length about the support that the Minister of Finance's budget provides Quebec in other spheres of activity. Quebec will receive \$1.9 billion for skills upgrading, \$1.9 billion

more in employment insurance benefits and \$4.5 billion to keep down employment insurance contributions in 2009-10 forecast at the national level.

●(1100)

The province will obtain its fair share of the \$4.5 billion. That is a lot.

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, I listened carefully to my hon. colleague from West Vancouver—Sunshine Coast—Sea to Sky Country.

The first thing he said was that today's motion seemed odd to him because a budget was passed not too long ago in this House. I would like to point out to the member that the Bloc Québécois was instrumental in getting a budget put before the House.

Let me just say that, when Parliament resumed, all the government tabled was an economic update that offered absolutely nothing. It contained a number of attacks on the unemployed and many on women, but that was about it. On the Bloc Québécois' initiative, a coalition was formed, which forced the government to prorogue Parliament for three weeks, just long enough for the government to put together in a mad rush a budget that had not yet been prepared. Now, they come and tell us that a budget was passed. Ours is the only party that put forward a real budget plan, which was more or less included in the current budget. None of the other parties, whether the Conservative Party, the Liberal Party or the NDP, put one forward. So, do not come and tell us now that, because a budget was passed, we should move on. We are well aware that there is a budget; it is thanks to us that there is one.

It has to be in bad faith that my hon. colleague from West Vancouver—Sunshine Coast—Sea to Sky Country claimed not to understand why this motion was put forth today. The reason is simple: we introduced this motion to ensure that the Constitution is respected. Provincial law has to be respected, not by choice, but by force of law as written.

●(1105)

Mr. John Weston: Mr. Speaker, if there is a difference between the Bloc Québécois and the Government of Canada, it is that the Government of Canada hears what Canadians are saying, whereas the Bloc Québécois does not hear the people of Quebec. There were many consultations during the few weeks leading up to the tabling of the budget in this House. That is why we now have a budget that is not a Conservative budget, but a Canadian budget that holds the promise of a healthy future, with a robust economy for all Canadians, for Canadians from Alberta, British Columbia and also Quebec.

Business of Supply

That is not surprising, since that is the very reason for the Bloc Québécois's presence in this House. That is why the motion before us is so lacking in credibility. And that is why I call on my fellow members to oppose this motion.

[English]

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, my colleague across the way is from British Columbia, as I am. I know that he will be well aware of many of the scams and frauds that have been perpetrated on the people of British Columbia and across the country out of the Vancouver stock exchange.

I want to ask the member about improvements to the regulatory system. It is not enough, in my view, just to have prescriptive rules when the industry continues to circumvent those rules and continues to develop new products that can be changed faster than any legislative body can change the rules. I believe what we need is not just regulations but effective protection for the investors. We need whistleblower protection for employees in the industry who want to come forward and report unethical practices by some companies and know that they will not suffer retribution. Finally, what we really need is real punishment, some effective methods put in place to ensure that the unethical companies and people in the financial industry, some of whom are unethical, receive punishment for the frauds they perpetrate on the Canadian people.

I ask the hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country to respond to those specific issues that I raised.

Mr. John Weston: Mr. Speaker, I admire the member's dedication to her community.

The national regulatory regime brought in with the budget has two aspects to it.

First, having had a career in international law and business, I have seen how hard it is to compete for international investment and international business. Having one regulator which can be understood by foreign business people as well as Canadians is bound to improve ultimately our whole securities system.

Second, consolidating resources at the national level would not, by any means, exclude the ability of provinces to participate in regulating this very—

The Deputy Speaker: Order. We will have to move on.

Resuming debate. The hon. member for Markham—Unionville.

[Translation]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I would like to share my time with my colleague from Bourassa.

First of all, this is not the time for making grand declarations and inserting controversial items into the budget. The reason is very simple: Canada is going through an economic crisis. That is perfectly clear.

• (1110)

[English]

It has been clear for months that we are in an economic crisis, and even in the last two days this has become clearer. Yesterday the stock market fell to its lowest level in, I believe, five years in Canada and

twelve years in the United States. We heard this morning that house prices in the United States over the past year have dropped by a record 18.2%. The housing market in the United States is a critical element in the current crisis.

A Harvard professor has claimed that this recession could lead to bloodshed and civil war. I do not subscribe to that for one moment, but I am making the point that Canadians want their politicians to work together to do what is needed for the Canadian economy, to do what is needed for those who have recently become unemployed, and sadly, to do what is needed for those who will become unemployed as the year progresses.

That is why, notwithstanding immense weaknesses in the budget, we are determined to get it passed as quickly as possible in order that the money will flow for infrastructure projects and other things that will save and create jobs in this country. We are also aware that the government's record in this area is dismal, which is why we have set up a monitoring mechanism.

The general point I am making is that Canadians want us to focus on one thing and one thing only at this moment and that one thing is the state of the economy and measures that the government must take to strengthen that economy.

At the same time, Canadians want their governments to work together. The Conservative government has a lamentable record in breaking promises to provinces, in dividing provinces and behaving unilaterally. At this particular moment, at a time of economic crisis, now more than ever, Canadians want the federal government to work together with provincial governments to focus on the one thing that truly matters to Canadians at this time which is the number of jobs, unemployment and the state of the economy.

It does not help the cause if the federal government raises this very controversial issue of a single regulator, because that clearly creates a major fight among provinces and between certain provinces and the federal government. There are at least three provinces, Manitoba, Quebec and Alberta, which oppose this.

While I personally have historically favoured in the long run the creation of a single regulator for various economic reasons, I would also be the first to acknowledge that it is not an urgent matter. It is ridiculous, for example, to say that it was the lack of a single regulator that caused Canada's economic crisis, because both the United States and the United Kingdom have a single regulator and both of those countries have done far worse than Canada in terms of this economic crisis. As I said earlier, I do not think now is the time to move on this highly controversial measure when the priority has to be for governments to work together for the common good for the state of the economy. I would, however, add a comment for my Quebec colleagues.

Business of Supply

[Translation]

My colleagues from Quebec who do not like this idea should remember two things: first, it is entirely voluntary, and second, this bill will not create a regulator. To do that, another bill will be needed in three years from now maybe, when hopefully we will have a new Liberal government. All that this bill does is initiate a process that might lead to another bill that would create a regulator. It is not all that important, therefore, because it is not the final word on the matter.

The Liberal Party also believes that any changes must comply with the Constitution. Many witnesses have told us that another part of the budget dealing with collective bargaining agreements is unconstitutional. In this case as well, we think the government should refer the matter to the Supreme Court to ensure that what they propose to do is, in fact, constitutional.

I am going to read a summary of the Liberal Party's position on this issue: the Liberal Party is committed to studying the possibility of creating a national securities regulator in cooperation with the provinces and in compliance with the Constitution in order to improve the coordination and regulation of the market while making it possible to meet the needs of particular regions.

This is a balanced position. In view of the extremely precarious state of the economy, I do not think it is at all necessary to support the Bloc's proposal. Maybe I should have said it a little earlier, but the Liberal Party will vote against this motion.

In regard to the second issue, equalization, we see once again just how badly the government has handled provincial relations. We will remember Mr. Flaherty's famous statement at the time of the 2007 budget—

• (1115)

The Deputy Speaker: Order, please. The hon. member used the proper name of the finance minister. I ask him to use his title or the name of his riding.

Hon. John McCallum: Mr. Speaker, I spoke his name and am sorry for that.

In tabling his 2007 budget, the Minister of Finance said, "The long, tiring, unproductive era of bickering between the provincial and federal governments is over".

[English]

Well that was then and after that budget it seems that the Prime Minister launched into the longest, most tiring and most unproductive era of bickering that we have seen in the history of federal-provincial relations in this country. Not only did he break his promise on the Atlantic accord, not only did he suddenly rewrite the equalization formula, thereby affecting negatively a number of provinces, certainly including Quebec, but he also broke his promise to Saskatchewan. The number of provinces subject to broken promises from the government since that famous statement is I am sure greater than the number of provinces which have not been subject to broken promises by the government. The question of equalization is one of a long list of broken promises by the government in the area of federal-provincial relations.

I conclude by saying that a Liberal government under the current Leader of the Opposition would attach enormous importance to federal-provincial relations in which promises are kept, in which cooperation and fairness are the order of the day, and in which all relations are conducted with a shared respect that is essential if we are to run a successful federation. At no time is that shared respect in running a successful federation more important than at the time of economic crisis in which we find ourselves today.

[Translation]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, I thank my hon. colleague, the member for Markham—Unionville, whose speech was brilliant, as is usually the case. He is one of the people I am happiest to see rise in the House to ask questions, other than the people in our party of course, because his questions are always brilliant, intelligent, right on the mark and well put.

That said, my colleague has just talked to us about the major economic crisis hitting Canada and the world as a whole. I think he is quite familiar with this subject. If I am not mistaken, he is an economist and has worked for the banks in the past. So he is very familiar with the situation. Personally, I think this economic crisis is going to be far more serious than is being forecast, and far more serious than it is at the moment. That is my own opinion. I am not an economist, I am a carpenter, but I can tell when things are level and square. At the moment, the economy is neither level nor square anywhere in the world and for a number of specific reasons.

The basic reason lies at the very foundation of the economy. As we know, what underlies today's economies are the broad theories of Adam Smith—production, work and consumption. And it is not working anymore. It is impossible to keep on consuming, producing and polluting indefinitely. Economic theory itself is going to have to be revised.

I think my colleague could discuss that. Every day, however, he rises, intelligent man that he is, to criticize the budget of our friends the Conservatives, opposite. However, at every opportunity, he rises and votes with them. How can such a brilliant man do something like that?

• (1120)

Hon. John McCallum: Mr. Speaker, I would like to thank my colleague from the Bloc for his very kind and even brilliant words. I especially liked the first part of his remarks.

I agree with him. Traditional economic theory is being questioned today. In a way, everyone has become Keynesian. Governments around the world are having to spend now simply because the private sector is not spending because it lacks the funds. It lacks the confidence as well. So the situation is serious.

As to my colleague's question, given that we agree on the economic situation, I think he would agree that there is some urgency to supporting the economy. Our options are simple. Either we support the budget in order to get this money as quickly as possible to people who are unemployed or might be or we reject the budget and by doing so precipitate an election and several months' delay at least before we can support the economy. Given the current economic situation, we think the first option is the responsible one, even though we have many reservations because of the budget's many weaknesses.

Business of Supply

[*English*]

Mr. Rick Dykstra (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, I listened to the hon. member. In the 39th Parliament, we were colleagues on the finance committee. I can recall when we started together. It was a very positive experience. The member for Markham—Unionville certainly thought there could be a productive session. It was a minority government and I thought we started off very well together. Since that time I have noticed he has taken his critic's role very seriously, specifically the word "critic".

There is an opportunity during the 40th Parliament, during the passing of the budget, for us to take maybe a leap of faith to work together to ensure that we pass the budget that is before the House now.

I would simply ask the member, and give him the opportunity not to take on the role of being the critic, and I understand he does a very good job of that, but to actually take a couple of moments to say something positive to the House, positive in the outcome of what we will do here and which will mean something to the people of the country in terms of the economy. I challenge him and ask him to do that.

Hon. John McCallum: Mr. Speaker, the hon. member seems to forget how lucky he is. We are supporting the budget. We are working to get the budget through as quickly as possible. I do not know what else he could ask for. If he wants us to praise the government for its totally untrustworthy relations with the provinces, for its failure to get money out the door, for many of its broken promises on income trusts, its incompetence on interest deductibility, and I could go on—

The Deputy Speaker: Order. Resuming debate. The hon. member for Bourassa.

• (1125)

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I might continue on from the excellent speech by my colleague from Markham—Unionville.

We have a job to do. As members of Parliament, there are times when the public interest must prevail and we must live up to our responsibilities, having regard to the situation and the circumstances we find ourselves in. One of the reasons why we agreed to vote for this budget is the economic situation. This is not rocket science. We do not need to look both ways to determine that first, the public does not want an election, second, they want us to do our jobs, and third, they want to know how we are going to be able to help them not just pay their bills, but put food in their refrigerators. We are having to face a reality that comes down to basic needs. I therefore think that we here have the responsibility for making these decisions.

We are voting for the budget because we are facing an unprecedented economic crisis. And because we are voting for this budget and we have taken the time to read it, we are in a position to criticize it. I welcome the Bloc Québécois motion. I understand what they are trying to accomplish in political terms. I have to say that it is a bad strategy, in my opinion. What I think, as a member from Quebec, as the Quebec lieutenant for our party, is that there is a time when decisions have to be made in the public interest. That is exactly

the reason why we will be voting against the motion. That being said, we can sit down and talk about equalization and we can also talk about this much-vaunted national securities commission.

I have reservations about a national securities commission. Why? Because section 92 is clear and it seems that this is something that is under provincial jurisdiction. And so even before making a decision about whether such an institution is a good idea, the least we have to do is look into it by following an established procedure to determine whether the jurisdiction is there.

This is not the first time we have discussed the securities commission. We were talking about it during our time. There have been reports written about this for years. There were reports in 2003 and 2006. There have also been motions and debate about it. So this is not the first time we have talked about a national securities commission. I think that before going any further, we will have to know the arguments pro and con. The minimally decent thing for a government to do is to bring good bills forward. When a bill is to be introduced, we have to make sure that it will achieve consensus and is consistent with our Constitution. What should be done? It has been done with other bills in the past. I think it was done at the time with the clarity bill. There is a procedure to be followed. The Minister of Justice should refer the question to the Supreme Court and ask whether it is consistent with the Constitution. If the first argument to be made by people who are against this commission is to raise a question of jurisdiction, we could save time and find a solution. In fact, I think the government is aware of this, because another bill will be introduced in three years for the creation of a national securities commission.

The leader of the Liberal Party of Canada, the Leader of the Official Opposition, has already stated a few weeks ago that our position is that, even before continuing this debate, the first thing to do is to get an opinion from the Supreme Court, to provide some clarity on the question of jurisdiction. This is not the first time that this subject has been discussed. Many experts will say that it is constitutional and others will say that it is not. Others, who have less backbone, will try to sit on the fence. One thing is clear; before proceeding further, an answer is needed.

I want things to be clear. This is not just about Quebec. The Bloc may have raised the matter, but that does not mean we should think this is just about Quebec.

• (1130)

The Bloc members can speak on behalf of the National Assembly if they want to. We have friends as well. We can speak to the Charest government. The fact is that as soon as the budget has been adopted, several provincial governments will be in the courts, asking the same question about the jurisdiction of the national securities commission.

Many business people say that it is a good thing. However, I agree with my colleague, the member for Markham—Unionville. It has been tried in the United States, and in Great Britain. This was supposed to be the greatest invention since sliced bread. That did not prevent an unprecedented economic crisis in the United States. It has not prevented problems in Europe, especially in Great Britain. Any attempt to make us believe that we absolutely need this to resolve the economic crisis is an argument that does not hold water.

Business of Supply

Once again, it is extremely important that we consider the quality of life of Canadians; that, first and foremost, we adopt the budget. Measures in the budget are necessary to help our regions. There are needs in terms of infrastructure. There are measures that will directly improve people's quality of life. We know that this government will not last forever. People know that when we were in power—and it will happen again—we always had our hearts in the right place. We were able to help people, and to have better relations with the provinces.

Let us talk about equalization. The equalization formula has been changed four times in as many years; it changes every year. We signed agreements. I completely disagree with this government's claim that it is engaging in open federalism; it should be ashamed. There have never been as many quarrels between this government and the provinces as there are now. The government is incapable of keeping its promises to the Atlantic provinces or to Quebec. For example, it is not keeping its promise to Newfoundland and Labrador about transferring energy revenues. I find the government's attempts to talk about open federalism appalling: it cannot even respect its own agreements.

That being said, the equalization formulas have been amended four times in four years. We were part of the government and, as such, we worked hard and reached asymmetrical agreements, which we always respected. We will vote for the budget, but the public need not worry. One day soon, the Liberal Party of Canada will be in power, and we will keep our promises.

In the meantime, wherever I go in Quebec, I see that people want to come to some kind of agreement and work together to help those who are suffering. Some people are already being hit hard by the economic crisis, and others will be. So it is our responsibility to pass this budget once and for all.

However, the government is on probation. There are three dates: March, June and December. Come those dates, if the government is not doing its job, we will form a government and prove that we are the best alternative, that we are capable of helping people. We have done it before: in 1993, we inherited a \$42 billion deficit. We were known as the "Canadian miracle". We know how a government is supposed to work. We have led this country back into prosperity and we have helped the people. We are the alternative, but now is not the time for that debate. Now is the time to pass the budget.

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Mr. Speaker, I agree in part with the member for Bourassa. The present economic situation is quite difficult. As he says, there is no need to be a genius to understand that. However, the result of the October 14 election is very clear. The government cannot invoke the economic situation to simply do what it pleases. Some things must be taken into account. We must make sure that good decisions will be made to help all citizens.

I would like to come back to a rather important question. If the securities commission works fine, as it does in Quebec especially, why would you want to change anything? While the official opposition voted for this budget, I would like to point out that, if the government is short of ideas or vision when it comes to solutions, the Bloc Québécois made numerous propositions regarding the budget

which can be drawn from. I wonder why anyone would want to change things which presently work very well in Quebec.

• (1135)

Hon. Denis Coderre: Mr. Speaker, I would like to thank my colleague from Louis-Hébert. This is the first time we have had the opportunity to debate in the House, and I congratulate him on his election.

That is exactly why we need to refer this to the Supreme Court. Our role is to ensure that the laws we make do not become problematic later on. Given that this budget states, with regard to a securities commission, that there will be additional legislation in three years, it is obvious. It is important to look at the bigger picture, and I am sure my colleague would agree that the public does not want an election tomorrow morning.

Everyone is saying that we need to have lots of latitude to give the people the financial help they need, as quickly as possible. Referring this to the Supreme Court is one answer, a responsible alternative. I do not believe it when they say it is voluntary. I do not believe it when they try to tell me that centralization will work. We could have better standardization and better regulations, but we eventually need to have a debate about regulations and operations.

And then we will see. For now, in our opinion, this motion is adding fuel to the fire for no reason. We should pass the budget and then decide. As for a national securities commission, since there are jurisdictional issues, we should take it to the Supreme Court.

[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I must admit I am a bit confused, although I do not know why I would be surprised at that given the role the Liberal Party has played so often in the history of our country in taking confusing positions. So I can be very clear today, are Liberals voting for or against the motion by the Bloc and—

Mr. Roger Pomerleau: They don't know.

[Translation]

Mr. Joe Comartin: They do not know. That is the problem. They do not know what they are doing. In a few hours, they could change their minds again.

[English]

However, I would like to know if the Liberals will be voting for or against the motion.

Specifically on the issue of the national regulator, I know he wants it to be referred to the Supreme Court so somebody else makes the decision rather than they having to do so, but is that the only reason he would vote for this, or is he in favour of a national regulator if we have jurisdiction at the federal level, which I do not believe we do?

Business of Supply

[Translation]

Hon. Denis Coderre: Mr. Speaker, we have become accustomed to higher standards from the hon. member in the files he handles. He asks this kind of question with certain innuendoes. Perhaps he was too busy working on his laptop and did not take the time to listen to what I said.

We have said we will vote against the motion, because we are responsible. That said, the hon. member for Winnipeg North said that we should vote in favour of a national securities commission. Yet the hon. member for Outremont said he was against this idea. As for confusion, the NDP could certainly give the Liberal Party a run for its money.

It is our responsibility to make decisions that will prevent legal problems from arising later on. I have a problem with the idea of a national securities commission, and I said so during the debates during the last election campaign. We could save some time here if the government, through the Minister of Justice, could refer to the Supreme Court—

The Deputy Speaker: The hon. member for Outremont.

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, I would like to thank my hon. colleague for the question he asked earlier of the brilliant and talented member for Bourassa. I must admit, during the election campaign, I mainly heard him say he was against this kind of system that the federal government wants to impose on the provinces that do not want it. I heard him tell his constituents at the end of January in this House that he would vote against this idea. I was therefore very intrigued by the response to this clear question. He just said once again that, although he has a serious problem with this commission, like a good Liberal, he will vote in favour of the bill. Imagine that. We knew they were sell-outs, but who knew they could be bought for nothing?

• (1140)

Hon. Denis Coderre: Mr. Speaker, I rise on a point of order. The member for Outremont accused me of being a sell-out. That is unparliamentary language. He is not one to be lecturing. As a result of a court ruling in a libel suit, he has already had to pay damages to one member. I would ask this member to act honourably, to conduct himself as an MP who must do his work and to not call his colleagues various names. I ask him to withdraw his remarks.

Mr. Thomas Mulcair: Mr. Speaker, what I said was, “We knew they were sell-outs, but who knew they could be bought for nothing?” because they get nothing in return for what they are demanding. There is nothing unparliamentary about that.

The Deputy Speaker: I believe that the hon. member for Outremont was not speaking about an individual member of the House. Therefore, I do not believe it is unparliamentary. However, I urge him to be discerning and to not use words that could be detrimental to relations among members.

Mr. Thomas Mulcair: Mr. Speaker, I have never hesitated to say the same things outside the House that I say here, unlike others who use their parliamentary immunity, as the member for Bourassa just did by threatening me on the floor of the House.

The only reason why the Liberals are threatening us is because they feel threatened by us. They know that the New Democratic Party has principles and they do not.

Let us examine the facts and put this into context. We are examining a budget bill. On November 27, the Liberal Party of Canada, the Bloc Québécois and the New Democratic Party were prepared to bring down the government over an economic statement by the Conservative government because it contained three items deemed odious by the three political parties.

First of all, it took away women’s right to equal pay for work of equal value, a fundamental sacred principle entrenched in our legislation and our charters. Next, it took away the social right to bargain collectively and to act on that collective bargaining, a social and union right recognized and confirmed by the Supreme Court of Canada. Third, it took away the bread and butter of the Liberal Party of Canada. Let us remember that the system for publicly financing political parties was put in place in the wake of the Liberal sponsorship scandal. Some members of this House testified before the Gomery commission. That was the worst political scandal in Canadian history, with prosecutions and people put in prison. That was the work of the Liberal Party of Canada.

Thus, the three items in question were clean financing for political parties, women’s right to equal pay for work of equal value, and union rights. There was unanimity on this in the three opposition parties, which were prepared to overturn the government.

And so we were surprised, at the end of January, to see that two of these three items were still in the budget. The Conservatives are holding to their intention to take away women’s right to equal pay for work of equal value, and to take away union and social rights, but the bread and butter of the Liberals have been restored. So now they are supporting it. Such are the principles of the Liberal Party of Canada—there are no principles in the Liberal Party of Canada. That is their chronic problem.

Today we are discussing two matters proposed in an opposition motion: to put an end to the federal government’s urge to attack the provinces by introducing a single system for controlling securities, which runs counter to the original agreement. In 1867, it was understood that the provincial governments would have full jurisdiction over civil law, property and civil rights in the province. The provinces have their prerogatives, which must be respected.

For its part, the federal government deals with criminal law. This has always been recognized. The federal government is also responsible for bills of exchange and banks. No argument there: this has always been recognized. The federal government is responsible for competition law. This is not contested. The federal government also has an office responsible for the supervision of financial institutions.

In all the spheres of activity I have just mentioned, the federal government regularly makes mistakes when it comes to rigorous application of the legislation under its jurisdiction, and it is inventing a problem in the field of securities. It says that since it has done nothing with the responsibilities it already had, it cannot be the source of the problem. So it invents another problem by introducing this vision of a single system for controlling securities, even though the provinces, with a passport system, were in the process of resolving a longstanding problem among themselves.

Business of Supply

●(1145)

Rather than just letting the provinces finish the job properly, the government is trying to take advantage of the very real economic crisis to say that this must provide a solution to the economic problems. Hogwash. That is not it at all. The Conservatives' supposed securities solution does not solve any identifiable problem. It is an old impulse on the part of senior federal public servants to try to sink their claws into another area of provincial jurisdiction. That is what this is all about.

The second part of the motion proposed today has to do with the fact that the provinces can no longer count on a principled equalization system—the principles in the O'Brien report which ensured that the provinces had some certainty about the funds that would be theirs. It was a source of pride for the Conservatives and they talked publicly at every opportunity about the good things they were doing. But that is all over with now.

The Conservatives do not have any principles left when it comes to equalization. The Liberal members from Newfoundland and Labrador stood up on their own two feet to vote against government theft from their equalization payments. The Liberal members from Quebec might have been expected to stand up too, like their colleagues from Newfoundland and Labrador, to protest against the theft of a billion dollars from the transfers to their province. But no, we just saw their answer: they are going to vote in favour of the single securities regulator and they are going to vote in favour of the theft of a billion dollars from the transfer payments to Quebec. That is what the Liberals' so-called Quebec members are going to vote for: a federal invasion of an area of provincial jurisdiction and the withdrawal of a billion dollars.

That leaves another whole question. The member for Bourassa said publicly that if Premier Charest had asked him, he would have voted against the budget. One of two things must be true: either he was asked but did not listen or he was never asked. It might be worthwhile to find out the answer to that question.

For my part, I saw Monique Jérôme-Forget stand up and say publicly she never agreed to this. The finance minister tried to say publicly that he had informed her about some things during a brief encounter at an airport. So who is telling the truth in all this? All I know is that the prediction that the Parti Québécois made during the general election campaign in Quebec has turned out to be true. It is the amount, according to Ms. Marois, that was taken away, and we are very concerned about that. We are as concerned about that in Quebec as they are in Newfoundland and Labrador.

Nevertheless, all the provinces are concerned about the uncertainty this has created. We are back in a situation that involves pure discretion, and it is difficult not to see a certain symmetry in some actions; amounts that have been given in one place and taken away in another. If you play along with the Conservatives—if you agree to accommodate them—you will be treated properly. It has been interesting to see the beating the federal Conservative government has suffered, both in Newfoundland and in Quebec. It is not too difficult to put two and two together and to conclude that it was, to some extent, a form of payback for what had happened.

For my part, as a member from Quebec; as someone who has always respected the federal compact—and I dare say that one of the most difficult political jobs in Canada is to be a federalist in Quebec—I rise today and tell you that we will vote in favour of the Bloc motion. I will be voting for the Bloc motion on both points and for two reasons.

●(1150)

In the first place, it is wrong to take away from the provinces the rights that they have enjoyed since 1867. That is the root of the constitutional problems that we have had, and which were largely caused by the Liberal Party for more than 40 years. That is the basic problem in Canada. For more than 40 years, the Liberal Party of Canada has been trying at every opportunity to nibble away at the power of the provinces, particularly Quebec. It has often been supported by other provinces, but it is always trying to take away something. And every time Quebec reacts properly, the Liberals go around the rest of Canada saying it is a good thing; we are lucky to have the Liberal Party that stands up to the “separatists.” But they are the chief cause, the instigators of the problem. That is exactly what it is.

We listened to the member for Bourassa holding forth for 20 minutes; telling us that there are big problems, and finally responding to a simple question, because it was not clear, saying that he will vote in favour. That is mastering the art of saying one thing and its very opposite in the same sentence. This is the art that the Liberal Party of Canada has mastered for a generation. They say they are against something; but they vote for it. We are seeing that now in the parliamentary committee examining the budget. We see, time after time, that the Liberals refuse to stand up for what they call, and what they have previously called, matters of principle. I listed them earlier: the rights of women and the rights of unions; but let us also remember the environment.

In the past, a group could talk about the environment even though it never really did anything about it. That is another characteristic of the Liberal Party of Canada that has never changed. It talks about doing things but, once in office, it does absolutely nothing. At least, with regard to the environment, it did propose a few things recently. But this time, the Navigable Waters Protection Act is being changed and the Liberals will vote against that. There is something interesting here. Last night, in committee, we heard from many groups, canoe-kayak groups, people responsible for the protection of rivers, environmental groups, social groups, all very concerned by these changes. Interestingly, many of them told me openly that they had supported the Liberal Party of Canada in the past. They told me very clearly that they understand what the situation is with the new leader.

It is the old gang. It is the old gang from the sponsorship scandal that tells the new leader, a right-wing Liberal, what to do. And the old sponsorship gang is just waiting its turn to come to the trough.

Business of Supply

The member for Bourassa is trying to prepare us for that when he says that the Liberals want to help. They want to help themselves. That is what the Liberal Party is all about. The Liberals have no convictions. They believe in nothing. The only thing they care about is themselves. The Standing Committee on Finance and the House are looking at a budget bill that again will take away the right of women to equal pay for work of equal value, that again will take away union rights, that again will hurt the poorest by not giving anything more to the unemployed, for example. But the Liberals got what they wanted: their financing. So forget about women, the environment, social and union rights, the unemployed and the poor. The Liberals got what the Liberals wanted: something for the Liberals.

That is not the NDP's way of doing things. We in the NDP have principles. We believe in what we say. There are great differences in this House, but hon. members will never hear me speak against a proposal and then vote in favour of it. They will never see me take the floor to support a proposal and then vote against it. That is the difference between the member for Bourassa and myself. That is the difference between the Liberal Party of Canada and the New Democratic Party, which is a party of ideas, a party that has been guided by principles for the past 70 years. The NDP is a party of men and women who have consistently held the same social vision for Canada, which is to ensure that the most vulnerable people get the state's proper attention, that we remove the obstacles to equality in our society, whether it is between men and women, between races or religions, and that even includes social inequalities. For example, we do not think it is normal that a person who cannot afford to go to university be deprived of the opportunity to do so.

• (1155)

This is the sort of issues that have always been a core value for the New Democratic Party. We are concerned about our democracy. This is a Conservative minority government. It is the third consecutive minority government. Indeed, we had a Liberal government under Mr. Martin, followed by two Conservative governments with the current Prime Minister. This makes three minority governments in a row. However, the last two Conservative governments have been able to behave as if they held a majority, because of the cowardly complicity and behaviour of the Liberal Party of Canada, which is supposed to be the official opposition. Over the past three years, they have become the official abstention party. The Liberals believe that if they do nothing, sooner or later they will be in office again. That is their main concern. They tell themselves that sooner or later it will be their turn.

So, a lack of principles, a lack of credibility and a lack of consistency. That is the problem with the Liberal Party and that is why we in the NDP are the only real, credible, fierce and reliable opposition fighting against the Conservative government and its attacks on rights, namely the rights of women, of unions and of the most vulnerable people in our society. Thank goodness the New Democratic Party is here to stand up for Canadians.

[English]

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I listened with much attention to the remarks of my colleague from Outremont. He addressed an issue of some substance, but I am

surprised by his apparent opposition to a national securities regulator.

I was hopeful this issue might actually be one on which the NDP and the Conservatives might agree. I notice that we have had very strong support on this issue from national unions such as the Canadian Labour Congress and the National Union of Public and General Employees; from the somewhat left-leaning *Toronto Star*; from an NDP caucus leader, the member for Winnipeg North, who said she thought it was a worthwhile goal; and from the leader of the NDP himself, who told the Toronto Board of Trade that he would like to see us moving toward a national regulator.

My question for the hon. member for Outremont is this: whose position is the position of the NDP? Is it the member for Outremont, the leader, or the member for Winnipeg North? Who speaks for the NDP on this issue, and what is the NDP's position on a national securities regulator? Will the NDP support a national securities regulator?

• (1200)

Mr. Thomas Mulcair: Mr. Speaker, Canada was moving toward a passport system. Under this system the provinces would work together, because it is a matter of provincial jurisdiction, and we were getting the job done.

This attempt to centralize and to dictate from Ottawa on securities is a mistake. Historically, the federal government has had responsibility for criminal law, for banking and negotiable instruments, and for competition legislation. We have something called the Office of the Superintendent of Financial Institutions. The member should have been in committee with us last year when we were asking this officer what had been done with regard to asset-backed commercial paper; the answer was "nothing", so the problem is that in areas of its own jurisdiction, the federal government has traditionally done nothing.

In the meantime, Vincent Lacroix is behind bars for 10 years in Quebec for fraud because of the rigorous and constant application of securities statutes in the province. It takes away nothing from the federal government in its ability to work. It does not stop the provinces from coming together. The federal government can play a role of facilitator in that. All sorts of things can be done, but that is not what this is about.

The opting-in provisions in what is being proposed by the current Minister of Finance will be worse in terms of a result than what exists now. People simply will not know who the regulator is. Traditionally, if you look, all the prosecutions under the sponsorship scandal were carried out by the Quebec provincial government. There were none by the federal government. Vincent Lacroix is the object of hundreds of criminal prosecutions, while not the first hour of the first day of the first trial on the first charge by the federal government has even been held. That is the reality of the federal government's lousy track record—

The Deputy Speaker: Order. Questions and comments.

The hon. member for Drummond.

Business of Supply

[Translation]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, I have listened to the very important speech by my hon. colleague from Outremont. He told us about the weakness of the Liberals' principles as he sees them and as I also see them. The Liberals are in fact so weak at the moment that they are part of the Conservative-Liberal coalition where they are no more than a pale copy of the Conservative Party.

Our friend and colleague from Bourassa has just told us about the poor who will be suffering the effects of the crisis, and yet in the same breath he agreed to \$1 billion for Quebec being slashed, something that will create more poor people and make their lives even more miserable. He also told us, on the other hand, about the weakness of the Conservative Party's budget. That budget would not even exist if there had been no threat from a serious coalition. That threat was based solely on the real, specific and costed plan presented by the Bloc Québécois, the only real plan that was put forward before we started talking about a budget in Parliament.

My colleague is talking to us about the underlying principles of the NDP that everyone in Canada should be glad to know exist. But we too have principles, and we have something the NDP does not have: we have a plan. Where is the NDP's plan?

Mr. Thomas Mulcair: Mr. Speaker, I did not know that. I will tell my friend and colleague that the price of an NDP membership card is \$10. I will be putting his membership card in the mail right away. We do not accept defectors, but if he wants to take out a membership card, and run under the NDP banner and have an opportunity to get elected in a riding, I will sign on to help him. That would mean that, in constitutional terms, he now shares the vision of the New Democratic Party.

In the last election campaign, the NDP published a very wide-ranging plan on the economy in general. More specifically, we are very proud to have had the best plan when it comes to clean and renewable energy. We also got extraordinary coverage on the front page of *Le Devoir* in an article by Louis-Gilles Francoeur. We have a plan. If he wants to join us, we will be happy to have him.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I will be sharing my time with the member for Joliette.

I intend to raise once again in this House two points that are vital for Quebec—the unilateral amendment of the equalization formula and the Conservative government's intention to proceed with its plan for a national securities commission.

First off, when the budget was tabled, we learned, as did our colleagues in the National Assembly, that the federal government had unilaterally amended the equalization formula to the detriment of Quebec—and unilaterally is what hit hardest, because the federal government was acting on its own after agreement had been reached on an equalization formula. This decision, taken without consultation, will be devastating to Quebec's financial health. Amending the equalization formula will cost Quebec \$991 million as of next year.

Next, the budget confirms the federal government's intention to carry out its plan to establish a national securities commission, which had been rejected unanimously by everyone in Quebec involved in politics and the economy. The creation of this commission will

threaten the survival of Montreal's trading activities to the benefit of Toronto's.

These measures are not in the interest of Quebec. They mean a loss of revenue for the Government of Quebec and a loss of trading activities in Montreal. All Quebec MPs must lobby to prevent the Conservative government from weakening Quebec yet again.

Unilateral amendment of the equalization formula, apart from intruding on Quebec's jurisdiction, will deprive us Quebecers of the most vital of services. The cost of health care and education is skyrocketing. A total rewrite of Quebec's budget affects us dramatically. Equalization enables the Government of Quebec to provide a whole range of front-line services, including income security and a number of other social programs.

The fiscal imbalance means that the money is in Ottawa, and the need in Quebec. When finances tighten in Ottawa, Quebec and the provinces feel the effect because the federal government is unilaterally setting the rules for equalization to suit its own interests and not those of Quebec and the provinces.

So, while Ottawa cares for no patients and does not educate Quebecers, the Government of Quebec has to deal with the spending, which is vital to Quebec and its economy. And so the major changes to equalization will cost Quebec \$1 billion as of next year. The amendments contained in the budget implementation bill were decided by the finance minister without warning, consultation or sharing of relevant information with the finance ministers of Quebec and the provinces. The Government of Quebec has made clear its opposition to the proposed changes.

In this regard, I would like to quote Marcelin Joanis, a professor at the University of Sherbrooke's department of economics. He wrote the following in this month's edition of the *Options politiques* journal:

In a federation like Canada, where the provinces have exclusive constitutional responsibility over such strategic economic levers as health and education, it is no longer acceptable to have the provinces' financial situation at the mercy of the federal government's whims whenever a crisis surfaces.

In the current economic context, the last thing Quebec needs is a federal government that wants to once again offload its problems onto the provinces. The fact that the federal government can decide to amend the equalization formula without consulting the provinces is evidence that the real issue, namely the fiscal imbalance, is not settled. We must really talk about income stability. One wonders how the Quebec government can have budgets that make sense when—after negotiations had taken place to determine the equalization formula—it is faced with a situation that has changed so much that it can no longer fulfill its responsibilities.

• (1205)

Let us not forget that equalization payments are not a gift. It is a process which, to some degree, corrects a reality, namely that Ottawa collects way too much taxes for the services provided, while Quebec does not have the financial leeway of a sovereign state but must still provide essential services such as health and education.

Business of Supply

Until Quebec becomes a sovereign state and is the only one collecting taxes on its territory, the Bloc Québécois proposes that transfers to the provinces be replaced by the equivalent tax room. That is the only way to protect Quebecers from the whims of Ottawa.

As regards the establishment of a national securities commission, that idea was unanimously rejected in Quebec. The federal government is once again showing its urge to interfere in a Quebec jurisdiction, namely securities regulation. As with equalization, Ottawa is using the economic crisis to justify these unilateral decisions that go against the best interests of Quebec. As was the case with amending the equalization formula, the Quebec National Assembly was unanimously opposed to the establishment of a national securities commission based in Toronto. To centralize in Toronto all financial activities taking place in Canada is unacceptable to Bloc Québécois members.

It is unacceptable that a formula which works very well according to the International Monetary Fund should be modified. Our passport system is effective and efficient. It allows us to benefit from regulatory competition. Why change something that is working so well?

This House recognized the Quebec nation. It is incoherent for the federal government to recognize on one hand that Quebecers form a nation and, on the other hand, to take away from Montreal, their economic and financial capital, and to weaken it for the benefit of Toronto. Any self-respecting nation would vigorously defend its financial and political capitals. This double talk from the Conservative government is absurd: we recognize you as a nation, but we will take away one by one your powers and your economic development levers.

In conclusion, this opposition day is obviously one of the very few opportunities we have to express the unanimous position of the National Assembly of Quebec, as well as Quebecers it represents, on equalization and on the creation of a national securities commission. The Conservative members of Parliament from Quebec follow blindly the position established by their party, even if it goes against the best interests of Quebec, as is the case with equalization and with the creation of a national securities commission. At the same time, the Liberal members of Parliament remain seated and accept the government position, except of course the ones who are lucky enough to be members from Newfoundland and Labrador.

The Bloc Québécois members are the only ones who dare speak up for Quebec in this House. To unilaterally amend the equalization formula and to create a single securities commission goes against the interests of Quebec as a nation. This is the reason why we strongly oppose these two measures. I urge all members of this House to vote in favour of this motion from the Bloc Québécois.

•(1210)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to my hon. colleague on the issues of equalization, but the other part of this motion concerns the need for a securities regulator. The examples that I have heard from the Bloc today have not really explained any real commitment at the provincial levels to ensure that investors are protected against stock

fraud, not that I believe for a second that the Conservatives have a very clear plan. But the issue has to be addressed.

We have to look no further than the issue of Bre-X, which I brought up earlier. This stock fraud was set up on one of the smaller stock exchanges in Calgary. It moved onto the TSX. Six billion dollars in investments were defrauded through Bre-X and at the end of the day, the RCMP shrugged and said it could not launch an investigation. de Guzman jumped, was pushed or took a parachute to freedom. Walsh took off to the Bahamas and then later died. Felderhof, who was the chief geologist, was finally charged with insider trading. He was the guy who was seeing the gold samples and yet the Ontario securities regulator could not bring any charges and convict him. At no provincial level were the investors protected. How will the investors be protected in a time of economic uncertainty if we just maintain this patchwork of services?

•(1215)

[Translation]

Ms. Paule Brunelle: Mr. Speaker, I thank my colleague for his question.

First of all, we can take specific cases. The Commission des valeurs mobilières du Québec is doing its work well, and the Canadian system is functioning well. On this subject we must refer to specialists, such as the International Monetary Fund, which has examined our system and found it to be mature, evolved and well managed, declaring that Canada has established a very effective and virtually unified regulatory and control system, and that its system for regulating the securities markets shows that principles have been largely implemented.

What is more, in 2006, the OECD ranked Canada second in the world for the quality of its securities regulations, as did the 2006 study by the National Bank. So the system is working well. Why change a system that is working properly to enrich the Toronto Stock Exchange?

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I very much appreciated the speech by my colleague from Trois-Rivières, who is as clear as ever. I have one brief question to ask her. Is it not a little surprising that it has been decided to include in Bill C-10 implementing the budget a clause establishing a securities commission?

Is this not the vengeance or influence of the Ontario lobby, which will have the support of the Conservative members from Quebec? In the end, there was no connection to the economic crisis, as was recognized by the OECD and by the person responsible on the committee that introduced the bank papers solution. Are we not faced here with a situation where the federal government, both Conservatives and Liberals, has decided to take advantage of a budget implementation act to propose a centralizing motion? Is this not a very concrete example that here only the Bloc Québécois is defending the real interests of Quebec?

Ms. Paule Brunelle: Mr. Speaker, I thank my colleague for his question.

Business of Supply

There is one thing that strikes me. I was elected in 2004, and not a week goes by in this House when some attempt is not made to intrude upon Quebec's fields of jurisdiction. We must constantly be defending our existence. I want to say that life is very difficult when you are a woman, a francophone and a sovereigntist.

My colleague is completely right when he says that they want to use the budget to saddle us with a national securities commission, possibly with some deals underlying this whole new system they want to bring in. One wonders how this can be foisted off on us with no justification. I wonder if the old tactic of "divide and conquer" might not be in play here in this House.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I would first like to thank and congratulate my colleague from Trois-Rivières on her speech, which allowed all of those listening to us to understand why, on this opposition day, the Bloc Québécois has chosen to speak about the motion before us, which is as follows:

That, in the opinion of the House, the government should immediately renounce two measures contained in the recent budget:

- (a) establishing a national securities commission, because establishing such a commission would constitute an intolerable intrusion into Quebec's jurisdiction, and the current passport system functions very well; and
- (b) unilaterally amending the equalization formula, since the Prime Minister, in a letter to the Premier of Quebec dated March 19, 2007, promised that transfers to the provinces would be predictable and long term, and should also comply with the government of Quebec's request to give the revenues generated by Hydro-Québec's transmission and distribution activities the same treatment, regardless of the equalization calculation, as that given Hydro One's revenues.

As the member for Trois-Rivières mentioned, it is difficult for the Bloc Québécois to understand and admit that there are members from other political parties, representing Quebec, who do not support this motion.

As a reminder—it has been stated, but it is important enough to repeat—in January 2009, not long ago, a few weeks at most, the National Assembly passed a unanimous motion expressing Quebec's demands. It was unanimous, supported by both the federalist parties, the Quebec Liberal Party and Action démocratique du Québec, and the sovereigntist party, the Parti Québécois.

I would remind the House that in the National Assembly's unanimous motion, there were two paragraphs that are reflected in the motion we have moved. I will read them in the order they appear in the motion that was passed by the National Assembly in January 2009:

That it [the National Assembly] demand that the Federal Government maintain the equalization programme that is currently in place...and that it reiterate its firm opposition to the Canada-wide securities commission project.

It is a bit difficult to understand how Quebecers, parliamentarians, who, in theory, represent Quebec here can vote against the motion tabled by the Bloc Québécois, which is universally supported in Quebec. I see that as additional proof that only the members of Bloc Québécois, such as the member for Trois-Rivières, are truly in this House to defend unconditionally the interest and values of Quebec. However, those members will have to make their explanations to voters and to the members of the National Assembly.

Regarding the first part of our motion dealing with the national securities commission, in constitutional terms, this issue is very clear. We know the Canadian constitution goes back to 1867 and that in certain fields there have been so many changes that there could be

grounds for a debate among constitutionalists. The Supreme Court could also be called on to rule on subjects such as telecommunications, for example. It is clear that in 1867 that question never arose. In our view, it is very clear that this is an extension of Quebec's jurisdiction in the field of culture. Unfortunately, as is too often the case, the Supreme Court has spoken in a way that leans toward the Canadian federal position.

However, it is expressly stated in the Canadian constitution that securities fall within the jurisdiction of the provinces and of Quebec. Moreover, it is hard to understand how a Conservative government that sometimes, although less and less, boasts of a federalism of openness, could move straight ahead with a proposal that goes against not only the Canadian constitution—once again, it is clearly stated in the provisions of the Constitution of 1867—but also against public opinion in Quebec.

I have mentioned the motion adopted by the National Assembly, but the great majority of the Quebec business community is also against this proposal for a national securities commission. I have heard what the directors of the Mouvement Desjardins, for example, think about it. Obviously, the directors of the Autorité des marchés financiers, which includes our Quebec securities commission, have also explained the reasons for maintaining the current system.

● (1220)

The passport system, for example, has proved its worth. External evaluations by the OECD and the International Monetary Fund have confirmed the good reputation of all the systems in Quebec and Canada. I recall that in 2006 a study by the World Bank and Lex Mundi ranked Canada in third place in terms of protecting investors, while the United States and the United Kingdom ranked seventh and ninth, respectively. In its 2006 report, the OECD also ranked Canada second in security regulation, ahead of the United States, the United Kingdom and Australia.

So enough of telling us that the current system is inefficient. The passport system, which perhaps ought to be further developed, responds fully to the needs of investors and companies that need to deal with those structures.

This is nothing but an excuse. Once again, the Conservatives are using this excuse, as they have on other issues, in the current economic crisis to give the impression that a national securities commission could have prevented things. They are insulting people's intelligence. People are not stupid, particularly people in Quebec.

In July 2007, not many people could have imagined that the financial crisis would grow to these proportions. Let us not delude ourselves into thinking that a Canada-wide commission would have done any better. On the contrary, we can see that in centralized systems, the effectiveness and enforcement of the regulations have by no means been proven.

Business of Supply

Another factor, and one of the hobbyhorses often raised by the Minister of Finances, relates to the costs associated with the securities commission system we have in Quebec and in the provinces with that system. That system is entirely consistent with the Canadian Constitution. So then we are told that the costs are the problem. In 2002, the direct costs of regulation, per million of capitalization, were \$145 in Canada, compared to \$141 in the United States. So we see that in terms of value for money, the present system serves us better than a centralized system.

It is very clear in this regard. The Minister of Finance is acting solely in the interests of the Bay Street financial community. He wants to make sure that the entire financial world is concentrated in Toronto and controlled by Toronto. That would be extremely damaging for the Quebec economy. I will give you an example.

Imagine that this Canada-wide securities commission had been in existence at the time of the merger between the Montreal Stock Exchange and the Toronto Stock Exchange. The Toronto financial community would have been judge and jury in its own trial, in that case. Would we have been able to get what we got—conditions imposed to ensure that the Montreal Stock Exchange continued to develop its activities alongside Toronto's? No, the fact that we have the Autorité des marchés financiers québécois, a Quebec securities commission, meant that we were able to study the transaction and attach certain conditions that would never have been attached, and make no mistake about that, if we had had a Canada-wide securities commission. In our opinion, there is every reason to preserve the situation as it now stands.

I will conclude with the equalization question, which has been mentioned several times. The March 19 letter from the Prime Minister of Canada is very clear on that subject. I would like to respond to the Minister of National Revenue and Minister of State for Agriculture. He says that if Quebec were sovereign, we would lose \$8 billion in equalization. In fact, we would lose that \$8 billion, but we would gain \$50 billion in income tax, which would flow back into the public purse in Quebec. We would no longer need equalization and transfer payments from the federal government. We would therefore come out a long way ahead. For that reason, more and more Quebecers think that sovereignty is the solution of the future for Quebec.

• (1225)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I agree with certain elements in my colleague's speech. However, I do not believe this is an economic stimulus package. It seems to be an ideological cattle prod aimed at attacking women's equity rights, the environment and even student loans.

My question for my hon. colleague concerns the issue of the regulator. I do not believe the people sitting across the aisle have any real commitment to corporate accountability. They have never shown any in the past.

However, there is the issue of widespread corporate fraud. My hon. colleague can make it an issue of Montreal versus Toronto, but the one thing that all these security regulators have in common is the free passes they allow for dodgy companies to pick and choose where they want to go.

One of the big problems we see in Montreal is that it is the home of the derivative market, which is highly unregulated. It has been called the weapon of economic mass destruction. We do not even know how much effect it has because it is so unregulated. There is a need to address this in order to give consumers and investors confidence.

I have not heard from Bloc members how they would ensure that confidence is guaranteed. Just because it is sits in Montreal does not give an investor confidence.

• (1230)

[Translation]

Mr. Pierre Paquette: Mr. Speaker, when the two exchanges merged, a few years ago, it was agreed that derivatives would be traded in Montreal. A derivative is not necessarily more risky, as a financial product, than any ordinary stock. Who would have thought that stocks from GM would be worth as little as they are worth now and that the company would be on the verge of closing down. In that sense, I do not think that the products traded at the Montreal Exchange are more problematic than the ones traded in Toronto or at any other exchange. It will be necessary to have international regulations to better evaluate the risks associated with new assets created by the financial system. The control will certainly need to be tighter than it has been for the past 25 to 30 years. We totally agree.

Unfortunately, one must recognize that the Conservative government is going against the flow of ideas presently discussed at the international level. I think namely of tax havens. Large countries in Europe have agreed to strengthen the rules, in order to restrict the use of tax havens, while the minister of Finance, in his budget, said that he is backing off on a previously announced measure, which aimed at restricting the use of tax havens. This is absolutely outrageous.

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I will be splitting my time with the member for Mississauga—Erindale, who has done an exemplary job. Although he is a new member to the House, he joins us in the finance committee and brings a tremendous wealth of knowledge. We enjoy having him there. We enjoy the expert advice that he provides. His constituents should feel privileged to have him as their representative in the House. Whenever the next election may be, we look forward to more Conservatives joining us from the great province of Ontario.

From the onset, in the 360-page 2009 budget document it would be inconceivable for there not to be disagreement in the House on many initiatives contained within those pages. However, that should not distract members from remembering the majority of initiatives in the budget have received overwhelming support across Canada, including in Quebec.

While the Bloc Québécois will launch attacks chalked full of excessive hyperbole and mock outrage about the budget, I want to add a positive note to the proceedings here today. In their rush to condemn the budget as loudly and frequently as possible, it might have alluded our friends from the Bloc that a lot of people in their own province really liked it.

Business of Supply

I wonder if, before condemning the budget, the Bloc actually read it and truly listened to the reactions of those in the province it claims to represent.

Did it listen to Laval Mayor Gilles Vaillancourt, who praised the budget as “an appropriate response to the situation we're living through”?

Did it listen to Robert Coulombe, head of Union des municipalités du Québec and Maniwaki mayor, who proclaimed it “extremely encouraging”?

Did it listen to Jean Perrault, president of the Federation of Canadian Municipalities and mayor of Sherbrooke, who heralded the budget for taking “concrete action to create new jobs, fight the recession and invest in a safer, greener, more competitive Canada”?

Did it listen to the Conference of Rectors and Principals of Quebec Universities that applauded the budget as it “will assist universities in catching up on a portion of their accumulated deferred maintenance, and contribute to efforts...to stimulate a rapid economic recovery”?

Did it listen to what the Board of Trade of Metropolitan Montreal said when it declared the budget was “on target with measures designed to support companies, including easier access to credit, tax breaks, and tariff relief to stimulate investment”? The list goes on and on.

We could literally spend all day reading the positive reactions in response to budget 2009 in Quebec, reactions that the Bloc has apparently not heard, read or seen. What, pray tell, incredulous Bloc MPs are now wondering caused such a glowing reaction to budget 2009 in la belle province? Again, we could literally spend all day answering such a question, but let me, in a most succinct and expedited fashion, attempt to educate the Bloc members across the way in my time remaining.

As we all know, budget 2009, Canada's economic action plan, will inject almost \$30 billion in timely stimulus, equivalent to 1.9% of our GDP, into the Canadian economy this year.

Quebec, like all provinces, will benefit from this plan. Quebec will receive its share of \$4.5 billion over two years for infrastructure projects such as roads, water and sewer system upgrades across the entire province. The plan also accelerates payments up to \$75 million over two years for additional infrastructure projects.

The people and businesses of Quebec will see the federal government take less of their money, with action to keep EI rates low for 2009-10 and tax relief of \$4.2 billion over the next five years, significant and broad tax relief ranging from increases in the basic personal amount, enhancements to the working income tax benefit, a \$1,000 increase in the age credit, a temporary home renovation tax credit, along with targeted measures to support manufacturers and small businesses. Indeed, it is estimated that the temporary home renovation tax credit alone would save eligible Quebec taxpayers \$553 million over two years.

• (1235)

Moreover, we are also investing billions in quality social housing, a move that would further stimulate the construction sector while

also enhancing energy efficiency and providing a hand-up for low-income Canadians.

We are taking action to improve access to financing for businesses to obtain the resources they need to invest, grow and create new jobs and give consumers the adequate financing that they need. This is in addition to significant action we are taking to support businesses and communities with new assistance for sectors, such as forestry and manufacturing, as well as the regions and communities that depend on them.

We are also helping those hardest hit by the economic downturn by enhancing employment insurance and providing more funding for skills and training, including for older workers.

Other initiatives that would specifically benefit Quebec include: over \$400 million to VIA Rail Canada to support improvements to the Quebec City-Windsor corridor; over \$200 million to rehabilitate one of Canada's busiest bridges, the Champlain Bridge in Montreal; \$2 million to develop a plan for the future of the historic Manège Militaire in Quebec City that was sadly ravaged by fire last year; millions for infrastructure to promote international cruise ship tourism along the St. Lawrence and Saguenay rivers; as well as millions for repairs, construction and reconstruction in three harbours in the Gaspé region. The list goes on and on. We could spend all day on it.

Having interjected that positive note into today's debate, I must now turn my attention to the Bloc's motion that would have us renounce a budget many Quebeckers are quite fond of, and what is worse, would do so on an exceedingly weak and flawed basis.

First, the assertion that transfers to Quebec have been, or will be, cut is utter and complete nonsense. Even a cursory examination of the figures quickly reveals this is not a credible position for any reasonable individual to take.

Under our Conservative government, total transfer support to Quebec is at an all-time high and will continue to grow. It currently stands at more than \$17.6 billion, nearly a third of federal major transfer support to provinces, significantly greater than Quebec's share of Canada's population. In 2009-10, Quebec will receive over \$8.3 billion in equalization, an increase of 74% over the last year of the previous Liberal government. This is the largest among equalization receiving provinces. What is more, Quebec's equalization payments as a percentage of the province's GDP is now at the highest level since the early 1980s. It is at an all-time high as a share of Quebec's program spending.

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Second, the idea that the budget would be an intolerable intrusion, and I quote when I say that, into provincial jurisdiction with respect to securities is also just a myth. If one actually read the budget, one would clearly see we have pledged to enhance Canada's securities regulatory framework by working with willing partners to establish a Canadian securities regulator that respects constitutional jurisdiction, regional interests and expertise. I underline the word "willing".

We have all heard the arguments in favour of improved security regulations, and I will not repeat them here today. However, I will quote from *The Globe and Mail*:

[I]f there had been a single national securities commission in Canada...the Caisse de depot...might not have suffered grave losses on ABCP [asset-backed commercial paper]... [T]he core economic interests of all provinces would be better served by national unity and a national investment marketplace.

In conclusion, I urge all members to actually read the budget, listen to the wonderful reaction we are hearing to it and vote no to this motion and yes to the positive document called our budget.

• (1240)

[Translation]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I find it interesting that our colleague would speak to us about the budget. If so many people find the budget so good and so perfect, then why does it talk about 0.7% of GDP when the IMF is telling us to invest 2% of GDP?

It so happens that 2% of GDP is a lot more than 0.7% of GDP. This 0.7% of GDP represents \$20 billion when it should have been \$40 billion. The government needs to double the amount already invested. If it wants to have a budget that it is in line with what the IMF has asked us to do, it will have to invest another 1.4%, which means it has to double the amount already invested.

The Americans have already invested 2.7% and we are just the poor cousins with 0.7%. The government says it has done a good job and presented a perfect budget, but it is missing 1.4% and twice the amount of money.

Can my colleague tell me when the government will invest the other 1.4% that the IMF is asking our country to invest?

[English]

Mr. Ted Menzies: Mr. Speaker, the math the hon. member is doing is rather flawed. I think that I spoke about the increases in equalization.

The one thing I did not also refer to is the fact that this Conservative government has committed and continues to be committed to increasing health transfers to the provinces at 6% and social transfers to all the provinces at 3%. We have chosen not to allow the brunt of this recession to be borne by the provinces. We on this side of the House do treat all provinces equally.

[Translation]

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, I would like to ask a question of my colleague, who gave a good summary of what should not be done in Quebec. But what grabbed my attention the most was the last point he raised in his speech, and I would like him to tell us a little bit more on that.

Tomorrow there will be a statement by the Caisse de dépôt et placement regarding the loss of \$38 billion. This was money invested by Quebecers in the Caisse de dépôt et placement.

My colleague could share his thoughts on that. According to the *Globe and Mail*, this great loss might have been avoided had we had a national securities commission. In this case, these people were named by the Parti Québécois and the Liberal Party.

• (1245)

[English]

Mr. Ted Menzies: Mr. Speaker, at committee in the last session we heard some of the terribly disturbing stories of those who were impacted by the frozen assets in asset-backed commercial paper. There were some sad stories. Some suggested their brokers did not even tell them that they were invested in asset-backed commercial paper.

These are the sorts of things that are part of a common securities regulator. Although it has been expounded upon here that we will work this across the country on a voluntary basis, the Bloc members are fighting that. In fact, we had people, probably their constituents, telling us that they were not protected but suggesting that they may have been protected. If there is any chance that we can protect investors in this country, we owe it to Canadians to make sure that we do everything possible to protect their investments.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, again, the question I have for the Conservative Party is, if we do move to a common securities regulator, what steps will there be to ensure that it actually has teeth so that it can go after the corporate hucksters who have been moving from one location to another? With the derivatives and penny stock scams, Canada is known as the wild west.

Mr. Ted Menzies: Mr. Speaker, I am taking that as support from the NDP members and we welcome that. Although they did not read the budget, I guess they heard through osmosis that that is actually part of the budget. We welcome their support.

We think that a common securities regulator will provide the mechanisms to deter the bad practices of which the hon. member speaks.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Mr. Speaker, as a lawyer involved in corporate finance in Canada for 25 years, I can say that contrary to the Bloc motion, the current passport system does not function very well. Such a statement is naive and would only be made by someone unfamiliar with the corporate finance business.

Each year many Canadian companies and foreign companies choose not to raise funds on the Canadian public capital markets because of the expensive and cumbersome multi-jurisdictional securities regulatory process. I know from first-hand experience that hundreds of millions of dollars of capital funding business are lost each year to the Canadian investment industry because we do not have a single national securities regulator.

Frankly it is an embarrassment and it costs us jobs, excellent, high paying, high value added, tax-revenue-generating jobs. The spinoff effects of these lost opportunities are very significant to our economy.

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In my view, the government's economic action plan provides much needed stimulus to our nation's economy that is timely, targeted, temporary and cost effective. I believe that the measures contained in our plan will lay the foundation for long-term growth.

As we all know, Canada is facing the domestic effects of an unprecedented global financial crisis. Our financial institutions, while strong and sound by international standards, face the double jeopardy of an unavailability of liquidity to provide much needed loans to business and a short-term negative economic forecast which causes them to hold back in making the loans and investments that Canadian business requires.

Credit-worthy Canadian businesses cannot access necessary sources of debt and equity to operate in a normal course and make the types of investments that will enable them to enhance their competitiveness and operate in a more environmentally sustainable way.

Hard-working families are justifiably worried about their jobs and financial security, and accordingly, are cautious about spending and incurring debt.

These are truly extraordinary times. This is not a normal economic downturn. Despite the fact that Canada's economy is in relatively much better shape than any G7 nation, thanks in large part to the previously implemented economic and fiscal policies of this government, we must take extraordinary steps now to offset the domestic effects of the current crisis in world financial systems.

Given Canada's very favourable debt to GDP ratio, we have an opportunity now to borrow modestly at historically low interest rates and put that money to work for all Canadians to soften the impact of a financial crisis created beyond our borders and to help our economy emerge stronger, more competitive and a leader in cutting edge technology in industries.

The economic action plan is a coordinated plan which will simultaneously protect jobs through critical support for the auto industry, tax incentives for new investments in production machinery and environmental technologies, and generous enhancements to employment insurance.

It will create new jobs through immediate and strategic investments in roads, bridges, public buildings, colleges and universities, investments which will enhance the efficiency of our economy and improve the quality of life for Canadians throughout this great land.

It will maintain and create further jobs by incentivizing consumers to purchase homes and automobiles and to renovate existing homes to enhance their value and energy efficiency.

It will also protect the most vulnerable in our society by providing significant new support for training for those laid-off workers, to give them the knowledge and skills required to shift into new and emerging industries.

It will provide tax cuts for hard-working, low income Canadians and significant investments in affordable housing.

The economic action plan is proof that we listened and we delivered. The Prime Minister, the Minister of Finance and all of our

members of Parliament met across the country with thousands of individuals, businesses, municipal and provincial governments and other stakeholders. This broad and comprehensive consultation process elicited many good suggestions which are reflected in the economic action plan.

As a Conservative member of the parliamentary Standing Committee on Finance, I participated in meetings with over 45 stakeholder groups. In my home province of Ontario, I met with the Region of Peel, the City of Mississauga, local boards of trade, labour groups, charitable and social welfare organizations, and ordinary citizens at public town hall meetings. In all of these consultations there quickly emerged a consensus on broad initiatives to stimulate our economy and protect workers and the most vulnerable in our society.

● (1250)

I am pleased to acknowledge that these important and desired initiatives have been included in Canada's economic action plan.

We were advised by the Mississauga Board of Trade and many others to revise the employment insurance program to help save jobs through work sharing. We responded by extending support for work-sharing agreements by 14 weeks.

I would like to read from a press release by the Mississauga Board of Trade in which it describes how the government responded to its requests. The headline reads, "Federal budget is a positive step forward for business and economy". The statement reads:

Mississauga Board of Trade was pleased to see the federal government present a budget that took extraordinary measures to address an extraordinary economic climate.

...MBOT President & CEO, Sheldon Leiba, [said] "Now we have the confidence that the federal government has a plan and strategy in place to restore our economy and achieve long-term competitiveness".

As the city's leading business association, Mississauga Board of Trade developed a pre-budget submission that was sent to the Federal Minister of Finance and local MPs and was presented at a local pre-budget consultation meeting hosted by Mississauga-Erindale MP and Conservative member, Bob Dechert.

In his Budget speech, Finance Minister Jim Flaherty responded positively to a number of Mississauga Board of Trade's proposals—

The Acting Speaker (Mr. Barry Devolin): I must interrupt the member. It is inappropriate to use the names of members of Parliament while speaking.

Mr. Bob Dechert: Mr. Speaker, I was just reading from a press release.

In his Budget speech, [the] Finance Minister...responded positively to a number of Mississauga Board of Trade's proposals to mitigate the impact of the recession and strengthen the economy....

Mr. Leiba said:

While the coming months will continue to be tough for many residents, employees and businesses, the fact that we now see a clear strategy should help to begin restoring consumer and investor confidence. We believe it is a positive step forward.

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We were asked by employers and labour representatives to help laid-off workers by extending benefit periods to account for extra time required to find alternative work. We responded by increasing employment insurance benefit entitlements for a further five weeks.

Colleges and skills training organizations suggested that we assist workers forced to transition to new and different industries. We responded by increasing funding for training delivered through the employment insurance program by \$1 billion over two years and by investing \$500 million in the strategic training and transition fund and investing a further \$2 billion to expand facilities at post-secondary institutions.

Skilled new Canadians in Mississauga and across Canada continue to struggle with the recognition in Canada of their foreign credentials to allow them to utilize their much needed professional skills and knowledge for the benefit of all Canadians. We responded by providing \$50 million over two years for a national foreign credential framework in partnership with provinces and territories.

Business owners told us that they needed increased access to credit to continue to finance their operations in the normal course, to keep workers employed and to make new investments in competition enhancing production equipment and new technologies. We responded by providing up to \$200 billion through the extraordinary financing framework through a variety of measures to allow businesses the financing they need to invest, grow and create new jobs and by creating the Canadian secured credit facility with up to \$12 billion to support the financing of vehicles and equipment for consumers and businesses.

We were asked by the city of Mississauga, the region of Peel and community action groups to help protect the most vulnerable in our society by assisting the municipalities with the provision of affordable housing. We responded by providing approximately \$2 billion through a variety of measures for renovating, retrofitting and new construction of social housing.

I would like to read from a press release from the region of Peel released yesterday in which it describes how the government offers to support families and businesses in Peel. The headline reads, "Peel Community to Benefit from Federal Budget". The statement reads:

The federal government's 2009 budget announced yesterday offers support to families and businesses in Peel.

Canada's Economic Action Plan identifies budget measures such as the expansion of the Working Income Tax Benefit, the National Child Benefit Supplement, and the Child Tax Benefit that will support low-income working individuals and families.

"The priority areas identified in the budget are consistent with Regional Council's recommendations to the provincial and federal governments," said Regional Chairman Emil Kolb. "We are also pleased to learn of the new investment for infrastructure and remain committed to working in partnership with the provincial and federal governments to help expedite funding for our projects."

At our town hall forum in Mississauga, ordinary, hard-working families and seniors told us that they needed tax relief and incentives to help them provide for their families. We responded by delivering meaningful tax relief to low and middle income Canadians.

●(1255)

[Translation]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I listen to the eminent Conservatives telling us one after the other that a single Canadian securities commission is the best way to go. As an

example, let us say that we have a family of 12 children. They have been married and living on their own for 25 or 30 years. All of a sudden, the mother-in-law decides to manage the money of each of these families. This is what the government has in mind right now. For many years, commissions have been building up their organization in each province. Therefore, they are able to decide and make laws accordingly.

Why would we want to have a mother-in-law manage our business and interfere in our fields of jurisdiction to tell us what to do? Establishing a single Canadian commission is equivalent to that.

[English]

Mr. Bob Dechert: Mr. Speaker, in 25 years of working in the corporate finance business, I can tell my colleague that the cost of doing any capital fundraising in Canada is much greater than it needs to be and is much greater than in any other country of comparable size. This results in higher costs to the company, to consumers and to those investors.

In many cases, Canadian investors do not have the opportunity to invest in good companies that would be listed on Canadian stock exchanges simply because of this cumbersome, expensive, multi-jurisdictional process that makes it difficult and expensive for companies to list on Canadian exchanges and therefore list elsewhere. For example, they will not be able to invest in some of those companies through their RRSPs.

[Translation]

Mr. Robert Vincent: Mr. Speaker, as for the stock exchange lists, we have specialists in Quebec who can tell us what we should do. It is always more difficult when the federal government is meddling everywhere. Everything becomes so complicated. Just the feasibility study for this project cost \$150 million. Earlier today, there was some discussion about employment insurance. The program for older worker adjustment would cost \$35 million for all of Canada. Therefore, just with the money spent on the study, the program could have been offered for five years to workers 55 years of age and older across Canada, to help them make their way out of the recession. I would like to hear what my distinguished colleague has to say about this.

●(1300)

[English]

Mr. Bob Dechert: Mr. Speaker, the tax revenue that would be generated by moving to a national securities regulator, which would be in the hundreds and perhaps billions of dollars in deals that are not currently being done in Canada, would provide significant more funds for things like employment insurance and all the other programs that we find so important and want to deliver to our constituents.

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Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I took the opportunity to look on the web and I found an article by Jack Mintz who has advised the government on a number of occasions. I think he tends to concur with the member's argument to some extent. He indicates that to have a regulator in P.E.I., which is about the size of Red Deer, et cetera, does not make a lot of sense but that the synergies and things that businesses can learn and benefit from the integration of a securities regulator.

I wonder if the member would care to give another example of some of the benefits to businesses and therefore to Canadians.

Mr. Bob Dechert: Mr. Speaker, by concentrating the regulatory process in one national securities regulator there would be a lot more synergies between the finance business across Canada. It would be a great way to ensure we have people from across Canada who understand one system and it would make our markets much more efficient. As the hon. parliamentary secretary referred to earlier, it would make our markets safer and our regulatory requirements more enforceable if we had one national securities regulator.

It has often been stated in the financial media that some of the offences that have been prosecuted in the United States, for example, do not succeed currently in Canada but would succeed if we had a national securities regulator.

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I will be sharing my time with my colleague from Jeanne-Le Ber.

I will start by reading out the motion put forward this morning by the hon. member for Saint-Maurice—Champlain. It states:

That, in the opinion of the House, the government should immediately renounce two measures contained in the recent budget:

(a) establishing a national securities commission, because establishing such a commission would constitute an intolerable intrusion into Quebec's jurisdiction, and the current passport system functions very well; and

(b) unilaterally amending the equalization formula, since the Prime Minister, in a letter to the Premier of Quebec dated March 19, 2007, promised that transfers to the provinces would be predictable and long term, and should also comply with the government of Quebec's request to give the revenues generated by Hydro-Québec's transmission and distribution activities the same treatment, regardless of the equalization calculation, as that given Hydro One's revenues.

It should be pointed out that Quebec's National Assembly unanimously passed such a motion on the eve of the federal-provincial prebudget meeting. This goes to show that all parties represented at the Quebec National Assembly are calling for the federal government to examine the demands in that motion.

Regarding the securities regulator, I would like to make the following points. Securities regulation comes under the exclusive jurisdiction of Quebec, and the federal government has to respect that. Establishing a national securities commission would create a regulatory monopoly, which is dangerous because of how highly concentrated the regulated industry is, and cause Canada to lose the benefits from the current regulatory competition. There are few indications that such a structure would reduce direct costs. However, a system based on harmonization and mutual recognition such as the passport system has advantages that have in fact prompted the European Union to opt for that type of securities regulation.

The current passport system works very well. It allows for a coordinated approach to the enforcement of the legislation and uniform protection for investors. In addition, the current system has enabled each securities commission to develop its own approach and areas of expertise, which provides for a variety of complementary points of view on how the rules are being complied with. The system would be more effective, however, if Ontario decided to stop trying to go it alone and joined the other provinces.

The differing but complementary points of view may be more onerous, but they actually help us to detect and prevent scandals like the ones in the United States, which has had a central authority for the last few years. These scandals have resulted in social costs that are much more grievous. The current system with its 13 commissions assures investors that the rules take a variety of views into account and representatives from the small markets counterbalance those from the main markets.

These nation-wide initiatives fail to take regional particularities into account. Canada is characterized by a heavy concentration of brokerage firms and certain other key players in the financial markets, and healthy competition among the various securities commissions is therefore actually a plus. The Autorité des marchés financiers is our final line of defence against the disappearance of the Montreal stock exchange after its acquisition by the TSX. The Autorité des marchés financiers still has the regulatory authority to require the continuation of exchange activities in Montreal. The Montreal Exchange is still regulated by the AMF, which has the power to set the rules governing how the Exchange will operate, including the percentage of shareholdings.

● (1305)

In a recent study of economic outlooks, the OECD rated Canada second for its securities regulation. In addition, in a report on world financial systems, the World Bank described Canada as a leader in the securities business. As things currently stand, the securities commissions of Quebec and the provinces can all appear before the International Organization of Securities Commissions.

The Constitution states that securities are a provincial matter and every jurisdiction has the right, therefore, to appear without intermediaries. Quebec and the provinces must keep the voices they are entitled to on the international stage.

I want to speak now about the equalization formula, which is part of today's motion. The budget implementation bill includes a change to the formula for calculating equalization. Under the new formula, Quebec's increase in equalization payments will be cut by nearly \$1 billion. The change will shave \$991 million from the equalization payments Quebec will receive in 2009-10.

Once again, the federal government is dumping its problems onto the provinces. This is a patent illustration that fiscal imbalance has not been fixed. When the purse strings are tightened in Ottawa, the provinces pay the price. What is more, it is maintaining the increased transfer payments to wealthy Alberta in their entirety, while reducing payments to the less well off provinces, which is totally illogical.

The only defence there can be against Ottawa's changing moods is replacement of the transfer payments to the provinces by the equivalent tax room. The Bloc Québécois intends to continue to fight for the fiscal imbalance to be dealt with once and for all, and for the equalization ceiling to be done away with.

Right in the midst of the holiday season, the government published its changes to the way Hydro One revenues would be used in calculating equalization payments to Ontario in the *Canada Gazette*. This was done over the holidays so that it would get by unnoticed. The federal government will in future consider the revenues generated by Hydro One as corporate revenue rather than natural resource revenue.

Two thirds of Hydro-Québec's revenues come from its transmission and distribution activities, and the remainder from the generation of electricity. By refusing to give the revenues generated by Hydro-Québec's transmission and distribution activities the same treatment as Hydro One, the Conservative government is depriving Quebec of an additional \$250 million annually. The Bloc Québécois intends, as follow up to the letter sent by the Government of Quebec to the government, to call for Hydro-Québec revenues to be treated fairly.

I would like to state in closing that Quebec is not the spoiled child of Canada. The myth that Quebec gets everything and gives nothing is particularly prevalent in the west. That is, however, far from the reality.

First, if it is true that Quebec receives the lion's share of the equalization pie, this is merely because Quebec has a large population. In 2008-09, Quebec will receive the lowest transfer payment per capita.

Given that the budget unfortunately has nothing but crumbs to offer to the economy of Quebec and given that the government has recognized that Quebecers form a nation, I urge all hon. members present to support this motion to remove these two measures that are reductive for Quebec.

• (1310)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for his comments. There is a very interesting debate on the securities regulation side. Marcel Boyer, who is the chief economist for the Montreal Economic Institute, argues:

—uniform standards and regulations, provide more thorough accounting, let issuers and investors benefit from economies of scale, assume a more direct role as Canada's spokesman in the international harmonization of securities regulation and facilitate the establishment of a national tribunal in this area.

He is talking about economies of scale, learning from each other, and being able to respond quickly in times of crisis, which Canada certainly is in right now. I wonder if the member would like to comment on Mr. Boyer's argument that there are significant benefits,

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including economies of scale, to having a national securities regulator.

[Translation]

Mr. Robert Carrier: Mr. Speaker, I would like to thank my colleague for his question.

I do not share that opinion. As I said, Quebecers have a distinct culture, and this government has recognized them as a nation. Quebec's distinct nature must be preserved in a securities commission so that it can make its own rules about investment and business, so that the people of Quebec can express themselves through their own businesses. Compared to any other province that thinks of itself as Canadian, this is very different. We Quebecers want to hang on to our priorities because they work for us. This proves that we would have no trouble maintaining our existing system.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, in his speech, my colleague said that if Canada were to create a Canada-wide securities commission, Quebec would lose its voice at the International Organization of Securities Commissions.

Does my colleague think that we will be left out in the cold, just as we have been at UNESCO?

• (1315)

Mr. Robert Carrier: Mr. Speaker, that is yet another example of the government trying to silence Quebec. If we have a Canada-wide commission, Quebecers will be subsumed under the Canadian delegation and will have no voice. It will be just like it is at UNESCO, even though the government claims to have given Quebec a voice. As it turns out, we have a voice, but only if we agree with Canada. Once again, Quebec is being denied the opportunity to express itself internationally. Our ability to express ourselves will be thwarted by the Canada-wide commission.

Mr. Nicolas Dufour (Repentigny, BQ): Mr. Speaker, as my colleague was saying, we would lose our voice on the international scene.

I would like to know if my colleague agrees with me on this. If everything is centralized in Toronto like the government wants to do, would we not be losing our voice within Canada?

Mr. Robert Carrier: Mr. Speaker, I thank my colleague for this other question.

Obviously, not only would we lose our voice on the international scene, but the only reason for having a national commission is that everything would be centralized in Toronto. We will no longer have the opportunity to express our own opinion, and it is important that we not lose that.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I am pleased to rise in the House to speak to the Bloc Québécois motion put forward by the member for Saint-Maurice—Champlain. I will take the time to read the motion again:

That, in the opinion of the House, the government should immediately renounce two measures contained in the recent budget:

(a) establishing a national securities commission, because establishing such a commission would constitute an intolerable intrusion into Quebec's jurisdiction, and the current passport system functions very well; and

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(b) unilaterally amending the equalization formula, since the Prime Minister, in a letter to the Premier of Quebec dated March 19, 2007, promised that transfers to the provinces would be predictable and long term, and should also comply with the government of Quebec's request to give the revenues generated by Hydro-Québec's transmission and distribution activities the same treatment, regardless of the equalization calculation, as that given Hydro One's revenues.

I wanted to reread the motion to underscore these two aspects, which are fairly disparate, but which share a common element—they show us once again the limits of federalism. They show that Quebecers, even though they all agree, even though the 125 members of their National Assembly voted unanimously on a matter, cannot go forward and cannot build the nation or country they would like because they are restricted by a federal framework in which they are a minority.

As a Bloc MP, I will obviously continue to convince my fellow citizens that the best way to get out of that is to become a sovereign country, to become a nation like Canada. It is a big and beautiful country. It is simply not Quebecers' country and not the country where they can realize their full potential.

Since we must, let us have a closer look at the two parts of this motion and see what it means for Quebec. I will begin with the second part, the one involving the equalization formula. When we meet our electors and talk to them about our work in Ottawa, equalization is rarely the topic they find most exciting or appreciate most. To be honest, it involves a lot of figures and theory. Still, it is vitally important. In theory, this formula should allow each province to provide equivalent services and to set equivalent rates of taxation. In theory, the formula should be based on a number of principles, with the primary one providing that the provinces' fiscal capacity—their ability to tax and gather revenue—be evaluated. Those provinces whose fiscal capacity is less than the average will receive the amount of equalization that brings them up to the average.

That is the theory. The problem is that, for years, there have always been one-time agreements that stray from this principle. These agreements, surprise surprise, always penalize Quebec, no matter how you look at it. By way of example, I offer the decision to exclude a portion of non-renewable natural resources from the calculation of equalization. Once again, it may seem quite technical, but it means in simple terms that the provinces producing oil or other non-renewable resources appear poorer for the purposes of equalization calculations. And so they are entitled to more money. Conversely, provinces like Quebec, which relies primarily on renewable resources, appear richer than they are in fact. In the end, they get penalized.

This is what we explain at the end of the motion. We refer to the federal government's latest brainwave, which is to treat the revenues of Ontario's Hydro One and Quebec's Hydro-Québec differently. Oddly enough, once again, Quebec loses out in equalization payments by \$250 million.

And what does it mean for Quebecers?

• (1320)

First of all, it means that we have a system that does not take our reality into account, and second, it means that our government is unable to predict the revenues it will be receiving from the federal government. Incidentally, those revenues come from the income

taxes paid by all Canadians, Quebecers included. Equalization is not a gift, but a mechanism for redistributing the wealth drawn from our very taxes. So we find ourselves in a situation where, according to Ottawa's mood, these transfers to Quebec are going to change.

At the beginning of the previous mandate, when the Conservative government announced in this House that it had resolved the fiscal imbalance, the Bloc Québécois immediately said that it had not. First, the size of the amounts involved was insufficient, but basically, there were no tax transfers. When the people on the Séguin Commission convened in Quebec and introduced this concept of the fiscal imbalance into the public arena, they were not drawing two words at random from a hat. They called it a fiscal imbalance because it was an imbalance of a fiscal nature. The solution inevitably was to restore the balance with a fiscal solution.

In Quebec, there was therefore a unanimous demand that revenues be transferred to the Government of Quebec. They could have transferred tax points, or a field of taxation like the GST. This was not done. They transferred a sum of money and confined themselves to that. Today, with a stroke of the pen, the federal government can say that this year it is dropping transfers \$991 million below what Quebec had expected, that the Government of Quebec will have to make do with that. We saw this in 1995. The Liberal finance minister of the time slashed transfers of all kinds to the provinces. So we have always had to live with this sort of problem.

Obviously, within the current federal framework, the Bloc Québécois will continue to defend the interests of Quebecers. In the long term, the only way to fully control our financial resources is to become a sovereign country, like Canada. We must become a country that is able to participate in the world community in order to decide where our revenues will be allocated each year and to carry out long-term planning.

The second part of the motion concerned the securities issue. Once again, there is a consensus in Quebec, that is, total unanimity, from the unions to management, on the left and on the right. Imagine what you will, because everyone says and maintains that the securities commission must remain an exclusive jurisdiction of Quebec. And yet a Canadian securities commission is to be imposed on us.

No one in Quebec is fooled by the government's trick of saying that this will be optional. The choice will be clear for a foreign company coming to set up operations in Quebec, for example, a company that will have the choice between the national securities commission and the Quebec commission using passport systems. Quite possibly the other commissions will eventually wither and die. The choice will be obvious. If two regulatory bodies are in competition, the one that imposes the fewest restrictions on companies will attract the most companies. This makes no sense. This trick of saying it is optional is window dressing. The reality is that they want to make the Commission des valeurs mobilières du Québec disappear and centralize everything in Ontario, principally Toronto.

For Quebec, it means losing powers and leverage when it comes to influencing economic decisions that are important to us. In the current Canadian framework, we are nowhere near open federalism or any attempt to seek additional powers; we keep going backwards. My guess is that, sadly, this motion will not be passed, because the two main federalist parties will not support it. This motion reminds us, however, that the only choice for Quebec is to become a sovereign nation, a great country like Canada. Then, our countries will be able to work together on new bases.

• (1325)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, when members are looking at some of the background, one of the things they may not be broadly aware of is that Quebec's approach is slightly different from the situation in the other 12 regulatory jurisdictions, in that it not only deals with securities but also with parts of the Quebec financial markets. That is a difference from the other 12. However, that is not the case with regard to the banking sector. That is a federal jurisdiction, a federal responsibility, and I suppose under the member's criteria it constitutes a monopoly of regulation.

Would the member agree with the assessment that in the current economic crunch we are experiencing now, when things go wrong, it is the federal government that turns out to be the ultimate lender and the bailout? That is the problem. We cannot have it both ways. When we have a broad-based securities regulator and things go wrong, it turns out to be the federal government that has to take care of the mess.

[Translation]

Mr. Thierry St-Cyr: Mr. Speaker, that is a position few people in Quebec would support. It is true that Quebec's securities commission operates differently; that is why we want to keep it. We want to continue putting forward our unique approaches. No one in Quebec sought help from the magnanimous federal government; no one spoke out on this. This is a rather blatant example of the paternalistic federalism of the Liberals and the Conservatives. Ottawa knows best. It will find the solution to our problems.

We do not want any Canada-wide securities commission. The federal government should look after its own areas of responsibility. It has plenty to do in Ottawa; there is no need to interfere in Quebec's jurisdictions.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, earlier I compared the government to a mother-in-law interfering in her children's households, but it is even worse than that. At least mothers-in-law talk to their children, whereas the government does not even talk to the provinces to try to find out what they think about securities. I would like to read a short paragraph from Monique Jérôme-Forget:

As for the expert panel, I note that you have ignored the proposals made to you by the Provincial-Territorial Council of Ministers of Securities Regulation. In so doing, I believe you have missed a good opportunity to obtain information that would have helped you better understand the point of view of the provinces and territories. Unfortunately, I fail to see that yet another panel, whose conclusions seem predictable to us...

This expert panel cost us \$150 million, and its findings were a foregone conclusion. The government could not care less about what

Business of Supply

the provinces think. All it cares about is interfering in the provinces' jurisdictions.

I would like to know what my colleague thinks about this.

• (1330)

Mr. Thierry St-Cyr: Mr. Speaker, my friend is quite right. It shows that even though Quebec may debate and reach wonderful consensus, we are always blocked here in the House. Not because the rest of Canadians are bad people—far from it—but simply because they want to build a country in their own image, which is not the kind of society we want to build in Quebec. Now, we have to make a choice. We can choose to fight forever with the federal government, waging epic battles to try to protect what we have. I am not talking about making headway, but about not losing ground. Or we can decide to put that aside and create our own country. It will be a sovereign state that, like other countries, will negotiate how we want to collaborate with Canada.

It is incredible that we are talking about two issues that everyone in Quebec agrees on—unions and management, people on the left and the right, federalists and sovereignists—yet we still have to fight. Imagine how our society could move forward on issues on which there is not such a strong consensus. To get out of this situation, to stop constantly banging our heads against this brick wall, we have to go our own way and create a sovereign nation.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Mississauga South. I am pleased to rise here today to speak to the Bloc Québécois motion, which reads as follows:

That, in the opinion of the House, the government should immediately renounce two measures contained in the recent budget:

(a) establishing a national securities commission, because establishing such a commission would constitute an intolerable intrusion into Quebec's jurisdiction, and the current passport system functions very well; and

(b) unilaterally amending the equalization formula, since the Prime Minister, in a letter to the Premier of Quebec dated March 19, 2007, promised that transfers to the provinces would be predictable and long term, and would also comply with the government of Quebec's request to give the revenues generated by Hydro-Québec's transmission and distribution activities the same treatment, regardless of the equalization calculation, as that given Hydro One's activities.

The motion refers to a letter sent in 2007, but it is now 2009, and the situation has changed somewhat. We are discussing a 165-word motion that is absolutely meaningless. It is even more meaningless for protecting the interests of Quebeckers. The Bloc is moving such a motion in this time of global financial crisis, the day after the Standing Committee on Finance met and heard testimony from over 60 witnesses for over 10 hours, from early in morning until late into the evening. Furthermore, I must point out that not one of those witnesses said a word about the matters proposed in this motion, namely, the equalization formula or the creation of a national securities commission.

Business of Supply

This is just further evidence of the Bloc's irrelevance. They claim they are here to defend the interests of Quebeckers, but they are not even capable of defending the interests of their constituents. For example, yesterday during the Standing Committee on Finance meeting, we even heard the grievances of a former separatist, the president of the Quebec Forest Industry Council. His message was very clear. His message was that the forestry sector needs bank loans immediately.

During his testimony, he never spoke about equalization or the national securities commission. He told us that the forestry sector was the primary industry in 150 Quebec communities. None of them are located in my riding. I cannot believe that during this global economic crisis that is directly affecting Quebec, especially its rural regions, I am the one, an MP for an urban riding, who has to defend the interests of small villages and communities throughout the Quebec regions.

In this time of crisis—and I am referring here to the motion—our citizens need reassurance that their investments, their pensions and their savings are not just protected but are guaranteed to be there when needed. It is our job as parliamentarians to defend the interests of the voters.

Since I was elected, not one person has come to see me to say that the equalization formula is unfair or that creating a national securities commission is meddling in a provincial jurisdiction. But I can say that many people, from professional and other sectors, have shared their concerns with me about their investments, which are held by brokers, financial planners and other consultants, and their fears that their money is gone.

There are many examples in Quebec and elsewhere. In Quebec, we have Mount Real, Jitek, Norbourg, Norshield, IForum. And there are similar examples throughout Canada such as Hollinger and Livent. We could even include Nortel in this group.

• (1335)

How can crime on that scale have occurred in a country as developed as Canada? What can I say to my constituents who tell me that their investments have disappeared, that they had invested a certain sum in a given company and that the money has disappeared because of a criminal act? What do I say to them? That it is a provincial responsibility? I do not think that would be acceptable. To date, it has not been acceptable.

There is a problem we often hear about in this House. Investments are made for a reason, but two things are being mixed up. We cannot mix up the fact that investments and savings are losing value because of current stock market conditions and the fact that they are losing value because of bad decisions made in good faith.

There is a problem when an investment made in good faith is doomed to lose money because certain people are lacking in scruples and honesty and when investors have no choice. Most of the investing public in Canada and Quebec think, or are under the impression, that there is already a relatively respectable securities regulatory body that looks after certain areas. Securities regulators make sure that activities to raise capital by selling securities such as private investments and initial investments are properly regulated

and properly overseen. Those agencies make sure that the firms are transparent and that there is ongoing disclosure of information relevant to investors. They have to stay up to date on how securities regulations are administered and on how misleading or fraudulent conduct is prevented, and they have to detect that conduct. They also have to make sure that securities dealers have the necessary qualifications and have a good reputation and are licensed.

My support for a national securities commission comes from a vision that is different from the Bloc's. I see things from another angle. Quebec has made an enormous contribution to the rest of Canada in many areas, and the financial sector is a very important one. It is also something that we can bring to the rest of Canada.

As I said, Quebec is certainly not perfect, but Canada is just as certainly not perfect. We have seen, in the United States and elsewhere in the world, what has happened in the financial sector and in the stock markets. In fact, the stock markets have fallen because of the economic crisis and the fraud that has been committed, not just in recent weeks or months, but over a long time.

Quebec has a lot to bring to the table. Instead of fighting over who has jurisdiction, what belongs to whom, we might propose that the securities commission have responsibility for a number of things: regulation, prevention, oversight, new share issues. We could take on that aspect. Instead of holding onto responsibility for a small market, we could be responsible for all of Canada in one of those areas. We have talked about regional responsibilities. There is much to be done in that regard. There are a lot of proposals to make and Quebec has a lot to bring to that table.

Let me give the House an example relating to what would happen if the Quebec market were closed. In the past, we have seen that when there were attractive shares to be offered on the Quebec market, Quebeckers did not have access to them because demand was too high outside Quebec. So company directors do not come to Quebec to solicit investors to invest in their companies.

Today, we must not focus solely on the motion adopted in the National Assembly. Financial markets have changed considerably. There is a lot of change happening in the markets. We should work together, not just at the national level, but at the global level, the international level.

I will speak briefly to equalization, if I may, Mr. Speaker. After four years as a member of the Standing Committee on Finance, and speaking as an accountant, I have seen that right across the country, there are very few people who understand the details of the equalization formula and how it operates. I will leave you on that note. I am prepared to take questions.

• (1340)

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Mr. Speaker, not unlike his Liberal colleagues earlier, the member was not all that clear: on the one hand, members should vote against the Bloc motion and support the government on this, but on the other, the entire matter should be referred to the courts.

Business of Supply

As I said before, people did not give the government carte blanche in the election last October 14. The fact that the economy is doing poorly does not necessarily mean that we should tell the government to do whatever it wants and we will see about it later. As elected officials, we have a duty to do. The people of Quebec were very clear about what they wanted and elected a majority of Bloc members.

It is hard to understand how my colleague can justify some of what he said as a member from Quebec and as someone who voted in favour of the budget.

Mr. Massimo Pacetti: Mr. Speaker, for starters, the Bloc cannot speak for all Quebecers. There are 75 members from Quebec and a lot of different points of view.

I did not mention the courts or going before the courts. Quebec has made a major contribution to this country and has already done a lot. But we have more to offer. In regard to the national securities commission, we can share all our advantages and all we have learned and help develop a better system rather than always withdrawing in our own little cocoon in Quebec and saying we want to keep our institutions to ourselves.

We have a lot to contribute to the rest of Canada and should be proud to do it instead of always being negative.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, with regard to the equalization issue, we have to get the views of those who have been involved. One of my colleagues whom I consider to be quite knowledgeable summarized it by saying that the equalization issue is a mess. The member is quite right.

A government member confided in me that Conservative members begged the Prime Minister not to make the changes that were brought forward that affect Quebec and the Atlantic provinces.

When we get down to it, the national securities regulator issue seems to be more politically motivated and in terms of the regulatory scheme does not represent, I would think in today's current economic crisis, a significant priority for us.

I wonder if the member would care to comment on how we should proceed with thoughtful consultation with all stakeholders on the best approach, whether it be national, passport, or some sort of a hybrid.

• (1345)

Mr. Massimo Pacetti: Mr. Speaker, I would like to make a comment on the equalization issue before I answer the second part of my colleague's question. Equalization is also referred to in the motion. I did not address it at length so I would like to make a couple of comments.

As I stated, I have been on the finance committee for the last four years. Bureaucrats from finance explained to us how equalization works. I do not think anybody was able to put his or her head around it because it is so complex. A couple of people in the federal finance department understand how it works and a couple of people in provincial finance departments understand how it works. A whole bunch of university professors actually study equalization and they are quite adept at explaining it. The equalization negotiations would

probably be best left in the hands of those people. As long as it is done in good faith, Canadians will realize that equalization benefits all Canadians and no one is left behind.

I will give the House a quick example to put in context how difficult it is. With all these equalization formulas and agreements, the finance committee adopted in the supplementary estimates an additional \$234 million for an agreement that finally was finalized for Nova Scotia based on 1982 equalization agreements and separate agreements.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, having followed the debate this morning, I must admit that I have some sympathy for all sides. There have been some very good arguments. My current assessment of the motion is that the motivation of the Bloc is quite clear. It is not really debatable. The Bloc has a position on Quebec's role in Canada. When we as members of Parliament address these issues, we have to address them from a national perspective. We have to look at the best interests for all.

I agree with the previous speaker that the whole mechanics of the equalization system are currently in very bad shape. The consultative process has broken down. In fact, it has been a point of division across Canada particularly with regard to the interests of Quebec and maritime Canada. There is no simple solution to this other than good faith consultation and discussion and working out the details in the best interests of all Canadians. This is part of the federation and part of our responsibility. I will not dwell on that; it is far too important an issue to try to do it justice in the short time I have.

I want to concentrate on the common securities regulator issue. The situation now is that there is no consensus among all of the provinces. There are three options on the table. One is the status quo, the passport system, whereby there are 13 established regulators who harmonize to some extent. If one is registered in one province one can still do business in other provinces with only the single provincial or territorial registration.

The second would be to have a national one, and I will give a couple of examples of the benefits, but a unified or national securities regulator is what is being proposed by the government. There are some good arguments. I personally tend to support moving in that direction because I have been involved in this area substantially. Prior to being a member of Parliament, I was the director of finance at TransCanada PipeLines and was involved in billions of dollars of public financing. I dealt with a whole bunch of regulatory aspects with a variety of jurisdictions, not only in Canada but in the U.S.

When one gets involved in the machinations of the differences between trust indentures and regulatory regimes, the whole system gets bogged down. My apologies to the lawyers in the House, but the only people who benefit are the lawyers. They are the ones who win. It tends to be a problem.

An hon. member: That's not a bad thing.

Mr. Paul Szabo: One of my lawyer colleagues said that is not a bad thing. I respect his opinion, but I do not agree with it.

Business of Supply

This issue also has another option, and that is a hybrid solution where there is an opt-in proviso. When the provinces come in, they can decide whether or not they want to opt in and whether or not compensation becomes a consideration.

Jack Mintz is the Palmer chair in public policy at the school of policy studies at the University of Calgary. He has written on this subject and advised the Government of Canada. He has laid out some of the compelling reasons that we should move to a single regulator. Let me synthesize a couple of the points. He states:

One benefit of a single regulator is to reduce the costs. Businesses complying with the existing system in Canada face higher regulatory costs to the extent they issue securities in each province. Although not a major issue in boardrooms, companies will find it easier to comply with a single regulator rather than facing duplication and overlap among provincial authorities.

• (1350)

He goes on to say that today, because we are witnessing this global economic recession and we are experiencing financial distress, national regulators operating with global financial markets are one of the ways we can learn from each other and, in fact, defend ourselves, not only nationally but internationally in regard to the securities matter.

It is a very good article and I commend it to members.

The other article I looked at was from Mr. Marcel Boyer, who is vice-president and chief economist of the Montreal Economic Institute and Bell Canada professor of industrial economics at the University of Montreal. He laid out some of the criteria that members should keep in mind when we discuss this. I assume there will be a lot more discussions following this. He asks the rhetorical question, “Which type of system—centralized or decentralized—would help reconcile the preferences and interests of investors and issuers most effectively and at the lowest cost?” It is balancing the interests of investors and issuers of securities.

He also asks, “Which would help achieve the delicate balance between guaranteeing efficient financial markets for issuers and maintaining adequate protection for investors?”

Those are two extremely important questions. There is a balance. Some members have raised some concerns about whether it would be a monopoly situation, where we would have one regulator that effectively would constitute a monopoly, but it is a monopoly of the whole, which is kind of an oxymoron in itself.

I tend to agree that a national regulator, although there are good arguments on all sides, would bring to bear certain economies of scale.

The members from the Bloc have presented the interesting argument that in Quebec they not only deal with securities regulations, but with other parts of Quebec financial markets, except for the banking side, which is a federal responsibility.

However, the bottom line still comes down to the fact that we are suffering from a major recession induced by a credit crunch. It has been brought about by the underpricing of credit risks in asset-backed security markets. That is exactly what we are talking about. The housing crisis that started in the states and then all of a sudden the asset-backed security issue, the tremendous amount of money

that was lost and the disruption of the markets, are the kinds of things that have to be guarded against.

What really ends up happening is we have separate jurisdictional authorities dealing with the regulations for securities. However, when problems occur, who fixes them? Who is responsible for bailing out the situation? It turns out to be the federal government. That is the problem. There is no accountability at the provincial-territorial level when the buck stops at the federal government table. It is probably one of the most compelling arguments for a national regulator, particularly in the context of the current situation, and who knows how long it will go on?

Mr. Mintz concludes:

Thus, regulation will need to become broader to ensure that all parts of the financial markets are included in the net. This is an argument for smart, not excessive regulation, which is a significant risk when government overreact to recent events.

Those are my inputs. I believe members will find there is no agreement. I am not exactly sure why this issue is in the budget and in this motion. It is a matter which will have to be debated much more fully. To resolve it through the budget or to force it through in the budget is not an accountable way to deal with it. It should have been handled as a separate item.

• (1355)

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, my colleague started his speech by saying they need to see things from a national perspective when they are federalists and sit on his side of the House. That is exactly what is unacceptable in this House. Every time Quebecers elect people from federalist parties, these members are forced to adopt a national perspective and every time problems arise in which Quebec’s vision is different from Canada’s, they are forced to defend Canada against Quebec. Only the members from Newfoundland have what it takes to go against their party. In Quebec, though, they do not. When they are told to defend Canada, they do it. That is why people who are elected from federalist parties are incapable of defending Quebec.

[*English*]

Mr. Paul Szabo: Mr. Speaker, I appreciate the member’s comments, but I do not agree. People in Quebec are also Canadians.

In fact, I am proud to say that a piece of each and every square inch of Quebec is part of my Canada. A piece of every square inch of every other province and territory in our country is part of my Canada. We built it together and our job here, as federal legislators, is to keep it together.

Statements by Members

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, my question for my colleague is on equalization. The concept of equalization is to balance payments through the equalization formula against the capacity of the provincial economies. Ontario's economy, because of the weakness in the manufacturing sector, is in very serious decline.

With this complex formula for equalization, what process would the member suggest the House could use to address the complexities of the formula and to come back with recommendations?

Mr. Paul Szabo: Mr. Speaker, the previous speaker outlined some of the concerns the finance committee had discovered. There was a lack of understanding even among parliamentarians. We have examples of where even agreements that were negotiated back in the early 1980s are now only starting to come into play.

This is much more complex and it smacks of political opportunism to have dealt with this in the budget in a way which was unilateral and without proper consultation. I hate to say it, but it appears it was a bit of payback. I do not believe that at a time of financial crisis, when the jobs of Canadians are at risk, businesses are going bankrupt and seniors are losing their stake for their retirement needs, et cetera, we should be dividing Canadians on issues like this. We should seek the necessary process to bring Canadians together.

STATEMENTS BY MEMBERS

• (1400)

[English]

THE ECONOMY

Mr. John Cummins (Delta—Richmond East, CPC): Mr. Speaker, commenting on the current global economic crisis in *Newsweek*, Fareed Zakaria notes that, “If President Obama is looking for smart government, there is much he...could learn from [Canada]”.

David Frum says that it is this government “that has met this crisis best” and “it is...[Canada]...who can most truly be said to offer hope and positive change” in these difficult times.

The Minister of Finance has noted that, “we conducted the most comprehensive pre-budget consultation in history” and then “laid out an economic action plan...to help cushion the impacts of the downturn, stimulate our economy, create and maintain jobs and support those hit hardest”.

Now is the time for Parliament to act and implement the economic plan set out in the budget. As parliamentarians, we need to set the political games aside and put the economic plan to work.

* * *

RETIREMENT CONGRATULATIONS

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I wish to highlight the achievements of a dedicated and well-respected Ottawa resident and businessman, Mr. Otto Heberlein, who is retiring after four decades of service in the hotel and tourism industry.

As the city's longest tenured hotelier, he has presided over the initial opening and renovation of many successful hotels and restaurants. For 20 years, he has been associated with the Ottawa Tourism and Convention Authority, three of those as its chairman. He was recently named the 2008 Hotelier of the Year by the Ottawa Gatineau Hotel Association.

Mr. Heberlein has also been active in the local Austrian community and has served on the board of the Austrian Canadian Council and co-founded one of the region's most prestigious events, the Viennese Ball.

The hotel and tourism industry will miss his creativity, his friendly, quiet and effective leadership and the high standards he set for himself and those he led.

Our region is better off today for having had him and his family among us for the last 40 years.

We thank Otto for a job well done and wish him a happy retirement.

* * *

[Translation]

QUEBEC GAMES

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, from February 27 to March 7, the cities of Blainville, Ste-Thérèse and Rosemère will be hosting the finals of the 44th Quebec Games. Under the honorary chairmanship of that great Quebecker, Gaétan Boucher, thousands of young athletes and accompanying members of their delegations from all of the regions of Quebec will treat us to a sporting event that reflects and celebrates commitment, hard work, pushing one's limits, and achieving success.

Stakeholders in the various communities have pooled their infrastructures, their resources and their budgets in order to achieve this extraordinary regional event. I would like to focus particular attention on the efforts of the organizing committee and their commitment to make these finals an environmentally responsible event. By so doing they have set a precedent, and from now on environmental responsibility will be an essential criterion for selecting host cities for the finals.

I take this opportunity as the finals begin to join with my colleagues in the Bloc Québécois in wishing the Quebec Games organizing committee and its president, François Cantin, along with all the volunteers, and of course all the young participants, a fantastic finals.

* * *

[English]

BATHURST PHANTOMS

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Phantoms basketball team from Bathurst High School in New Brunswick won the provincial AA championship last Saturday after an impressive season.

This victory is not like the rest. It occurs 13 months after the tragic highway accident that claimed the lives of seven young people, who were part of the school's basketball team, and one teacher.

Statements by Members

In winning the provincial championship, the players of the Phantoms overcame an unbelievable challenge. They were not discouraged or defeated in the wake of this horrible human tragedy. They demonstrated exceptional courage and moral strength.

The Phantoms' victory fills us with determination and hope. The team honoured the memory of their deceased schoolmates in the best way possible. Inspired by their predecessors, they worked hard and they won the provincial championship. Could anyone have done a better job of commemorating the loss of their colleagues?

We will never forget.

* * *

● (1405)

BLACK HISTORY MONTH

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, Black History Month gives me the opportunity to recognize an extremely important Canadian historical site in my riding of Lambton—Kent—Middlesex.

Uncle Tom's Cabin commemorates the lives and contributions of former slaves on the Dawn Settlement, which was established by Reverend Josiah Henson to help provide a new beginning to those fleeing slavery.

A slave himself for 41 years, Henson moved his family to Dresden, Ontario in 1841 and fulfilled his dream to own land and help fugitive slaves.

Henson's name became synonymous with the character "Uncle Tom" in Harriet Beecher Stowe's famous 1852 novel *Uncle Tom's Cabin*, a book that brought light to the brutality of slavery.

Black Canadians have a long and honourable legacy in my riding and throughout Canada. I am proud to recognize their struggles, achievements and esteemed place in our nation's history.

* * *

QUILTING

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, I rise today to congratulate Annie Boomhour, a resident of North Bay, whose business Homestead Stitches and original quilting patterns will be featured in the May edition of the *Quilt Sampler*.

The *Quilt Sampler* is a U.S.-based publication which has been profiling North America's top quilt shops for the past 13 years. Over 3,000 contestants were asked to submit a detailed application of their history, business promotions, charitable work and design philosophies.

At just 25 years of age, Annie already has a well-established reputation for her unique sewing kits and creativity, and now her talents have helped Homestead Stitches earn recognition as one of the top 10 quilt shops in North America. Annie will be the only Canadian quilter being featured in the upcoming publication.

On behalf of the people of Nipissing—Timiskaming and all hon. members, I would like to extend my sincerest congratulations to

Annie Boomhour on being honoured for her work and wish her continued success as a business owner in downtown North Bay.

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ANTI-SEMITISM

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, just a few days ago, I was privileged to take part in the London Conference of the Interparliamentary Coalition Against Anti-Semitism where 125 parliamentarians from 42 nations gathered to discuss the rising tide of renewed anti-Semitism around the globe.

The world has already experienced Nazi and Fascist regimes which embraced state-sponsored hatred of the Jewish people and the outcome of such evil unleashed. Today we are witnessing a new and virulent form of anti-Semitism, often wrapped in anti-Israeli rhetoric. It betrays itself in extremist vitriol emanating from Iran, from terrorist organizations like Hezbollah and Hamas, and tragically finds expression even here in Canada.

The London conference attests to our need to be informed, to be vigilant, to be vocal in rejecting and condemning this violent form of racism. Canada has adopted a clear and principled position. The Minister of Citizenship, Immigration and Multiculturalism eloquently and unequivocally outlined Canada's position before the nations.

"Never again" is more than a slogan. Let us ensure that such evil finds no home in Canada, and is exposed and opposed wherever it appears in the world.

* * *

[*Translation*]

JACQUES BARIL

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, Jacques Baril, former Parti Québécois MNA and the man behind the first marine policy in Quebec during his time as minister responsible for transport in the National Assembly, was recently honoured by Les Amis de la vallée du Saint-Laurent with the title of Great friend of the St. Lawrence river.

This honour was awarded in recognition of his contributions to raising awareness of the importance of this great river, protecting it, increasing public awareness, promoting it and furthering its development.

Jacques Baril has enjoyed a productive career, among other things representing Arthabaska in the National Assembly for 23 years, and this is just one more feather in his cap, alongside other accomplishments, such as being instrumental in the creation of the Centre-du-Québec administrative region.

On behalf of the Bloc Québécois, my hearty congratulations to Jacques Baril for this honour and for his unflinching commitment to the cause of Quebec.

[English]

ANTI-SEMITISM

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, I rise today to condemn yesterday's acquittal of David Ahenakew following his trial for promoting hatred against Jews.

What Mr. Ahenakew said in 2002 was repulsive and he should have been held to account for wilfully encouraging hatred toward the world's Jewish community. This follows CUPE's anti-Semitic resolution from this weekend to boycott Israeli professors simply because of their nationality and political views.

Anti-Semitism has no place in Canada or any society that stands for our values of tolerance, respect and freedom for all individuals regardless of race or nationality.

I call on all members of the House to stand up in defence of Israel and Canada's Jewish population, and condemn anti-Semitism in all its forms.

* * *

• (1410)

[Translation]

CITY OF BROSSARD

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, as the member for Brossard—La Prairie, I am extremely proud of how the organizations and citizens of Brossard came together to help the victims of a devastating fire at an apartment building in December. The fire forced more than 30 families of modest means onto the street the night of December 12, 2008.

Today I would like to pay tribute to the remarkable work done by the Brossard Red Cross and by the Fondation Alphonse-Lepage which, with the support of many individuals and local organizations, helped these families find homes.

[English]

From the most basic of household furnishings to precious and irreplaceable objects of sentimental value, these families have found themselves bereft of homes just before the holidays. For many of them even the insurance of household goods represented an impossible expense. Being offered the immediate support and guidance of the Red Cross and the Fondation Alphonse Lepage, as well as the full extent of municipal action, was without doubt a gift of generosity they will not soon forget.

[Translation]

Everyone joined forces and responded generously to the call put out by the Fondation Alphonse-Lepage. The food donations—

The Speaker: The hon. member for Lévis—Bellechasse.

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MEMBER FOR BAS-RICHELIEU—NICOLET—BÉCANCOUR

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, the Bloc members are abandoning Quebec families, workers and seniors by voting against a budget that the Desjardins Group has stated will

Statements by Members

stimulate the economy in this time of global economic uncertainty. Meanwhile, some members of the Bloc have gone off the deep end.

The member for Bas-Richelieu—Nicolet—Bécancour barely distanced himself from verbal violence, then he sent hate propaganda by email. His latest exploit was to insult the member for Louis-Saint-Laurent yesterday during question period. His misogynistic attacks are unworthy of a parliamentarian and scornful of women. That kind of attack is unacceptable. Instead of ranting and raving, the member should have the decency to retract his statements and apologize to the member for Louis-Saint-Laurent and all of the women of Quebec.

If he really believes in respect and good manners, values Quebeckers hold dear, he should show it by standing up and apologizing in the House right now.

* * *

[English]

DRUG USE POLICY

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, people all over greater Vancouver are deeply concerned about gang violence. While tough on crime measures always top the list of potential fixes, there is a growing realization that drug prohibition policies are making the situation worse.

Alcohol prohibition did not work. Many of the same problems now associated with the drug trade were experienced in the United States during its period of alcohol prohibition. Gang violence that often caught innocent citizens, impure and dangerous alcohol sold in black markets, home stills and underground production, untreated addictions and family dislocation were all serious issues.

It took ending prohibition and implementing alcohol control policies to restore respect for the law and make progress on alcohol related social issues.

We must apply what we know to be true. We must move from prohibition to drug control regimes modelled on the experience of alcohol prohibition and control. Bold steps to confront our drug use hypocrisy and end the profitability of illegal drugs will make our communities safer.

* * *

WARREN KINSELLA

Ms. Lois Brown (Newmarket—Aurora, CPC): Mr. Speaker, another day, another embarrassment for the opposition leader at the hands of his own dirty tricks specialist, Warren Kinsella.

According to sources, Kinsella was fired yesterday from a committee of the Canadian Jewish Congress because of his misconduct. This comes just a week after Kinsella tried to bully TVOntario into cancelling a guest from a talk show, an outrageous attempt to interfere with the independence of a public broadcaster, and that is hard on the heels of catscam, Kinsella's anti-Chinese bigotry that grew into a diplomatic incident.

Oral Questions

If Warren Kinsella were just another lobbyist, his poor judgment would be his own problem, but Kinsella is a senior adviser to the Leader of the Opposition, hand-picked to run his war room.

Kinsella's thuggish antics have been approved and condoned by the Liberal Party. Given that the adscam inquiry called Kinsella's conduct "highly inappropriate", he never should have been hired by the Liberals at all.

Now that even the Canadian Jewish Congress cannot stomach Kinsella, will the Liberals fire him too?

* * *

•(1415)

[Translation]

ANDRÉ LANGEVIN

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, on Saturday we lost a great literary figure, the novelist, journalist and director, André Langevin.

The difficult experience of losing his parents at a young age marked his work, and many of his characters were orphans. His most celebrated novel, translated as *Dust Over the City*, was adapted for the screen in 1968. In 1998, he received the highest literary award in Quebec, the prix Athanase-David, awarded by the Quebec government.

His work, which addresses serious issues still relevant today, marked a turning point in contemporary Quebec literature, shifting away from the popular tendency to write about the land towards existentialist themes rooted more in characters' psychology.

André Langevin's ultimate struggle was to promote the freedom of literature, which, in his view, constituted the only authentic memory of humankind.

May his work serve to keep that memory very much alive.

* * *

[English]

PAY EQUITY

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, other than the fact that it exposed the true agenda and doublespeak of the Harper government on pay equity—

Some hon. members: Oh, oh!

The Speaker: Order. The hon. member for Vancouver Centre knows that using the name of hon. members is out of order and I would invite her to refrain from such conduct in her statement.

Hon. Hedy Fry: Mr. Speaker, other than the fact that it exposed the true agenda of the Harper government on pay equity—

Some hon. members: Oh, oh!

The Speaker: Order. We may have an apology later, but the hon. member will want to avoid this.

Hon. Hedy Fry: Mr. Speaker, other than the fact that it exposed the true agenda of the Conservative government on pay equity, Tom Flanagan's op-ed piece in the *Globe and Mail* today is a gross affront

to women's human rights. In it Flanagan demonstrates once again his regressive views on gender equality.

This is the same man who called the elimination of the court challenges program and the cuts to Status of Women Canada a "nice step". Now he says, "Equal value was one of those really bad ideas of the 1970s...[an] irrational concept...[and] is antithetical to the basic principles of a market economy".

He has forgotten that women are an integral part of that economy. Equal work for pay of equal value has been a part of the Canadian Human Rights Act since 1977 and his call for equal—

The Speaker: The hon. member for Peace River.

* * *

THE BUDGET

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, the Liberal opposition benches remind me of that Alicia Silverstone movie *Clueless*.

In the *Financial Post* this morning the member for Markham—Unionville claimed that the budget was unconstitutional somehow, but he voted for it. His boss, the Liberal leader, voted for it. The Liberals supported the budget.

The budget contains Canada's economic action plan to make sure that Canadian jobs are protected and to ensure that as a country we are in a strong position in the world economy. Despite all the myths that the Liberal member wants to conjure up, the economic action plan works for Canadians.

Despite his confusion about what the budget is, he voted for it and I think that he should work with us to build stronger communities and to make jobs a top priority. Those are good reasons to vote for the budget.

There is no reason to feel guilty about supporting this budget. Feeling guilty for being a Liberal, sure, but not for supporting Canada's economic action plan.

ORAL QUESTIONS

[English]

AUTOMOTIVE INDUSTRY

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, saving Canada's auto sector could cost upward of \$10 billion. Canadians want to know all the facts. They want to ask the companies, the unions and government some tough questions. They want the same transparency that Americans are getting from their government.

Will the Prime Minister support the creation of a special parliamentary committee to lay the facts about the auto sector and the rescue package before the public?

•(1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as the Leader of the Opposition knows, we have been in discussions with the automobile companies for some time. We are doing this in collaboration with our American partners and with our partners in the Government of Ontario. These are obviously extremely complex matters. They involve commercially sensitive information at the same time.

I understand the concerns behind the hon. member's question, and we will look at any reasonable mechanism by which we can inform Canadians about the decisions.

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, I am not quite sure how to take that answer. Do I have a yes or do I have a no?

Is the Prime Minister saying that the information in the rescue package is too sensitive to share before Parliament? Does he have a problem with parliamentary government? I would like to know.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, these are extremely complex matters. Discussions with the companies on due diligence do involve information of a private nature. At the same time, when companies are looking for the insertion of public funds, there will obviously be a public process.

We are certainly willing to sit down with the opposition and discuss ways we can make these deliberations as transparent as possible.

[Translation]

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, I have to put my question again, because the government boasts about transparency, but is short on transparency in action.

Why does the government not strike a special parliamentary committee to share basic information with the public so as to make good decisions on this issue?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, a committee of this House, namely the Standing Committee on Industry, Science and Technology, has already been tasked to do just that, and the committee is master of its own affairs.

We are working in collaboration with the automotive industry and the governments of the United States and Ontario to save jobs, create new jobs, and protect our economy. These are our objectives, and I hope that we will have the support of the opposition in pursuing these very important objectives for the Canadian economy.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, Quebec has about 125 companies in the auto sector. Between them, they employ some 11,000 Quebecers and do \$3 billion worth of business a year. These companies export over 75% of what they produce to the United States and Ontario.

What does this government intend to do for this significant portion of Canada's auto industry?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I would like to inform the House that we have received GM's restructuring plan as well as some information from Chrysler. We have not yet reached an agreement, but we are in a position to talk to

Oral Questions

this automaker and work toward a solution with our Government of Ontario partners.

[English]

We do not have any firm commitment or deal in place right now, but when we do, obviously it will have a great positive impact on Quebec firms as well as on firms throughout the country.

[Translation]

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, we have been trying to get the Conservatives to pay attention to the auto sector for nearly two years now. All across Canada, people are losing their jobs because the Conservatives do not know what to do.

They have no vision for the future of the sector. Instead of just reacting, they should be leading the parade.

Can we look forward to the government demonstrating leadership on this critical file anytime soon?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, we have shown leadership. On December 20, together with the Premier of Ontario, the Prime Minister announced our intention to work with the U.S. government to find a solution to rebuild the sector.

•(1425)

[English]

We have been active on the file since our re-election. We were active on the file even before our re-election with the auto innovation fund and other ways that we are helping this industry.

The opposition members have found the new religion, and I welcome them to—

The Speaker: The hon. member for Laurier—Sainte-Marie.

* * *

[Translation]

THE ENVIRONMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, when asked about the reference year for the fight against climate change, the Minister of the Environment has accused the Bloc Québécois of looking back to the past by referring to the year 1990. Yet that year, 1990, is the reference year for the Kyoto objectives, for the European Union, and is also the reference year for President Barack Obama.

Does the Prime Minister realize he is being the odd man out by opposing environmental protection and the economy, especially with intensity targets and using 2006 as the reference year?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I have said on numerous occasions already, it is not possible to solve the problem of greenhouse gas emissions in the past. It can always be done in the future. There are various ways of measuring greenhouse gas reduction targets. The Americans have proposed targets and outcomes very close to our own. We are in discussions with the U.S. government in order to ensure effective regulations for the North American continent.

Oral Questions

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister tells us that 1990 is in the past. I would point out to him that so is 2006. That seems pretty obvious. If he opts for 2006 as his reference year, that is because that year gives the advantage to the gas and oil companies at the expense of Quebec manufacturers.

Will the Prime Minister admit that, with that as a target, his party is serving the interests of the oil patch, which has, unlike the Quebec manufacturing sector, done nothing to reduce greenhouse gas emissions since 1990?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we are clear on this: all industries, including the gas and oil industry, must be part of the solution as far as climate change and greenhouse gas emissions are concerned.

[English]

What we see again from the Bloc is not an environment question. It is just another attempt to divide Quebecers from Albertans and from people in other parts of the country. It is why nobody seems to want to have a coalition with that party any more.

* * *

[Translation]

MANUFACTURING INDUSTRY

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, in the past four weeks, one job in seven in the manufacturing sector has been lost. In spite of his optimistic statements during the election campaign, the Minister of Finance was aware of the situation, because on page 27 of his October 2007 economic statement, he himself referred to the decline of manufacturing.

Does the Prime Minister understand that the current crisis is dealing a direct blow to an industry that has been ailing for years and that his budget is not nearly enough to help overcome this crisis?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, certainly, there are huge challenges because of the global economic crisis. This government is responding to that crisis with the Minister of Finance's economic action plan. Our plan will facilitate access to credit for businesses, it includes measures to help companies buy new equipment, it reduces taxes for Canadian families and so on. But the Bloc voted against that.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the president of the Québec Forest Industry Council, Guy Chevrette, yesterday condemned the Conservatives' indifference toward the catastrophe in Quebec's forest industry, which has lost 42,000 jobs since 2005. According to Mr. Chevrette, the government must provide loan guarantees to support the industry.

Can the Prime Minister tell us which specific provision of the softwood lumber agreement with the United States prohibits such loans? Otherwise, everyone will know that he has decided to side with the American protectionist lobby.

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, we are very aware of what is happening in the forest industry. Last week, I made another tour of the regions of Quebec, including several regions that rely on forestry. I met with a number

of forest industry managers and workers. Our government agrees with them that we must do everything we can not to threaten the softwood lumber agreement with the Americans, who are our main economic partners. Consequently, our government, which is a responsible government, will continue to support the forest industry in keeping with the agreement with our American partners.

* * *

● (1430)

[English]

AFGHANISTAN

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, there is speculation coming out of Washington today that the United States may ask Canada to extend our engagement in Afghanistan beyond 2011, and this on a day when a Department of National Defence report says, and I quote, that a military victory is unlikely.

Will the Prime Minister confirm today, unconditionally, that Canada will honour the 2011 deadline that has been adopted by this House, or does he agree with the leader of the Liberal Party, who believes that we should suggest to Secretary of State Clinton that perhaps we could stay longer?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, when President Obama was here, he made clear that he had not made any such request to Canada. I was equally clear that we are acting according to the parliamentary resolution.

I thought President Obama spoke very eloquently about the tremendous contribution that has been made by Canadian troops and Canadians at all levels in the mission to Afghanistan, and it is something that this party and we on this side of the House are extremely proud of.

* * *

OMAR KHADR

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we too were touched by the words of President Obama about our troops.

Some hon. members: Oh, oh!

Hon. Jack Layton: We hear the heckling from across the way, which I think is not really appropriate, I must say, on this serious matter.

Yesterday the American administration, the Obama administration, released its first Guantanamo detainee. He was returned after diplomatic pressure from the British government. That is quite a contrast to what we have seen from our Prime Minister with regard to the child soldier Omar Khadr.

Can the Prime Minister tell us whether he has raised this issue or asked the foreign affairs minister to raise it, and whether we are going to be recommending that he be brought here to face due process?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as we have said on numerous occasions, we have pointed out to the House that Mr. Khadr is charged with very serious crimes, including terrorism and murder. Unlike many of the prisoners at Guantanamo Bay, he is in fact charged and subject to a legal process.

We know the United States is reviewing that process. In the meantime, of course, we are providing all assistance that we are required to provide to Mr. Khadr.

[*Translation*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Supreme Court of Canada has condemned Guantanamo. President Barack Obama has promised to close the prison. The British government has repatriated its citizens and residents. But our Prime Minister is doing nothing. Meanwhile, the mission in Afghanistan is not working. The people we are supposed to be helping are holding our soldiers responsible for the death of children. They are now hurling insults at our troops. We need a new direction.

Does the Prime Minister realize that?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I believe I have answered this question. Mr. Khadr is accused of very serious crimes, such as murder and terrorism. These types of acts have caused the deaths of Canadian soldiers in Afghanistan. Clearly, the American government is revising its approach and we will react appropriately once we know what it has decided.

* * *

[*English*]

PUBLIC SAFETY

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, on the government's watch the streets of Vancouver and Surrey have become more like shooting ranges. The minister has blamed the opposition for the government's failure to act. Ninety per cent of the Conservatives' legislation on public safety has been supported by the opposition parties; the Conservatives killed the other 10%, either by calling an election or by proroguing Parliament to save their own political skins.

Why is the government misleading Canadians and then in fact failing Canadians?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I am pleased to see that the opposition has finally figured out that crime is a problem in this country and that it is a big problem in British Columbia. I wish the hon. member and his party had been more helpful in the last Parliament in getting the Tackling Violent Crime Act passed out of this Parliament.

We took the right steps to crack down on violent crime. Canadians know that when it comes to fighting crime and standing up for victims and law-abiding Canadians, they can count on this Conservative government.

• (1435)

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, the minister is engaging in phony propaganda again.

In 2006, those sheriffs rode into town slinging rhetoric and pretending to have a silver bullet for every criminal offence. However, on their watch the main streets of Toronto, Vancouver, Surrey and other cities have turned into war zones.

Oral Questions

Canadians want those bumbling sheriffs to wake up and smell the gun smoke from the streets of Vancouver to the buses in Toronto. Why will they not?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that comes from the gang that could not shoot straight.

Under the Tackling Violent Crime Act, which was fought all the way along and had problems getting passed in the other place, 14 and 15-year-olds are now better protected from adult sexual predators. Now, people who commit serious gun crimes will get what they have been asking for, which is mandatory prison time. We did that without their help or cooperation. I hope they get it now and have changed their mind.

* * *

CHALK RIVER NUCLEAR FACILITY

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, on Sunday, there was another heavy water leak at Chalk River as the minister toured the facility. An undisclosed amount of tritium was released again into the ventilation system. This is the third radioactive leak in two months.

Could the minister assure Canadians that the cause of these leaks has been determined and corrected or will she simply abandon her responsibility and ask for another report?

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, AECL, Atomic Energy Canada Limited, notified my office and the Canadian Nuclear Safety Commission on Sunday of a heavy water leak. It was also discovered at the time what the cause of the leak was and the repair was undertaken. I can also indicate that the Canadian Nuclear Safety Commission has released a statement informing Canadians that the leak had no impact on the safety or the operation of the reactor and posed no risk to the health and safety of the public, the workers or the environment.

The reporting systems we have put in place have worked and the Canadian public, of whom we are concerned for health and safety, were informed in a timely fashion.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, just weeks ago, the Minister of Natural Resources stated categorically in the House that the supply of medical isotopes was secure. Following the February 15 shutdown at Chalk River, AECL is now warning of another medical isotope shortage. The minister has clearly failed to act upon the recommendations of the lessons learned panel to ensure a plan to protect the health and safety of Canadians.

Could the minister tell the House if she still thinks the supply of medical isotopes is secure or is she doing something about the warning from the AECL?

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, while I appreciate the vigour with which the hon. member has approached the question, I must say that her facts are incorrect. The reality is that we prize the health and safety of Canadians as our utmost concern in the government.

Oral Questions

We have taken concrete steps in dealing with medical isotopes here in this country while studying the best ways to ensure we have it in the future, that, in the medium term, we coordinate with our global partners with respect to the supply of medical isotopes, and that, in the short term, we take all the steps necessary at our reactor to ensure that we are delivering these medical isotopes in a timely and safe way.

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[Translation]

RAIL TRANSPORTATION

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, studies on the construction of a high-speed rail line in the Quebec City-Montreal-Windsor corridor are moving forward. However, the Premier of Ontario has said that the federal government is dragging its feet and finds that the Prime Minister is not very keen on the project.

In view of the challenges posed by global warming and a slowing economy, why does the Prime Minister not see the economic and environmental advantages of building this rail line?

• (1440)

[English]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we are working co-operatively with the Government of Quebec and the Government of Ontario on this important initiative. Three million dollars have been allocated and recently we have awarded a contract that will update a study done in 1994.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, that is not what the Premier of Ontario believes.

The minister of transportation at the time, the current Minister of Foreign Affairs, was quick to ridicule the Bloc Québécois proposal to build a high-speed rail line between Quebec City and Windsor.

Now that Quebec City and Toronto are on board, will the government commit to supporting the project, which is perfectly suited to counteracting the current economic slowdown?

[English]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, this government will do the study first and make a decision once that study is complete.

* * *

[Translation]

INTERNATIONAL COOPERATION

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, the Minister of International Cooperation announced that CIDA is cutting six African countries from its aid list, thus reducing Africa's share of its bilateral aid budget from 70% to 30%.

We would like the minister to explain how dropping the poorest countries on the planet from the CIDA list will help improve their situation.

[English]

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, the facts are that 45% of CIDA's total budget goes to African countries and, in fact, we are on track to meeting our commitment to doubling aid to Africa a whole year ahead of the original commitment.

We are responsible in meeting the needs of the African countries.

[Translation]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, Colombia and Peru have been added to this list. We know that Canada has signed free-trade agreements with these two countries.

Are we to understand that trade interests now dictate international assistance provided by this government?

[English]

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, we want to ensure that Canadian dollars are being used responsibly. I must say that of the many countries I have visited, the slums in Peru are among the worst. There are needs among the people in Peru and Colombia and, like we serve all peoples around the world, we will also serve those people in Peru and Colombia.

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AUTOMOTIVE INDUSTRY

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, Canadians are losing their jobs in the auto sector. They are struggling to make their mortgage payments, to put food on the table and to pay their bills. Auto workers, like Randy and Patricia in Brampton, are crying for help but they have received nothing from the Conservative government.

On December 22, the industry minister told Canadians that an audit of the auto sector would be conducted and completed in a few weeks. It is two months later, where is the audit, why is there such secrecy and why has there been no action? Why are the Conservatives asleep at the wheel while Canadians are losing their jobs?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, nothing could be further from the truth. We have been active on this file since the very beginning, in fact since before the last government was sworn in, in terms of our auto innovation fund. We have been active with Chrysler, to which the hon. member referred and which is in her riding. We have been undergoing a series of reviews of its situation. It is a private company and it does have strategic information, as the hon. member should be aware of.

I should note that the former auto critic was made the ag critic. In *The Guelph Mercury* it was indicated that the reason he was changed was because there was no point anymore to—

The Speaker: The hon. member for Brampton—Springdale.

Oral Questions

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, the real question is: Where is the audit and why is there such secrecy?

Let us look at the Americans. They have President Obama who has brought together the best and the brightest minds to discuss an action plan for the U.S. auto sector. The Canadians are stuck with a Conservative government that operates in secrecy, in denial and falls asleep at the wheel while Canadians lose their jobs.

The U.S. struck a task force to develop solutions but our government adviser, Jim Arnett, resigned after less than three weeks.

When will the government provide the leadership, the action, the hope and a plan for those people who are losing their jobs?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, let me try that last one again. I am not sure that TV-land heard the whole thing.

The member for Guelph—Wellington used to be the associate industry critic and then was changed to become the ag critic. When *The Guelph Mercury* asked him why that occurred, he said that it was because the auto critic position had essentially been completed with the industry minister's announcement of the loans to the automakers in December.

They do not even have an auto critic over there. Why is the hon. member, when she talks about the wise heads at the head of this, being so down on Dalton McGuinty and Mike Ryan?

• (1445)

Mr. Andrew Kania (Brampton West, Lib.): Mr. Speaker, the residents of Brampton, where there is a major Chrysler plant, are tired of the Conservatives doing nothing to protect their jobs.

The Prime Minister, just moments ago, failed, yet again, to show leadership by refusing to create a parliamentary committee on the auto crisis. Given that vacuum of leadership, the official opposition will today call for an industry subcommittee of Parliament to immediately tackle the auto sector crisis.

The Prime Minister mentioned the industry committee. Will he at least direct his committee members to support our proposed subcommittee, yes or no?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, this is quite interesting. The hon. member for Brampton West and the hon. member for Brampton—Springdale may have known from their colleagues, including the member for Nipissing—Timiskaming, that I actually appeared before the industry committee two weeks ago to answer questions for two hours. The hon. member was not there and the hon. member for Brampton—Springdale was not there. Why were they not standing up for the people of Brampton then?

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, it gets worse. There is no leadership from the government today and yesterday the Minister of Finance demonstrated that he does not understand his own budget.

It is clear the Canadian secured credit facility is not in Bill C-10 but it can and must be implemented by the Conservative without further delay. It did it for the banks last November. Why can it not do it now for the auto sector and consumers? Canadians will lease or

purchase cars if they have access to credit, which is the other side of the auto industry solution.

Will the minister commit to the immediate creation of this credit facility?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, unlike the member opposite, we actually believe that we should consult with the industry, which is what we are doing now, in order to craft the credit facility appropriately.

We are also moving ahead with the entire credit facility of up to \$200 billion, which is very important. As we know, the number one issue now is access to credit not only in Canada but internationally.

* * *

JUSTICE

Ms. Candice Hoepfner (Portage—Lisgar, CPC): Mr. Speaker, as if Winnipeg and other western provinces have not been under siege enough from violence, a high-risk offender was re-arrested last Friday only hours after being released from prison. Kenneth Erdley Ross, a career criminal with a serious sadistic personality, has a record dating back to 1987, including sexually assaulting and slashing the throat of a 22-year-old Winnipeg man.

Would the Minister of Justice tell us what the government is prepared to do to ensure that criminals like Ross are kept in prison where they belong?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I do not comment on individual cases but I can point out that fighting crime in this country is a priority of this government.

Under the Tackling Violent Crime Act, anyone now convicted of crimes from a list of serious personal injuries would be considered a dangerous offender and anyone convicted of three serious offences for which federal time would be served would now be automatically presumed to be a dangerous offender.

These are steps in the right direction. When it comes to fighting crime in this country, we have done a lot and we will do more.

* * *

PENSIONS

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, in its budget bill, the government launched an attack on pay equity, environmental assessments and the collective bargaining rights of public sector workers, including wage rollbacks to the RCMP and the Canadian Forces.

Oral Questions

It now appears that workers at General Motors are next in the line of attack. GM is describing its pension liabilities as crippling but the Minister of Industry is refusing to protect workers and the pensions they have worked so hard to build.

Will the minister stand up for GM workers by protecting their pensions or is he simply going to turn his back on them?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, only the NDP would think that it is adequate or beneficial public policy to have the taxpayers of Canada save the pensions of one set of workers when we, in fact, are doing the right thing and supporting the restructuring of the industry to ensure the industry is there for its workers and for consumers in the future. That is our position. It should be their position.

* * *

●(1450)

EMPLOYMENT INSURANCE

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, Statistics Canada just released alarming facts about the increase in the number of Canadians accessing employment insurance. For example, in London, Ontario the number rose by over 75% and in Windsor the number rose by over 61%. Even more alarming is the fact that 6 out of 10 unemployed workers do not receive the EI benefits they so desperately need. That is simply unacceptable.

When will the government act responsibly and take real action by expanding EI to help laid-off Canadians put food on their families' tables?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it was truly disappointing to see the layoff numbers this month. Unfortunately, we expect them to continue.

The good news is that the EI system is working. It is automatically adjusting to make access easier and to provide benefits longer. In our budget we have included an extension of five weeks of regular benefits to help those who are most in need. Sadly, the opposition member is voting against that.

* * *

[Translation]

ARTS AND CULTURE

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, what the Minister of Canadian Heritage is saying is that culture must serve politics and Canadian unity, and that his big project will unify the country. In fact, this is like the sponsorship scandal under the old Liberal government: anything to promote Canadian unity. It sounds like back to the future.

Will the minister admit that for the Conservatives, as was the case with the Liberals, arts and culture must serve Canadian unity?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, this is ridiculous. What I said about the Canada Prizes is that we want to create prizes for artists from all parts of the country. We think it is important to underscore the excellence of our artists from coast to coast. The hon. member likes to refer to some proposal. We will soon present our policy on this issue. When it becomes public, the hon. member will

be in a position to discuss it and to comment on it in a factual manner.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, eliminating the PromArt and Trade Routes assistance programs has really hurt artists who tour abroad. Had it not been for the support of an Italian producer, the La La La Human Steps dance company would not have been able to travel to Italy. Broadcasters abroad are very concerned that our artists may no longer be able to fulfill their commitments, because the Conservative government cut its funding.

Will the minister realize that artists have an urgent need for these programs, and will he restore funding?

[English]

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, this Conservative government is spending more money on arts and culture than any government in Canadian history, and we are doing so proudly. This year we are spending \$22 million to help artists present their excellence on the international scene, more money than any government before in Canadian history.

Of course, the Bloc Québécois has voted against us. What those members want us to do is to re-establish a very specific program called Trade Routes. This was a program that had a \$7 million budget, but it cost \$5 million to deliver two million dollars' worth of benefits. That is a level of ineffectiveness and inefficiency that is not tolerable to Canadian taxpayers. We support our artists and we support them on the international scene, but we do not support waste.

* * *

INTERNATIONAL COOPERATION

Mr. Glen Pearson (London North Centre, Lib.): Mr. Speaker, since yesterday, many of our international development partners have expressed confusion and a bit of surprise at the announcement by the government about the re-prioritizing of foreign aid recipients. The announcement came with no explanation or debate of the criteria by which these countries were either added or dropped. Countries such as Sri Lanka and East Congo were not on that list.

My question is a sincere one. I ask the Minister of International Cooperation, how could she bring about a decision that could have such a profound effect on the bottom billion in the world, without including many of the diplomatic groups and foreign aid groups that are meant to—

The Speaker: The hon. Minister of International Cooperation.

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, as I indicated, our responsibility is to meet the greatest needs around the world and to do it in the most effective way. Consequently, our bilateral programs will be focused. As the Liberal foreign affairs critic, the member for Toronto Centre, has indicated, the idea of focus is always good.

The other needs are being met through multilateral organizations and our support for NGOs, and we will continue to do that.

Focusing our bilateral programs means that we will deliver more value and have—

• (1455)

The Speaker: The hon. member for Laval—Les Îles.

[*Translation*]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, the Minister of International Cooperation chose to abandon Francophone countries, most of which are in Africa.

Why did the Minister for La Francophonie not intervene to continue to provide assistance to Burkina Faso, for example, which, according to Human Development Reports, ranks amongst the last countries in the world in terms of human development?

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, Canada hosted the most recent Sommet de la Francophonie, where our government reiterated its commitment to support the economic, social and cultural development of the Francophonie. At present, 20% of CIDA's aid budget goes to the Francophonie.

* * *

[*English*]

PUBLIC SAFETY

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, no one should be afraid to walk in our cities and live in our communities, but this is the case today in too many Lower Mainland neighbourhoods. While police last night taped off another Vancouver street, Conservatives continued to play politics instead of introducing effective measures.

New Democrats are willing to get to work on a comprehensive anti-gang plan that diverts high risk youth away from gangs, invests in witness protection programs and ensures that prosecutors have the tools they need to put criminals behind bars.

When are we going to see a comprehensive plan from the government to combat gang violence?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I am really pleased to see interest finally from the opposition benches on fighting crime in this country. I guess this is proof that miracles can happen. I certainly welcome any input from the individual. We will be coming forward, as we have in the past, with our tough on crime agenda.

I hope to get the cooperation of the NDP members. It does not mean that we will get into a coalition with them, but I certainly look forward to their support.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, again we see the minister use this tragic issue to make partisan attacks, and his facts are incorrect.

Let me quote what the minister said on March 22, 2007. The minister said, "Mandatory minimum sentences is something that was supported by ourselves and the NDP".

Oral Questions

We do not need more false accusations. We need action and leadership. What is in place now is not keeping our communities safe.

Will the minister put aside his partisan talking points, work with us and table a coherent and comprehensive anti-gang strategy?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the individual is new to this issue and he is certainly new to the House and I can appreciate that.

We had little enough cooperation across a whole host of tough on crime agenda items in the last Parliament. I accept the hon. member's offer if the NDP members will keep an open mind and help us to get our legislative agenda passed. We certainly look forward to that and I hope to certainly get more cooperation and support than we have in the past.

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CANADIAN ARAB FEDERATION

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, the Canadian Arab Federation recently circulated videos from banned terrorist organizations, such as Hamas and Islamic Jihad, called Israel a "racist state", and attacked a member of the House because of his wife's involvement in the Jewish community.

The Minister of Citizenship, Immigration and Multiculturalism has said that extreme groups like CAF should not expect to receive taxpayer subsidies, but the Liberal Party appears to disagree. The Liberal member of Parliament for Willowdale has said that taxpayers should fund extreme groups like CAF.

What is the government's position on whether such groups should receive taxpayer support?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, it is disturbing to see groups like that promote intolerance, hatred and extremism.

We are of the view that the Government of Canada should take a zero tolerance approach to organizations that make excuses for terrorism, for violence, for hatred and for anti-Semitism. I very much regret to have seen two Liberal MPs defend government funding for organizations like this.

From our point of view, these groups do not deserve and have no right to taxpayers' dollars to promote their kind of extremism.

* * *

STATUS OF WOMEN

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, when the Minister of State for the Status of Women appeared before the committee, she was unable to answer the urgent questions of concern to women today. On employment insurance, she indicated she was not the lead minister; on pay equity, again she was not the lead minister; on child care, once again she was not the lead minister.

Oral Questions

Other than carrying what she calls “a little big stick”, can she tell the women of Canada and the House if she is indeed the lead on any issue of concern to the women of this country?

• (1500)

Hon. Helena Guergis (Minister of State (Status of Women), CPC): Mr. Speaker, let me say that this government takes equality very seriously. Not only have we increased the amount of funding for Status of Women Canada by 42%, but we also have seen an increase in the number of organizations across the country by 69% that are now receiving funding. Forty-one per cent in fact are new organizations.

What one recipient recently had to say about the positive changes this government has made for women was that its project had been pending for nearly a decade and without the financial support from the current government, “the project would still be sitting on my desk”.

* * *

[*Translation*]

SHAWINIGAN TAX CENTRE

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, a year ago, I asked the Minister of National Revenue a question about the employees at the Shawinigan tax centre, who were having incredible delays with their pay.

Since compensation services were centralized in Ottawa 15 months ago, close to 1,000 Quebec employees of Revenue Canada are still having problems, according to the union representative.

Will the minister finally admit that the decision to centralize these services was not only inefficient but led to job losses in a region already suffering high unemployment?

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Public Works and Government Services and to the Minister of National Revenue, CPC): Mr. Speaker, I would like to thank my colleague for his question.

The Canada Revenue Agency is working with community stakeholders to resolve this problem.

* * *

[*English*]

MINING INDUSTRY

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, Xstrata and its workers have come to an agreement that will get them through the next 16 weeks. While this is encouraging news for mining families in Sudbury, it still falls seven weeks short of the three year deal that the Conservative government signed with Xstrata. The minister said yesterday that he has already done all he can do. No, he has not.

Has the minister given up on the people of Sudbury, or will he live up to his own obligations and provide support for the seven week gap for Xstrata workers?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, we are as disappointed in these layoffs as the member is.

We know that Xstrata obviously is facing some tough times. We worked with Xstrata rather than take it to court, which is what the

NDP would love to do. We worked with the company and got an extra \$290 million of investment in the legal books for Sudbury. We are working on behalf of Sudbury and the workers in the future. Three hundred jobs were saved by that.

I am proud of our record. I am going to keep working for Sudbury, even though the member is interested in paying off lawyers.

* * *

INFRASTRUCTURE

Mr. Bob Dechert (Mississauga—Erindale, CPC): Mr. Speaker, last week our Prime Minister and Ontario Premier Dalton McGuinty made a historic announcement in the greater Toronto area.

Could the Minister of Transport, Infrastructure and Communities tell the House how this investment will help the people in Mississauga and the greater Toronto area?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, every day more than 200,000 Canadians rely on the important services provided by GO Transit to get to work. Last week our Prime Minister, together with my good friend Premier Dalton McGuinty, announced that we will upgrade and revitalize GO Transit infrastructure.

Supporting public transit is good for our economy. It is good for the environment. And it is so good in these difficult times that our Prime Minister is providing great leadership working in cooperation with my premier.

* * *

COAST GUARD

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, to the officers and crew of the *Leonard J. Cowley* who bravely and professionally saved 22 lives on a Spanish fishing vessel 300 miles at sea, the pride of our nation is with them today.

Some hon. members: Hear, hear!

Hon. Gerry Byrne: Before the applause subsides and the support no longer is there, could the government please explain why it broke its promise and cancelled the building of 12 new Coast Guard patrol vessels, so essential to the men and women who serve? The Auditor General, the Coast Guard itself, and the Canadian maritime industry say that safety is being compromised. Why were these 12 vessels cancelled?

[*Translation*]

Hon. Christian Paradis (Minister of Public Works and Government Services, CPC): Mr. Speaker, on the contrary, this project is very important to the Government of Canada. None of the initial tenders met the price set by the government. One thing is certain, we will forge ahead. That is why it is mentioned in the budget. A policy for naval vessels will finally be put in place, after 13 years of negligence when ships sat idle in port. We will move forward and help our shipping industry.

•(1505)
[English]

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of all hon. members to the presence in the gallery of the Hon. Steve Ashton, Minister of Intergovernmental Affairs for Manitoba.

Some hon. members: Hear, hear!

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Gordon O'Connor (Minister of State and Chief Government Whip, CPC): Mr. Speaker, there have been consultations among the parties and I believe you will find consent for the following motion. I move:

That the Standing Committee on Environment and Sustainable Development be the designated committee for the purposes of section 129 of the Species at Risk Act.

The Speaker: Does the hon. Chief Government Whip have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[Translation]

POINT OF ORDER

ORAL QUESTIONS — SPEAKER'S RULING

The Speaker: I am now prepared to rule on a point of order raised by the Parliamentary Secretary for Official Languages regarding language used by the member for Bas-Richelieu—Nicolet—Bécancour during question period yesterday. Even though the member for Bas-Richelieu—Nicolet—Bécancour withdrew one expression in response to the point of order yesterday, he used another one in its place.

I checked our precedents and found that both the first and the second expression are unparliamentary. Given the member's experience in this House, I appeal to his sense of decorum and call on him to withdraw that second expression. I invite him to withdraw the word in question now.

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, sometimes in the heat of the moment, we use words we believe are appropriate to describe someone. You are the guardian of appropriate language and, heeding your valuable advice, I withdraw the words “niaiseuse” and “ignorant”, which I used to describe the minister. However, I am still surprised that no

Business of Supply

Conservative member raised a point of order when a Conservative member stated that francophones had no place in this House.

[English]

ORAL QUESTIONS

Hon. Greg Thompson (Minister of Veterans Affairs, CPC): Mr. Speaker, as you know, I have been around the House for a long time and not very often on my feet on a point of order, but what I witnessed during question period was unacceptable to every member of the House including, I am sure, members on the other side.

I am referring to the actions of the member of Parliament for St. Paul's. There is no question she was mimicking and mocking the Minister of State for Status of Women when the minister was responding to the question.

It was embarrassing to me. It was embarrassing to all colleagues on this side of the House and I am sure embarrassing to colleagues on the other side, although she did get a round of laughter from some of those surrounding her. However, it was totally unacceptable. It was demeaning to women. It was demeaning to anyone who enters public life and spends some time in this place. I have never seen that type of mocking ever on the floor of the House of Commons.

I believe the minister deserves an apology. All of us, who sat here watched that type of action, deserve an apology. It was totally unacceptable. It is beyond the pale and it is something I am ashamed to see being carried out on the floor of the House of Commons. I demand an apology from the member.

The Speaker: Obviously the hon. member for St. Paul's is not able to respond at the moment, so I am sure we will hear on this matter in due course.

GOVERNMENT ORDERS

•(1510)
[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—SECURITIES COMMISSION AND EQUALIZATION

The House resumed consideration of the motion.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to mention that my colleague, the member for Longueuil—Pierre-Boucher, will be sharing his time with me, or the other way around, whichever you prefer.

Once upon a time in Quebec City, in December 2005, a pretender to the throne, in an effort to please, promised to practice open federalism and respect Quebec's jurisdictions. A little later on, he recognized in this House the existence of the Quebec nation, but within a united Canada. I should say rather that he recognized a subjugated Quebec within an integrated Canada. That was his plan. With his budget and his throne speech he proved that he wanted to unilaterally fiddle with the equalization formula and impose a national securities commission.

Business of Supply

Equalization, as a number of dictionaries clearly set out, is the distribution of a portion of the federal government's revenues in order to reduce inequalities among the provinces. For nearly 40 years, various governments in office have tried to play with the equalization formula. Major changes have been made by the government, without warning, without consultation, and, especially, without relevant information at the time the government should have given it. It has been known for the past few months that Quebec will be out of pocket some \$991 million next year. This flies in the face of the definition of equalization. It is a system of redistribution based on a province's capacity to generate tax revenues. The provinces too have responsibilities and must provide services.

The lawmaker's intention was clearly that people in each of the provinces receive comparable services, regardless of the province's capacity to generate revenues. From the taxes it gathered, the government was to provide various provinces with an amount that would equalize the revenues of the provinces. History has shown us that, one day a province is entitled to it and another day, not, and one day it is no longer entitled to it because of its revenues and its capacity to generate them.

Governments have fiddled with the equalization formula and eliminated 100% of natural resources, including oil, from the formula and then, at other times, eliminated only 50%. In the budget put before us, the consequences for Newfoundland and Labrador could have been significant, and we saw Liberal members rise to oppose this provision. In doing so, they voted against their party but not against their province. They were working for it.

There are 14 Liberal members from Quebec. They have not dared to do the same thing; to stand in this House and confirm their desire to serve the interests of Quebec. There are also 10 Conservative members from, Quebec. They, too, have not been able to rise and affirm that they are working first for the Quebec nation and not for the Canadian nation.

• (1515)

An example of how they are always fiddling with equalization is the difference between Hydro One and Hydro-Québec, as a result of which Quebec, once again, will lose part of its equalization payments.

Of course the government wants to establish principles that are predictable and long term. How can there be long-term predictability when equalization takes place in today's economic context? The variations in each province's ability to find and produce revenue could be wildly different from one year to the next. To plan and especially to freeze a formula for a number of years goes against the very principle of equalization.

We have heard several members blithely say that Quebec is a spoiled child. In terms of money, it is true that Quebec receives several billion dollars and that its share is probably the largest. However, in terms of services to the public, we need to consider the population figures. In the 2008-09 budget, Quebec receives only \$1,037 per capita while Prince Edward Island receives \$2,300, New Brunswick \$2,011, Newfoundland \$1,781, Manitoba \$1,732, and Nova Scotia \$1,679.

That is why I spoke earlier of the 10 Conservative members and the 14 Liberal members from Quebec, who are ignoring the concerns of that province, especially the unanimous voice of the National Assembly and its 125 members. That is something. We call on those members from Quebec to confirm that they are here to represent the values, and above all, the interests of Quebec.

The second part concerns the government's desire to create a national securities commission. Everyone knows that this falls under Quebec's jurisdiction. Once again, the National Assembly is unanimous on this question, but we the Quebec members here in this House are not all on side. And that is unacceptable. The Liberals and the Conservatives do not dare defend the Quebec nation, preferring to defend the interests of the Canadian nation.

When this securities commission is described as national, how many nations are we talking about? This House has stated that Quebec is a nation. It has different interests and values. For those reasons, the Quebec securities commission must be maintained.

Therefore, as I said earlier, this goes against the unanimous will of the National Assembly. The federal government has centralizing visions, always in agreement with the nation building principle. Day after day, there is a federal will to build the Canadian nation to the detriment of the tools and jurisdictions of Quebec. Slowly, indeed insidiously, the federal government tries to make them disappear.

As far as securities are concerned, the government has been coming back with the same idea and making attempts for almost 40 years. Yet, section 92.13 of the Constitution Act, 1867 clearly indicates that this is part of Quebec's jurisdictions. Now, the Conservative Party and its government have decided not to bother with the Constitution, and the Liberals obviously are in favour of the establishment of this Canada-wide securities commission.

• (1520)

Meanwhile—I have said it and I will say it again—all of Quebec political parties are against it.

There is currently a passport system which is very effective. All provinces, except Ontario, are part of the harmonization project.

When the government is not speaking for western interests, that is for oil companies, the Liberal Party is speaking for its friends on Bay Street.

These are two unacceptable elements for Quebec. In fact, a majority of the members of the National Assembly of Quebec have stated that. Thus, all members from Quebec in this House should vote against the equalization system and against the creation of a single Canadian securities commission.

Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, the hon. member for Saint-Maurice—Champlain is asking the government to drop the idea of unilaterally amending the equalization formula, and I fully support his motion.

Indeed, in the 2007 budget, the Conservative government boasted about restoring fiscal balance by, among other measures, reaching an agreement on the equalization formula. That is confirmed in this excerpt taken from an annex to the budget:

Budget 2007 puts in place a renewed and strengthened Equalization program, legislated through 2013-14 to provide long-term predictability for provinces.

Business of Supply

Let me repeat it again: "...to provide long-term predictability for provinces."

In its 2009 budget, in the midst of a global economic crisis that is also affecting Quebec, the federal government is going back on its word and imposes a limit on transfers, thus depriving Quebec of about \$1 billion, compared to what was anticipated.

At the same time, the Conservative government is providing \$1 billion for the establishment of a new southern Ontario development agency. This is in addition to the \$2.7 billion given to the auto industry, which is primarily based in Ontario, while Quebec's manufacturing and forestry sectors are only getting a few million dollars.

Yet, Quebec is hard hit by the economic crisis. The federal government's laissez-faire attitude in recent years regarding the needs of the manufacturing sector only adds to the problems generated by the crisis.

Then there is the unilateral amendment to the equalization formula. This change is a step backwards. Quebec and the provinces will lose hard won gains that had been made regarding the fiscal imbalance.

Moreover, in the middle of the holiday period, the government published in the *Canada Gazette* changes affecting the status of Hydro One revenues, Ontario's hydro company, in the equalization calculations, thus favouring Ontario. Indeed, from now on, the federal government will consider Hydro One's revenues as business revenues rather than natural resource revenues.

Why is Hydro-Québec not being treated like Hydro One? Two thirds of Hydro-Québec's revenues come from its transportation and distribution activities, while one third comes from electricity production.

By refusing to give Hydro-Québec's distribution and transportation revenues the same treatment that it granted to Hydro One, the Conservative government is cheating Quebec out of an additional \$250 million in annual revenues. The Conservative government is once again using a double standard when dealing with Quebec and Ontario.

We are in a time of crisis, and it is the government's duty to act. Two weeks ago, Pratt & Whitney, which is headquartered in my riding, announced that it would be forced to lay off a thousand workers at plants around the world. It goes without saying that several hundred Quebec workers will be affected by these job losses.

Over half of those who lose their jobs are not eligible for employment insurance. Those who are eligible have to suffer through a two-week waiting period before they can collect benefits. The Conservative government has abandoned Quebec and those of its workers affected by the crisis.

The Conservative government has thumbed its nose at Kyoto, has refused to set absolute greenhouse gas reduction targets, and has set 2006 as the base year instead of 1990, despite the demands of environmental groups. In so doing, it has deprived Quebec of the tools it needs to renew its economy. Kyoto would be lucrative for Quebec.

According to Canada's greenhouse gas inventory, Canada's emissions rose by 21.8% between 1990 and 2006. That pathetic record would be even worse without Quebec's 1.2% reduction in greenhouse gas emissions over that period, during which Alberta raised its emissions by 36%, and Saskatchewan by 63%.

Quebec's manufacturing sector alone reduced its greenhouse gas emissions by 24% between 1990 and 2006. That is four times the target set by the Kyoto protocol, achieved six years before the deadline.

● (1525)

Just imagine if Quebec could participate in an emissions credits exchange, a carbon exchange located in Montreal. Companies exploiting the oil sands in Alberta could buy emissions credits from Quebec manufacturing companies, thereby doing their part in the fight against climate change undertaken by industrialized nations in 1997 when the Kyoto protocol was signed.

The Conservatives must not use the economic crisis as an excuse for their laissez-faire approach to the environment. Instead, we should see the crisis as an opportunity to make the green shift that will renew our economy. The federal government should get to work and take a more serious look at the proposals the Bloc Québécois submitted last fall.

This government claims to have recognized the Quebec nation, but the truth is that it has chosen to stifle our economy and shamelessly encroach on areas under Quebec's jurisdiction.

That takes me to another part of my colleague's motion and the creation of a single securities commission. The establishment of a Canada-wide securities commission would create a regulatory monopoly and a dangerous situation in view of the elevated concentration of the industry in question. Canada would lose the advantages of the competitive regulatory system we have now.

There are not many arguments in favour of this new commission being able to reduce the direct costs. The Australian example even seems to show the opposite. On the other hand, a system based on harmonization and mutual recognition by the various commissions of what is called the passport has advantages that led the European community to opt for this method of regulating securities.

The passport system works very well. It provides for a coordinated approach to the enforcement of the legislation and uniform protection of investors. In addition, the current system has enabled each securities commission to develop its own particular approach and areas of expertise, allowing for differing but complementary views on how the rules are being complied with.

The system could be made more effective, however, if Ontario decided to stop trying to go it alone and joined the harmonization efforts of Quebec and the provinces. This system of differing but complementary standpoints helps us to detect and prevent scandals like the ones in the United States, which has had a central authority for the last few years. These scandals have resulted in social costs that are much more serious than anything we have experienced.

Business of Supply

The Quebec National Assembly expressed its unanimous opposition to the federal government's plans to create a Canada-wide commission. The National Assembly passed a unanimous motion to this effect on October 16, 2007: "That the National Assembly ask the federal government to renounce its plans for a Canada-wide securities commission".

Authority over securities was conferred on the provinces by virtue of their jurisdiction over property and civil rights under section 92.13 of the Constitution Act, 1867. The Conservatives are prepared to infringe on Quebec's jurisdictions in order to advance their plans for a single Canada-wide securities commission. The federal Liberals are in favour of this commission. That is unacceptable to Quebec. The government prides itself on its open federalism and claims to have recognized the Quebec nation, but everything it does weakens Quebec, with the help of the Liberals. The creation of a single securities commission and the levelling out of equalization to the detriment of Quebec are only two new examples of this, even though Quebec has been hard hit.

Recognizing the Quebec nation means showing respect for its economic and social jurisdictions and its language, culture, history and institutions, as well as the unanimous demands of its National Assembly. The federalist parties are on their knees in Ottawa and only the Bloc Québécois stands up for Quebec.

• (1530)

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I would like to congratulate my colleague for his excellent speech, which is truly in line with the motion presented this morning. The motion denounces two measures found in the budget which are totally unacceptable: the intention of the Conservative government to establish a single securities commission and a radical change in the equalization formula. The member also mentioned—and it is included in the motion—the inequity caused among other things by the decision of the Conservative government to consider the Hydro One revenues, in Ontario, as business revenues instead of revenues from natural resources. At the same time, the government decides not to grant the same tax benefit to Hydro-Québec. By the way, such a measure takes 250 million dollars away from Quebec.

Does my honourable colleague know why such an inequity exists? The question was put to the Minister of Finance at the Standing Committee on Finance yesterday, and he was unable to answer adequately. He simply said that Hydro One and Hydro-Québec had different operations. But, we know very well that two thirds of the operations of Hydro-Québec are exactly the same as Hydro One. They are transmission and distribution operations.

Does my colleague not see this as a measure which is completely unfavourable to Quebec and favourable to Ontario, once again?

Mr. Jean Dorion: Mr. Speaker, we are dealing with an extremely ideological government, but, above all, with a government that has decided to abandon all hope of electoral success in Quebec. We see the disastrous poll results for the Conservative government in Quebec. At one time, the Conservatives thought that they had some hope of eventually reaching a majority there. Now, we know that they are trying instead to increase their representation in Ontario, Alberta and British Columbia. So, they have given up completely on Quebec and that explains why they do not hesitate to put forward a measure that is completely absurd, given what they are doing in

Ontario, a measure that is absolutely absurd in terms of Quebec and that is detrimental to Quebec.

Once again, we see the proof that the fine speeches about the Quebec nation do not get us anywhere and, in fact, we may ask them once more, where is the beef?

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I very much enjoyed the presentation by my colleague, who, in the end, showed clearly that regardless of which party is in government, whether Conservative or Liberal, Quebeckers can expect nothing from the federal system. They should expect nothing from federalism.

Tonight, we are going to vote on issues that are unanimously supported in Quebec, as he very eloquently pointed out. Not only 125 members of the National Assembly expressed the same views as the motion that is now before us, but there is also a broad consensus, for example, on the matter of securities, ranging from unions to management, on other such fundamental issues in Quebec. Unfortunately, I expect that, once again, we will go down to defeat in this House.

What solution remains for Quebeckers to free themselves from the current federalism and to fly on their own?

• (1535)

Mr. Jean Dorion: Mr. Speaker, Quebeckers are learning the hard way, from one event to the next, from one government to the next, that they should expect nothing from the Canadian federal government when it comes to Quebec. Each time there is a conflict between the interests of Quebec and those of English Canada, the final decision is never in Quebec's favour. There is not even the most elementary respect.

For example, three years ago, a minister in a Liberal government, a federalist minister, wrote to the current Conservative government to ask for the reconveyance of land adjacent to the National Assembly. Three years later, he has not received even an acknowledgment. The solution is sovereignty, independence for Quebec.

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, I wish to inform you that I will be sharing my time with the hon. member for Burlington.

The hon. member is opposed, among other things, to our government wanting to unilaterally amend the equalization formula. He says this is because it would be incompatible with the commitment made by the Prime Minister to the Government of Quebec that "transfers to the provinces would be predictable and long term".

The Government of Canada has amended the equalization formula precisely—and I want to be clear about this—so that these transfers to the provinces may be predictable and long term. I would add that these changes to the equalization formula in no way reduce the transfers, contrary to what some opposition members have tried to say. The equalization payments and all Quebec transfers are at historical peaks and will continue to rise. In 2009-10, Quebec will receive more than \$8.3 billion in equalization, a leap of over 70% from what it was in 2005-06, when we came to power. Indeed, the changes we have made only guarantee the sustainable growth of the program, in step with the expansion of the economy.

Business of Supply

Out of a concern for fairness, we have taken this opportunity to introduce a floor, so as to avoid a contraction of the overall size of the program, and we have offered transitional protection to the recipient provinces.

It is not clear to me how the hon. member defines the word “sustainable”, but I suspect that his definition differs somewhat from mine. The fact remains that the equalization program has increased from \$8.7 billion in 2003-04, under the previous Liberal government, to \$14.2 billion in 2009-10, when we implemented the recommendations of Mr. O'Brien's independent panel of experts. If nothing had been done, the costs of equalization would have risen by over \$26 billion over the next five years.

Everyone knows as I do that this pace of growth is not sustainable, and the government would have had much more difficulty avoiding a long-term structural deficit. Like the Government of Canada, the provinces are aware of the consequences of unsustainable program expansion, and I can assure you that “predictable and long-term” funding is not on the list.

Anyone who witnessed the budget cuts of the previous Liberal government in the mid-1990s will say that, at the time, federal appropriations for the provinces were certainly not predictable, long term and on the rise. That is no doubt why, when the details of these changes were released to the provincial and territorial finance ministers last November, Minister Jérôme-Forget of Quebec described them at the ensuing press conference as “reasonable”, particularly in the circumstances facing all governments due to the current Canadian and worldwide recession.

Not only are these changes reasonable, they are also consistent with the recommendations of the O'Brien expert panel, which declares on page 43 of its equalization report:

The Equalization program must be affordable and sustainable over time. The federal government is responsible for determining how much it will spend to achieve the goals of the Equalization program.

Clearly, the O'Brien report recognizes that the financial sustainability of equalization is the responsibility of the Government of Canada. But contrary to what this motion would have us believe, this does not mean that we have acted without informing the provinces and keeping them abreast of the consequences of these changes. As I have said, all the provinces were informed of these changes at the meeting of finance ministers last November 3. They even had the benefit of exceptional advance notice of their equalization entitlement for 2009-10 so that their budget planning would be solidly based. A news release describing these changes was issued on the same day.

• (1540)

All the details of these changes were also sent on November 13 to the provincial civil servants responsible for the technical aspects of the program. In addition, the economic and financial statement of November 27 described the nature of the changes and explained why they were necessary.

When they met in December, the provinces were informed of the projected impact of the changes over five years. I feel that is proof that the provinces have been more than sufficiently informed of the changes.

We will continue to see that the transfers remain viable and fair to Quebecers as well as all Canadians.

Federal support to the provinces and territories is reaching unprecedented highs. Key transfers are over \$51 billion for 2009-10 and will continue to rise. The Canada health transfer will increase by 6%, the Canada social transfer by 3%, and equalization payments will continue to increase and parallel the economy.

At over \$17.6 billion, the federal support for Quebec is also at an all-time high and continues to rise. Transfers to Quebec alone have gone up 74% since 2005-06, the highest increase in transfer payments of all the provinces.

And, as I said, transfer payments will continue to rise. In this time of unprecedented economic difficulty however, they will need to progress at a sustainable rate so that future generations can also benefit from them. This is why we are defending the changes we have made to improve the sustainability of the equalization program.

I would like to read from the daily newspaper *La Presse* some comments by André Pratte:

In reality, the Government of Quebec will lose nothing. The equalization payments it receives, which have increased considerably in recent years, will continue to grow—

He goes on to say:

To review a few figures, in 2005-06, the Government of Quebec received \$4.8 billion in equalization payments. Since then, the federal government has expanded the scope of the program and corrected the inequalities and as a result, over five years, the amount received by the province has risen to \$8.4 billion in 2009-10, a 74% increase—

Mr. Pratt also wrote:

Politicians—claim that the fiscal imbalance problem remains unsolved. Not only is that position no longer tenable, it is unreal as well. Today, federal transfers represent 22% of the provincial government's budget revenue, exactly the same share as they did in the early 1990s before the cuts imposed by Paul Martin.

Those were the words of André Pratte, a great economist and editorial writer for *La Presse*, and they confirm what I said earlier.

In the name of all Canadians in all provinces, Quebec included, I ask my colleagues to reject this motion.

• (1545)

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to ask the hon. member for Beauce if he looked at the per capita figures, that is, the people who receive equalization from one province to the next.

It is all well and good to say that Quebec receives more. Certainly it receives more than Nova Scotia, New Brunswick or other small provinces.

Can he tell us the per capita increase, since he was just speaking in general terms? Can he also tell us what transfers from Quebec go to Ottawa to pay for equalization?

Hon. Maxime Bernier: Mr. Speaker, I thank my hon. colleague for his question.

Business of Supply

Very simply and very clearly, transfers have increased, as I said earlier. The goal for all Quebecers is to receive their fair share in a way that is equitable for the entire federation. We live in a confederation and our equalization formula is based on the Canadian Constitution. In that regard, Quebec receives its fair share.

I hope that in the near future, the Quebec of my children and grandchildren will receive less in equalization payments, because that will mean that Quebec is growing richer. That is the goal, namely, to see future generations grow richer. And when Quebec is richer, the same formula will apply. I hope Quebec does grow wealthier, and with that money I am sure the Government of Quebec will do the right thing to help future generations grow richer.

The goal is to ensure that more wealth can be created in Quebec, and this government is working towards that goal.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I was a little stunned by those comments. This is another example of this paternalistic federalism, and Ottawa telling us what is good and what is not. The 125 members of the National Assembly of Quebec passed two separate unanimous motions calling for exactly the same thing as we are calling for here today. Is the member for Beauce trying to tell us that the 125 members of the four political parties represented are all unanimously wrong, including the members of the ADQ, the only potential fan base left for the member? Are those people wrong, too?

Hon. Maxime Bernier: Mr. Speaker, I have a great deal of respect for elected members from Quebec in Ottawa and in the National Assembly of Quebec. I would like to remind the member that during the first campaign that resulted in our election in 2006, the most important promise we made to Quebecers—God knows that we made few promises because we wanted to be able to keep our five promises—was to not interfere in matters falling under Quebec's jurisdiction and to respect the Canadian Constitution as well as provincial jurisdictions. That is what we did.

It is unfortunate that the Bloc Québécois wants to pick a constitutional fight over something. It is unfortunate that, when given good news—such as Quebec is getting its fair share of equalization payments and amounts are increasing at the rate I just mentioned and meet the needs of Quebecers—Bloc members are disappointed by the fact that Quebec is getting its fair share. The Bloc Québécois does not share our vision of Canada. We believe that there can be a strong Quebec within a united Canada.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, the member to my left should realize that the Bloc Québécois does not sit in Quebec City and is not picking a constitutional fight. A unanimous resolution of the National Assembly of Quebec states that oversight for securities falls within Quebec's jurisdiction. Therefore, the Bloc is not picking a constitutional fight. It is defending the interests of Quebecers.

I would like him to answer honestly the member for Brome—Missisquoi, who asked about the per capita amounts given to other provinces. We know very well that Quebec is one of the provinces that receives the least—

• (1550)

The Deputy Speaker: I must allow a little time for the hon. member for Beauce to answer the question.

The hon. member for Beauce.

Hon. Maxime Bernier: Mr. Speaker, I will be brief, because the facts are clear. The budget before us, on which we will soon have to vote in this House, will transfer huge sums of money to the Government of Quebec. I am very disappointed that the Bloc Québécois is voting against this budget. The Bloc Québécois was elected a long time ago to sit in this House, and its goal was to correct the fiscal imbalance. It took a Conservative government to correct that imbalance, despite the fact that the Bloc Québécois has been in Ottawa for 13 years.

[English]

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I thank the member for Beauce for sharing his time with me.

I am pleased to have the opportunity to speak in opposition to today's motion and, more broadly, for the pressing need to improve the securities regulation in Canada.

While current global market turmoil has led many to call for strong regulation of financial markets, this issue is not new to our Conservative government. In fact, it had been a key priority for us from the start, as our government's mandate began in our initial election in 2006.

As outlined in budget 2006, we recognized that, and I will to quote from that budget. It states:

An important foundation for a strong economy is a regulatory regime for the securities market that ensures market integrity and investor protection....All jurisdictions recognize that Canada's securities regulatory system must be improved to respond more rapidly and effectively to regulatory and market developments at home and abroad.

Since 2006, we have worked towards improving that system, most notably through the work of the expert panel on securities regulation. However, during that time, the global economy has dramatically changed. Market turmoil that began in 2007 in the United States, sparked by the havoc wrought by toxic subprime mortgages on their domestic housing market, has exploded into a synchronized global recession.

The global financial crisis has thrust the role of regulation and the importance of financial stability into the spotlight. Canada has learned from the experience of other countries that systematic risk can arise from all parts of the financial sector, not just the banking sector. Obviously that includes the capital markets. Yet one thing has not changed: Canada remains the only industrialized country without a national securities regulator.

From labour to business, from left to right, from small to large investors, we have heard the same refrain. This irregularity exclusive to Canada is now, more than ever, no longer acceptable.

Listen to the Small Investor Protection Association, which states, "We don't have a national system of protecting investors....we think it's important that all Canadians should have the same amount of protection. And that can only be done through a national organization".

Business of Supply

Listen to the recent *Montreal Gazette* editorial, which states, “It’s absurd, in the era of unprecedented anxiety about all things financial, that 13 different agencies, one in each province and territory, regulate the trading of stocks and bonds and the like in Canada”.

Listen to the Canadian Bankers Association, which states, “We have been debating securities regulation in Canada for decades: enough is enough....the debate is over, it’s time to get this done”.

Listen to the National Union of Public and General Employees, which states, “Canada is the only member of the Group of Seven industrialized nations without a national securities watchdog. It has a dismal reputation at home and abroad in dealing with corporate crimes and wrongdoing”.

Listen to Michael Code, a securities professor at the University of Toronto, Faculty of Law, who has said, “If there was a time when the need for a national securities regulator cries out, it’s now”.

Our Conservative government has listened to these voices and we are taking concrete action in response.

We are taking an important first step toward a new regulatory regime by introducing legislation based on recommendations of the aforementioned expert panel. That panel, chaired by the Hon. Tom Hockin, conducted an extensive and open consultation process, publicly seeking and inviting submissions. From that process, recommendations were developed on the best way forward to improve securities regulation in Canada. I encourage all to take the time to read this important report. It is reachable at expertpanel.ca.

• (1555)

There is good reason why we must urgently take action on this front. We all recognize that Canada has a strong financial services sector, one that spans the country from coast to coast to coast, providing good, high paying jobs for Canadians. Indeed, our financial system has been judged as the soundest in the world by the World Economic Forum. However, we have a capital markets regulatory system that can and must be improved.

This is why we plan to introduce a new securities act that will provide for greater investor voice in policy-making, better and more coordinated enforcement and the creation of an independent tribunal. Most important, the act would also give a financial stability mandate to the Canadian securities regulator.

As I stated earlier, financial stability is a key factor in setting up such a regulatory body. The proposed regulator will be integrated into Canada’s financial stability framework, a framework that includes the Minister of Finance, the Bank of Canada, the Office of the Superintendent of Financial Institutions, the Canada Deposit Insurance Corporation and the Financial Consumer Agency of Canada.

Giving this new regulator a seat at this table will ensure that capital markets will be better represented in Canada’s financial stability regime. The role of this framework was amply illustrated in 2008 with the introduction of the Canadian lenders assurance facility, which helps Canadian financial institutions secure access to term funding.

Shortly after the CLAF was created, the federal government agreed to extend its coverage to Caisse centrale Desjardins, a provincially regulated financial institution, after urgent requests by the government of Quebec. This shows the ability and promise of a national body to secure financial stability in a collective fashion that does not intrude on provincial rights.

In the words of Quebec’s minister of finance, Monique Jérôme-Forget, it spoke to “the intangible benefits that can be realized when the governments work together with a common purpose to support the Canadian financial sector”.

Indeed, working together, we can build on the rudimentary steps toward an improved securities regulation through the passport system.

For a quick refresher, in 2004 provinces and territories, except for Ontario, admitting to the flaws of the current regime, agreed to create a passport-style system to regulate securities. While the passport system slightly narrowed the regulatory differences and streamlined security laws, and this was a first step, it was recognized that it did not go far enough or even fast enough.

With the passport system, we still have 13 regulators, with 13 sets of laws and 13 sets of fees. We still lack a national co-ordination of enforcement of activities.

In the words of the Canadian Bankers Association, the passport system is only a second best solution. The current fragmented regulatory system remains in place, entrenching a potentially confusing and inefficient enforcement mechanism.

Clearly the passport system is not where Canada needs to be in today’s global economy. As we move forward on these next steps, we are confident that a majority of provinces and territories will join us as willing partners to explore this vital initiative.

I point out that this is just one of a series of steps that we are taking to strengthen Canada’s financial system and we hope to continue the good work beyond our own borders. The global financial crisis has shown that regulation is a shared responsibility between the countries and we must continue to eliminate barriers for this common purpose.

I thank the House for the opportunity to speak to this item today as the member for Burlington. I have a tremendous number of financial services located within my riding. It is an important issue which has been brought to my attention by people who live in my riding and by the businesses in my riding. In fact, it was part of a discussion I had last week with the local chamber of commerce. It is looking for a common regulatory body. We are looking for a common securities commission, and I look forward to seeing that happen.

Business of Supply

•(1600)

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I would like to ask my colleague a question about his speech. First, perhaps he could explain the difference in treatment between Hydro-Québec and Hydro One and clarify that for us.

[English]

Mr. Mike Wallace: Mr. Speaker, I am happy to entertain that question. I used to work for Ontario Hydro at one time. That was not what I was talking about today. That is another part of the motion.

In response to another speaker earlier, a member of the member's party indicated that the difference between the hydro organization in Quebec and the organization in Ontario is that at least one-third of the activity is different.

The Minister of Finance was clear with us at the finance committee that they are being treated differently because they have different functions. The member today on the opposite side said in the House that they are different by at least one-third. To me, one-third different is significant, and it made a difference in how they are treated in our system.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I commend the hon. member for Burlington for his erudite and persuasive argument in support of a national securities regulator for Canada.

I wonder if the member has taken into consideration the fact that we are in a global fiscal crisis and that we have seen developments over the course of the past 18 months that have resulted in cries around the world for greater regulation of activities and products in the financial sector. I wonder whether the member for Burlington would agree that the events of the last 18 months, including the efforts of the G7 and the G20, further support the compelling need for a national securities regulator in Canada.

Mr. Mike Wallace: Mr. Speaker, I thank the minister for the question. I absolutely agree. What we have heard coming out of the G20 and the G7 is that Canada is a role model in terms of its banking and financial systems. Where we are weak compared to other countries is in the regulatory system on our securities market. It could make a huge difference to average investors, whether they are in Quebec, Manitoba, Ontario, British Columbia or the territories.

We need those protections that a national securities commission would allow us. What the minister has put forward is that we are looking for partners to join us. We are not forcing it down anybody's throat, but I can say that the investors and corporations in Quebec will want to be part of this organization.

[Translation]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, whether we hear from the Liberals or the Conservatives, there is always this same paternalism. What the member just said about how corporations in Quebec will be happy is not true. They are against this. In Quebec, everyone has come out against the Canadian securities commission. The 125 members of the National Assembly, the unions, management representatives, the banks, the caisses, everyone is against it. I have a great deal of respect for the people of Ontario, and the member from Ontario is doing his job well and

defending his province. We are doing the same thing and defending Quebec. So it would appear that all those people in Quebec are wrong. Ottawa knows best, Ottawa knows what is good for Quebeckers and has just told us that this will be a good thing. In addition, we have to realize that the fact that membership in this securities commission will be optional is just smoke and mirrors. Clearly, once it is in place, the provincial bodies will wither and die. That is the whole idea.

•(1605)

[English]

Mr. Mike Wallace: Mr. Speaker, I enjoyed spending some time with the member on the finance committee.

I have read the final report and recommendations from the expert panel on securities regulation. I would challenge the members across to look at the panel members who made up that panel, their expertise in the financial market and their expertise on how securities work around the world. Their recommendations clearly state that what is best for all Canadians—and let me emphasize that, all Canadians—is a national securities regulator.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I am pleased to speak today about this issue and to inform you that I will be sharing my time with the hon. member for Quebec. I would also like to share my views during these difficult economic times on two files that seriously affect Quebec.

Many of my colleagues have spoken and tried to do so very objectively. They expressed the views of various players on Quebec's economic scene. I did the same in this House a number of times over the past months when I was responsible for defending the securities file.

I would like to congratulate my colleague from Saint-Maurice—Champlain for his clarifications in the House and his work on the Standing Committee on Finance. It seems that the government is stubbornly pursuing its plans to implement a national securities commission and unilaterally amend the equalization formula. I am imploring the House to stand united and demand that the federal government renounce these two measures that were in the last budget.

Business of Supply

The National Assembly is unanimously opposed to the proposed amendments to the equalization formula and to a Canada-wide securities regulator. Amending the equalization formula would mean a loss of \$991 million for Quebec next year. By refusing to include revenues generated by Hydro-Québec's transmission and distribution activities, as is the case for Hydro One, Quebec would receive approximately \$250 million more in equalization. Securities fall under the jurisdiction of Quebec and the provinces. The National Assembly is unanimously opposed to the establishment of a common securities regulator. Establishing a common securities regulator would jeopardize the survival of trading activities in Montreal and would favour the concentration of financial markets in Toronto. The World Bank and the OECD reported that the current system works well and is both efficient and effective.

The Bloc Québécois and the people of Vaudreuil-Soulanges—I am speaking on their behalf today—agree with the Bloc Québécois motion and we are asking the government to renounce these measures that were in the last budget.

Quebec's demands are clear and precise. On the eve of the federal provincial meeting in January in preparation for the federal budget, the National Assembly unanimously passed a motion expressing Quebec's demands. I will not bother with all the paragraphs in the motion, but I would draw the House's attention to two points, two demands:

That [the National Assembly] demand that the federal government maintain the equalization programme that is currently in place;

and

That it reiterate its firm opposition to the Canada-wide securities commission project.

Here, in this House, the Bloc Québécois and all the Quebec MPs have a duty to represent the National Assembly. And with a unanimous motion like this, we can defend—to our respective parties—the position we intend to take on the vote that will be held this evening. I implore Quebec MPs not to turn their backs on their colleagues from Quebec in the National Assembly and to support the Bloc's motion.

Indeed, as I explained earlier, the whole matter of the securities commission is Quebec's, constitutionally. It belongs to the provinces and to the Government of Quebec. The Conservative government, and the current finance minister in particular, seem obsessed with denying Quebec important rights to manage its finances and with moving those rights to Toronto for the country as a whole.

The consensus in Quebec is real, and no one wants to give up any authority at all in this area. Earlier on, the member for Mississauga South expressed confusion over the relevance of this debate today. And there is another reason the Bloc is drawing this matter to the attention of the House. A clear message must be sent to the government that this is unacceptable.

● (1610)

Why are we paying such attention to this question? Because the whole issue of securities is vital to the economy. In our current, more difficult economic situation, this issue is vitally important, and the provinces are entitled to take offence at the attitude of the federal government in this file.

The public has to know that the position of the Bloc is, I repeat, the same position adopted unanimously by the Quebec National Assembly. We speak with one voice at the moment where Quebec is concerned. This evening, we will likely see a common front against Quebec on this. I implore members to do their job and to consult the securities commissions in their respective provinces—except members from Ontario—and to report to this House what they think about this single securities commission.

Today, it could not be put more clearly. We have a motion, passed unanimously by all parties in the National Assembly and, here, an offensive by the Bloc calling on this government to abandon these two budget measures.

Quebec has the authority in this area and wants to keep it. It wants to maintain this power in the economic sector. The desire of the provinces in this matter must be respected.

Earlier today, the member for Saint-Léonard—Saint-Michel expressed concern about people swindling other people. We are referring to those who commit economic crimes and the thinking behind that, namely that these individuals tend to get off easy. His case for a securities regulator included references to such situations. He was concerned about people slipping through the cracks. I would like to respond to that. A number of experts and securities commission presidents are of the opinion that the federal government should focus on its own areas of responsibility, such as the Criminal Code, for instance, specifically to address economic fraud. I think the member was probably alluding to the widely publicized case of Vincent Lacroix. While Mr. Lacroix was found guilty under the Act respecting the Autorité des marchés financiers, additional charges might be laid against him by the RCMP under the Criminal Code. There are loopholes, and the legislation is not strong enough. In that regard, the federal government and the members of this House could do more to precisely strengthen that aspect.

Regarding Quebec, I would like to make another point about the Autorité des marchés financiers concerning operations monitoring and the types of operations. It reflects a perhaps different, made in Quebec model. This model is characterized by Quebec social values which pervade the general approach to public finance management in Quebec. We are talking about such things as the implementation of protection and compensation programs for consumers of financial products and services. Compensation funds are set up by law. The originality of the Quebec model has to be noted. We do not want to do without this ability to innovate in such an important sector.

Unfortunately, the budget confirms the government's intention to put in place a single securities commission. We, in Quebec, want to have an exciting economic future to look to.

Business of Supply

•(1615)

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I was listening to my colleague's speech but it seems to me that she is more the one who is turning her back on Quebeckers by presenting the two parts of this motion today and voting against the budget. I find it hard to understand how she can oppose a budget that increases equalization payments to Quebec by \$8.3 billion. That is a 70% increase. It is unprecedented.

Since the Conservatives have been on this side of the House and put an end to the Liberal cuts that were closing beds and hospitals in my riding of Lévis—Bellechasse, equalization has increased like never before. So my colleague is now opposed to that. Is she not turning her back on the Quebeckers she represents when it comes to equalization?

I would also like to know what she is doing for businesses in Quebec. There are a lot of them in my riding and I am sure there are a lot in hers too. These businesses need to be able to access financial markets, especially in times of economic uncertainty. The Organization for Economic Cooperation and Development tells us that it is hard for Canada to be as efficient as possible and there is a danger that companies will decide to issue securities in other countries because of the inherent inefficiencies in the various commissions' limited enforcement powers.

Whose interests is my colleague serving? Are there interests here that I cannot quite make out? Who is going to serve the interests of Quebec businesses? Would she not prefer to get on board and support a budget that is good for businesses that want to be able to access financial markets?

Ms. Meili Faille: Mr. Speaker, the hon. member just says this out of ideological stubbornness. If he were out in the field meeting businesses in his riding, he would know that what is currently proposed is nowhere close to adequate. If he were listening to his colleagues in the Quebec National Assembly, he would arrive at the same conclusion.

The Bloc Québécois is not turning its back on Quebeckers here. In fact, it is expressing at the top of its lungs what is being said in Quebec and what is happening in the field. Our priorities may differ from time to time. In this case, though, we have to defend the interests of Quebec, and that is what we are doing.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I want to congratulate my colleague on her fine speech. She referred to a letter that the Quebec finance minister sent to the Finance Minister of Canada. In it, Ms. Jérôme-Forget reiterated the Quebec National Assembly's unanimous opposition to the federal government's plans to make unilateral changes to equalization and establish a single securities commission. In regard to equalization in particular, she referred to an obvious lack of transparency on the part of the federal government in a process that no one saw coming.

I wonder if my colleague could make a few comments on this letter.

•(1620)

Ms. Meili Faille: Mr. Speaker, I thank my hon. colleague for his question. He probably noticed that I did not have enough time to fully express my indignation over the equalization formula. It is

completely unacceptable that the government waited until the middle of the holiday period, while no one was here and everyone was in their ridings, to publish regulations in the *Canada Gazette* changing how it treats Hydro One, and depriving Quebec of millions of dollars.

As for Ms. Jérôme-Forget's letter, I would like to be able to read it in full in this House. It describes what the Bloc Québécois has been expressing all day, that is, the indignation of all members from Quebec, who represent the Quebec people as a whole, regardless of their party affiliation, indignation caused by what the federal government is doing in the securities and equalization files.

For one thing, I would like the minister to explain why it was necessary for Ms. Jérôme-Forget to correct the facts. She says in her letter that what we hear from federal government officials, the minister himself and the people around him, is incorrect. For instance, we heard the argument concerning the cost of equalization and were told that it would increase by 15% each year, an untenable rate. The Quebec minister says this is an exaggeration.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, we are having a debate today and it is an opposition day sponsored by the Bloc Québécois. In this debate, we are raising two questions. We call on this government to renounce two measures contained in the budget. We could address other measures, we think there is a consensus on these two in Quebec.

It was mentioned earlier that there had been a consensus at the National Assembly, a consensus on the banks, the financial market and a consensus on a Canadian securities commission, a consensus opposed to this commission's being aimed at the Ontario market.

How can the members from Quebec, the members of this government, be against such a broad consensus in the National Assembly of Quebec and other intervenors in the financial sector? I do not understand.

The second question, which also leads us to call for a renunciation of certain measures, concerns the equalization formula, and I will come back to it shortly.

I would first like to address the securities question. We all know that the provinces have jurisdiction over securities because of the authority given them over property and civil rights by subsection 92.13 of the Constitution Act of 1867.

The government is on the wrong track with this national securities commission, a single regulatory body. There would be a regulatory monopoly. The government has handed out \$150 million to set up a group of experts to harmonize certain recommendations appearing in a report. Really, \$150 million.

This is a flagrant violation of Quebec's jurisdictions. This is nothing new, since other governments besides the current one have tried to take this route. There was the Liberal government as well. Year after year, we have managed to counter the desire of the governments sitting in this Parliament to establish a single securities commission.

Business of Supply

I wonder why the European community finds establishing a passport system a good way of controlling things. Why the passport? Because it allows companies registering in one of the participating provinces to do business with everyone in all the provinces, except—and this is weird—Ontario. It is off on its own and is not interested in the proposed harmonization, an approach praised by the European community. To create a single securities commission would be to create a regulatory monopoly. This is why the Bloc is opposed to the idea, and we said so concerning the last budget.

We believe that this situation is dangerous given the very high concentration of regulated industries which would cause advantages to be lost both in Canada and, in this case, in Quebec. The prevailing regulation encourages competition. To go in this direction makes no reference to this consensus of the National Assembly of Quebec, which passed a motion urging a step back from this proposal.

Why is Ontario going it alone? And they want to establish a securities commission in the province that is presently acting on its own and does not want to be bound by the existing body of regulations? Even the *Autorité des marchés financiers* says that it is the last bastion before the disappearance of stock exchange activities. So there are a lot of repercussions for Quebec, and that is why the Bloc Québécois is against this direction, out of respect for Quebec's jurisdiction in securities.

As for the second aspect of today's question, once again, we do not understand how the hon. members who come from Quebec and sit on the government side can tell us that equalization respects the will of the representatives of Quebec or the population, and that it represents more money.

During the election campaign, we did not understand the Quebec Liberals who were saying we would lose about \$75 million due to the way the calculation of equalization was being set up.

• (1625)

On November 3, a federal-provincial meeting of finance ministers was held, which was attended by the minister from the Conservative government. They said it would be barely \$75 million. That is money, all the same. After the election of the Liberal Party in Quebec, people woke up and realized it would be a loss of a billion dollars. The Parti Québécois had it right during the election campaign. All of sudden, the Liberal Party realized that it meant a net loss of one billion dollars for the coffers of the Government of Quebec. We are told there is a lot of money for Quebec, but there would be even more money for Quebec if the agreement had been respected, for example. The Prime Minister had just told the Premier of Quebec that there would be an open consultation with the Government of Quebec. I have the letter in my hands, and I could quote a large part of it concerning the desire to respect the fields of jurisdiction of the provinces and of Quebec. They have talked to us about the open federalism of this Conservative government. But the more we proceed, the more we see how the Conservative government flouts the will of Quebec.

The way the Conservative government has gone about calculating equalization is simply unthinkable.

The other aspect of the issue—as we have said earlier—is the way in which revenues generated by Hydro One and Hydro-Québec are handled. If revenue were calculated the same way for Quebec, we would have \$250 million more. So how can the Government of Quebec still trust this government?

A number of letters have been written by the Quebec finance minister—no sovereignist she—which reached the same conclusions on this as the Parti Québécois has on this issue.

This is why the Bloc cannot vote in favour of this budget, because Quebec is the loser. There are other aspects of the matter that we have not discussed either. For example, the job losses in the manufacturing and forestry sectors. There is just a few million for Quebec, compared to \$2.7 billion for the automotive industry. That is a real double standard.

How can it be that the people who have become MPs and members of Cabinet in this Conservative government are thumbing their noses at what Quebec wants in order to progress, to become more productive and more competitive? And then, how is it possible to become more competitive on the stock market and the financial market, with the creation of this securities commission? Do you know what we are being told? They will leave the provinces free to join this single securities commission. But you know very well what will happen. When there is a choice, they will abandon Quebec and join with the securities commission in Ontario.

I cannot understand how Quebec MPs, members sitting here in this Parliament, can forget Quebec when they arrive here in this Canadian Parliament. That has happened all too often. The province is no longer close to their hearts.

They can try to sell us on anything all day today, but we have the documents here to tell us not to go in that direction. If today the Bloc is standing tall, is it because we have promised to speak out whenever things are heading against the interests of Quebec, and that is what we are doing today in bringing a motion like this one to the House.

• (1630)

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I come from Lévis, where the largest Quebec and Canadian cooperative, the *Mouvement Desjardins*, has its headquarters. This financial institution says that the 2009 budget presented by our government is the best prescription for preparing the Quebec economy to deal with the economic crisis.

As a Conservative member, I am pleased to support the budget. On the other side of the House, the Bloc Québécois members remain seated with their arms crossed. They need members who will work for Quebec. We have heard some pretty amazing things this afternoon. What surprises me is that equalization became problematic while the Bloc Québécois was in Ottawa.

The Liberals put a stranglehold on Quebec's finances and the Conservative government put an end to the fiscal imbalance. Quebec will receive \$8.3 billion. Equalization payments have never been this high. Why? Because all Conservative colleagues from across the country are working together to ensure that Quebec flourishes within Canada. Our goal is to have a strong Quebec within a united Canada.

Business of Supply

I will ask my colleague this question: when will she stand up for Quebec by supporting the Conservative budget?

Ms. Christiane Gagnon: Mr. Speaker, I will accept that challenge right now. I will stand up for Quebec today. I have come here bearing the consensus of the National Assembly of Quebec. I have come here bearing the consensus of Quebec's financial stakeholders. I have brought with me this consensus.

I enjoy seeing the member for Lévis—Bellechasse so animated. However, I believe that he is all alone on his skating rink. He is suggesting to members from outside Quebec that the creation of the securities commission and the equalization formula are part of Quebec's vision. The member wants to convince other members from outside Quebec in this House that he represents the consensus of the National Assembly of Quebec. Then the member for Lévis—Bellechasse tells me that I do not stand up for Quebec.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I welcome the opportunity to put to my hon. colleague a question which I ask time and time again.

The exchange that just took place shows that Quebecers can never get what they want out of the Canadian federal system, under either the Conservatives or the Liberals.

Today, we have Conservative members looking forward to vote against the consensus in Quebec. The member for Lévis—Bellechasse passionately stated that Ottawa knows best. It knows what is good for the 125 MNAs in Quebec who passed two unanimous motions, both of which we support and are putting before this House today. All 125 members were wrong. Ottawa knows what is right for the people of Quebec.

I have a simple question for my hon. colleague. Where does this leave Quebecers? With the federal system never meeting their needs, under either the Conservatives or the Liberals, what can they do to take charge and make their own decisions without having to seek permission from Ottawa?

•(1635)

Ms. Christiane Gagnon: Mr. Speaker, I thank the hon. member for his question.

We are bearing the consensus. The Bloc Québécois is often blamed for thinking this way or that way, for preventing this, that or the other from happening, for opposing the budget. In a nutshell, the Bloc is often said to be the problem.

Let us take a look at the two issues under consideration. We are representing the consensus at large achieved at the Quebec National Assembly on these two issues. I cannot understand that the member for Lévis—Bellechasse, an elected member from Quebec, does not get the Quebec consensus.

Members from Quebec have a responsibility when they come to Ottawa. They have to reflect what the reality is in Quebec. At present, these two issues make no sense. Only by achieving sovereignty could Quebec see things turn around. Quebec sends \$50 billion in tax revenue to the federal government. Equalization is calculated based on revenues received by the federal government, which are then redistributed among the provinces. It would take too long today to explain the method used to calculate equalization.

Suffice it to say that it is as if we were getting a handout. No wonder people are exasperated with that system. We have to come and beg for money we already gave to the federal government.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I am pleased to rise to speak to the motion introduced by the Bloc Québécois. I want to thank the members of that party for introducing this very important motion.

I can support this motion with a few reservations.

[*English*]

The Deputy Speaker: Order. I apologize to the hon. member for Winnipeg North. I should have done this before I recognized her to speak.

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 Saint-Bruno—Saint-Hubert, Culture; the hon. member for Dartmouth—Cole Harbour, Employment Insurance.

I apologize to the hon. member. We will continue on debate.

Ms. Judy Wasylycia-Leis: Mr. Speaker, as I was saying, I am pleased to have this opportunity. I thank the Bloc for introducing this motion and will give my support to the motion with some qualifications.

The House will know that we in the NDP oppose the Conservative government's budget with every means available to us. I am sure the Bloc has not changed its mind with respect to the egregious matters pertaining to the budget. Unfortunately, the Liberals have decided in fact to give carte blanche to the Conservatives. There has therefore been little opportunity in the House to, in effect, create change or bring about some responsible amendments to the Conservative plan of action.

Today the Bloc was good enough to bring to us two parts of that budget and both are important. I want to start with the second part which has not had as much attention today as it should and that is the question of what the government is doing and has done with respect to transfers to provinces and equalization.

Everyone will note the amendment says that we should denounce the federal government for unilaterally amending the equalization formula. It goes on to say that the Prime Minister had promised transfers to the provinces would be predictable and long-term, and should in fact be based on an equalization calculation previously agreed to. That is a reasonable proposal. That is precisely what all provinces had hoped for. I am sure all provinces stand with us today in condemning the federal government for its arbitrary, arrogant, unilateral abdication of its commitment to work in harmony with the provinces and to do something on the basis of informed consent.

Informed consent was absolutely missing from the budget when it came to equalization and transfer payments. I had raised in the House a matter of what appeared to be cutbacks to transfer payments for health care. It was not just a matter of appearances, it was a matter of fact.

Business of Supply

The government, in terms of its configuration of the whole formula around equalization and transfer payments, arbitrarily decided to reduce transfer payments for health care to several provinces, including my own. Manitoba is to see a loss of \$13 million as a result of the government's magical configuration of the numbers.

I raised it. The Conservative government, of course, refused to acknowledge what it had done and it took behind-the-scenes manoeuvring until something finally happened with respect to federal officials letting the provinces know that they would not see their numbers reduced for this fiscal year. Nobody in the government will admit that this ever happened. There has been no acknowledgement, no up-front disclosure. It was all done behind the scenes, both the cutbacks, in the first place, and, second, the embarrassing retreat on this issue. That is what it was.

In the health committee when the health minister was confronted with the question of when she informed the provinces that their money would be returned, she pretended she knew nothing about it. That is part of the problem we are dealing with.

Furthermore, when it comes to equalization and transfer payments, that is in an area where every province counts on responsible, reasoned actions on the part of the federal government to be able to provide the services that they need to meet the requirements of their health care systems.

That is fundamental. One cannot govern in this country without the knowledge that transfer payments will be available on a reliable basis and in the numbers that are required based on the demand and need. We are still struggling, trying to catch up from the days when the Liberals unilaterally cut \$6 billion out of our health and social services systems, setting us back an entire decade or more. We are still trying to catch up from those days.

Let us hope that in this time of economic recession we do not repeat the mistakes of the past, that we do not allow any government in this country to cut back health care in order to respond to an economic recession. Let us make sure that the health care of Canadians comes first and it is at the top of all of our agendas.

● (1640)

I will go to the issue of equalization because that is specifically mentioned in the Bloc motion. I have to say that the Bloc is absolutely right. We had long deliberations at the finance committee around equalization. We had thorough meetings around the country. We acknowledged the work of the O'Brien commission, which made a series of recommendations, which the government of the day said it supported. The present Minister of Finance said when the new equalization program was introduced in budget 2007, that the budget "delivers a new equalization program that is fair to Canadians living in all provinces. It will be formula driven and principled".

Why did that commitment of 2007 not follow through to the 2008 budget? Why did the government decide to ditch O'Brien, ditch that commitment to fairness, to advance notice, to making decisions based on a formula that is clearly objectively driven, not politically motivated?

We have seen the outrage in the House and the concerns from all parts of the country, especially in the province of Newfoundland.

Interestingly, the leader of the Liberal Party gave Liberal members from Newfoundland the discretion to vote against the Conservative budget on that one instance, despite the fact that there are many issues of concern pertaining to equalization affecting many other provinces, and despite the fact that the Liberal Party stood with us in this House calling for a firm commitment to pay equity in this country. The Liberal Party decried the Conservative government's dismantling of pay equity and its death blows to equal pay for work of equal value and its targeted attack on the whole pursuit of equality for women. Has the Liberal leader given the women of his caucus, or any defenders of equality, the latitude to vote against the budget because of that unacceptable Neanderthal notion? Absolutely not.

On equalization, I want to say to the Bloc members that their motion is certainly in line with what has happened. We need to stand together and condemn the government and ask why it did not consult the provinces before announcing its intention to make significant changes to the equalization program.

How does the government explain its decision to weaken a major transfer program so soon after it was renewed on the basis of an expert panel's recommendations and after describing the changes as formula driven and principled? Why did the government not look at the O'Brien report and its recommendations for a consultation process for future changes to the equalization formula? Why has the federal government targeted the equalization program for reductions, particularly when the 2007 Conservative budget noted that the strengthening of the equalization program went hand in hand with changes to other major transfers?

There are many more questions, but I think I have made the case. The government unilaterally and arbitrarily ignored its own recommendations to follow the O'Brien commission to have a formula based equalization program so that provinces could be sure of the money that they would be receiving, know that it was based on objective factors and could count on their federal partner. The federal government let down the provinces and now we have to stand in the House and try to bring some sense to the federal Conservatives.

Let me put aside the issue of equalization. I think enough has been said on that for now. I would like to return to the question of securities regulation in this country.

The motion by the Bloc suggests that a national securities commission is wrong and that establishing such a commission would constitute an intolerable intrusion into Quebec's jurisdiction.

Let me say right at the outset, despite the fact that I support this motion and its intentions in terms of a better securities regulation system, I do not acknowledge or accept the words that this proposal is an intolerable intrusion into Quebec's jurisdiction. With some help from the Bloc, and perhaps at some point somewhere along the line the Liberals might become a constructive opposition and start offering some suggestions, we might be able to fashion a securities system that takes into account the uniqueness of the Quebec system and actually ensures that there is some harmony and coordination right across this country.

Business of Supply

•(1645)

The reason I have no difficulty in supporting a Bloc motion that condemns a national securities regulator is that it is a scam; it is a scam on the part of the federal Conservatives to pretend that they are dealing with something while they are not getting at the nuts and bolts of the issues. They are not putting in place the laws, the regulations and the standards that actually would make a difference when it comes to criminal activity in the financial sector, when it comes to scam artists and fraud artists and people who take advantage of others in their most vulnerable times.

Having a national securities commission will not fix anything if the government is not prepared to say that we need a set of recommendations, a wide-ranging piece of legislation, standards and regulations that will hold the corporate sector in this country accountable. That is what the New Democrats have proposed, a corporate accountability act for Canada, something that does not simply stop at national coordination of different regulators, but puts in place those elements that are vital to protecting people when they are most vulnerable and when they are being preyed upon by hucksters, fraudsters, con artists, and so on.

We have had this debate for many years. For ages we have been crying for the government to take action when it comes to securities regulation. The Liberals created a vacuum. They would not address the matter. The Conservatives for many months ignored this issue, but suddenly, at a time of their own political crisis, they decided to bring in an item to try to box in the opposition with no kind of consultation with Parliament. The Conservatives stand on a soapbox and act as though they were the protectors of Canadians at this time of financial crisis. It is time to call a spade a spade and to point out exactly how empty that promise is and how lacking it is in terms of real meat and potatoes for helping Canadians. It is time to demand from the government the kind of package that Canadians have been asking for, for many years.

What we have is a vacuum that has not been filled by either the Liberals or the Conservatives, so the provinces stepped in. The provinces started developing the passport system. They have had years to develop that system without any hint of involvement by the federal government. Suddenly, the federal government steps in and says that all that work has been for nothing. It wants to put that work aside, disband all of the provincial passport regulators and put in place a national securities regulator. The government wants to run the shop. It says that it will do what is best for Canadians and never mind what has been done before. Does that make sense? Absolutely not.

It would have made far more sense for the government to say to Parliament, "We do have a problem with securities and regulation in this country. We do have a problem with people being taken advantage of. We want to develop a plan and we want to do it with you". It would have made sense to send the matter to the finance committee and ask it to develop some legislation, after consulting with Canadians, and bring forward something with real meaning and real teeth.

Why not have something like the Sarbanes-Oxley legislation in the United States? Why not have something wide ranging and broad sweeping that would actually deal with the problems at hand instead

of another band-aid on a situation where people are hurting each and every day?

This is an issue of great importance. Every day there are people who are feeling the effects of a system that is not being regulated. They feel abandoned and left alone to sort out the mess that has been created by investors who take advantage of them and fraud artists who decide they can get away with something because the federal government is not watching.

What is the securities regulator going to do? How is it that the biggest Ponzi scheme in the world with Madoff in the United States happened under a system that has a very strong, supposedly, national securities regulator? Why? It did not take seriously the mounting evidence. All kinds of conflict of interest had not been guarded against in the first place. People within the system were taking advantage of others outside the system. It was a hornet's nest and no one would jump in and show the leadership that was necessary.

•(1650)

Having a regulator is not going to do that. Does anybody here think that the Conservatives' appointing a national regulator because someone from the investment community recommended it is going to make a difference? What about the expression of the pot calling the kettle black? Give me a break. Is it not time that the government actually did something significant on this front?

Many people have proposed alternatives. The NDP proposed the corporate accountability act. We suggested that there be a number of issues as part of that. In fact, we put forward ideas that included a requirement of having independent auditors appointed, having board members appointed who had no conflict of interest, having whistleblower protection for people in the industries where they noticed there were problems and wanted to let someone know, to ensure that there were some actual checks on CEOs and their excessive salary and benefit packages, to ensure that there was some mechanism in place to prevent that kind of excessive abuse by executives of large companies who end up finding a way to take advantage of individual clients and customers.

That is what we need. We need something with teeth, something with meaning, some solid piece of legislation that would actually make a difference.

We have dealt with many organizations on this matter. This is not something from the NDP. Considerable advice has come from the likes of Stan Buell who is with the Small Investor Protection Association. Considerable advice has come from Democracy Watch, which has provided us with all kinds of recommendations for a corporate accountability act, and from individuals who have a lot of expertise to offer. I think about Dianne Urquhart who has been very active on this front and worked with us on the income trusts file. I know that the Liberals are still trying to reverse the tides on that issue and are not prepared to accept the fact that income trusts have created a serious problem in our society today.

Let me reference a couple of the people who have spoken so eloquently about it and what needs to be done. I want to read a quote from an article by Alex Hutchinson in "The Bottom Line". It is about Dianne Urquhart, who was working with the National Pensioners and Senior Citizens Federation, who said:

The retirement security of its members is being threatened by questionable investment products sold on the basis of misleading information targeted at seniors, and the current enforcement rules are failing to provide the needed protection.

The article goes on to talk about the need for a set of rules that will actually deal with some of those problems, not just a national securities regulator. It talks about the need for actual provisions that are enforceable by the government on the investment, banking and financial world of this country. "It is time to get tougher on white collar crime", Dianne Urquhart and others have said.

Let me also mention the work of Al Rosen, who has been a very articulate spokesperson on this front. In an article entitled "Do the Math", he wrote the following, and it goes back to 2006, but it is still relevant today:

A former chief accountant of the U.S. Securities and Exchange Commission recently told *Forbes* magazine that the discredited American Stock Exchange has become the new "version of the Vancouver Stock Exchange".

My apologies to any members of Parliament from Vancouver.

Even though the VSE was cleaned up years ago, the stench lingers strongly south of the border. Nortel, Bre-X and a growing number of income trust debacles have only added to Canada's reputation for failing investors.

I might add that it was our former governor of the Bank of Canada, David Dodge, who described Canada in terms of the wild west.

My time is almost up, so let me conclude by saying that I support this motion because it does not address what is essential and we call on the government to put in place a meaningful package that gets at white collar crime.

• (1655)

Mrs. Shelly Glover (Parliamentary Secretary for Official Languages, CPC): Mr. Speaker, I thank the member opposite for her eloquent speech but I believe she is a little confused about a few things that were mentioned.

I come from the same province of Manitoba and I am very well aware of what has been done with regard to equalization, transfer payments, et cetera. I just want to address the comments made about the health care transfers.

I would, with respect, direct the member to look at our budget and perhaps consult with the Manitoba government. In Part 9 of the bill, she will realize that there is no issue that exists anymore. The bill states that Manitoba is set to receive \$468 million in transfer payments. I would suggest, and I believe the member opposite would be in agreement, that this is the highest level of transfer payments ever seen in my home province prior to this government being in power. We are doing more for the province of Manitoba than any other previous government.

This is what our Manitoba premier had to say about this:

Everybody understands that what happened in '95 is the deficit was moved from the federal government to the provinces.... We still have potholes in our country from what happened....

The Premier of Manitoba does indicate this because he knows that the Conservative government is protecting transfer support to provinces. I would suggest that the health transfers, as we have stated earlier, will continue to grow by 6% and social transfers will continue to grow by 3%.

Business of Supply

I want the member opposite to acknowledge, which she has indicated that she believes, that national securities regulation is a worthwhile goal. I would like to ensure that she does not confuse us further by taking a position one day and another—

• (1700)

The Deputy Speaker: The hon. member for Winnipeg North.

Ms. Judy Wasylycia-Leis: Mr. Speaker, the trouble with Conservatives is that they always like to throw out these numbers, pretend there is nothing wrong and say that they are giving all this money away.

The fact is that on the health transfer issue, despite the fact that Manitoba is getting a larger share than before, it was not getting what it was entitled to because of the way in which the government applied arbitrarily a formula that took significant dollars away from a number of provinces. This comes directly from the Province of Manitoba and other provincial governments that experienced this unfortunate news on the day that the budget was announced. The member will know that what I said in the House was that British Columbia loses \$106 million, Quebec loses \$83 million, Newfoundland and Labrador lose \$78 million, Alberta loses \$38 million and my home province of Manitoba loses \$13 million, which only adds to the problems of patient waiting times and lineups at hospitals.

The government is always good at trying to pretend it is giving so much and then it turns around and finds a way to hurt provinces and hurt health care in the long run.

On the question of the national securities commission, members on this side are not talking out of two sides of their mouth at once. We have always said that we need a comprehensive securities system in this country. It does not make sense to have simply a national securities regulator if the government is not prepared to move forward on a number of issues that will get at the excesses and the corruption that exists in the investment and financial industries now.

It is time the government recognized that it cannot get away with a simple little band-aid at the last minute. It needs to work with Parliament and the Canadian people to come up with a comprehensive package because time is running out and people are hurting.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, I want to thank the hon. member for her speech. As usual, she presented some amazing arguments. I would like her to present more of them.

As you know, this Conservative government introduced itself at the beginning of its first mandate as a government that would meet its commitments and keep its word. All governments say the same, but shortly after it was elected, the present government started breaking its promises on many issues.

I object to this way of presenting policies as if they were products to be marketed, like in a grocery store where a jar of pickles is labelled "new and improved". This government tried to pull the same trick and sell new and improved pickles. But, obviously, its policies are far from new and improved.

Business of Supply

In the Maritimes, a Conservative member now sits as an independent because the government did not keep its promise on natural resources. Newfoundland and Labrador has decided along with its premier, who campaigned during the election, to get rid of all the Conservatives in the province. In Quebec, Minister Monique Jérôme-Forget also said that this government did not keep its word.

Does the hon. member have more examples she would like to give us?

[*English*]

Ms. Judy Wasylycia-Leis: Mr. Speaker, I agree with the member. It is like a jar of pickles that has a new and improved label on it. We think we are getting something better than what the Liberals offered us but when we open up the jar of Conservative pickles they are more sour than the last jar we tasted. That is exactly what we are dealing with.

Neither party in government were prepared to do the job, whether it was financing valuable programs in terms of health, social policy, housing or aboriginal affairs, or whether it was protecting consumers and getting tough on corporations that try to take advantage of ordinary people. Both parties ignored their mandates and neglected Canadians and we are now paying the price.

What we aimed to achieve today was to begin to straighten out the mess that has been created by both parties, to try to bring some sense to them and hope that together we can work and define a meaningful system in terms of financing provinces or in terms of regulating securities, which would make a big difference for all Canadians.

• (1705)

[*Translation*]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I am happy to tell you I will share my time with my friend from Charlesbourg—Haute-Saint-Charles, who does a wonderful job for his fellow citizens.

I am pleased to take the floor this afternoon to inform you and invite you—

Mr. Royal Galipeau: Mr. Speaker, I regret that I have to interrupt my colleague from Lévis—Bellechasse, but I spent the afternoon here, and when members such as the member for Québec were speaking, I noticed that members from all parties were polite enough to listen. However, as the member for Lévis—Bellechasse was speaking, there was a terrible uproar from the benches of the Bloc Québécois. I would like politeness to be equal on both sides for those who are interested in knowing what is being discussed in the House.

[*English*]

The Acting Speaker (Mr. Barry Devolin): I am not sure that is a point of order but I do share all members' sentiment that we ought to show respect to one another in this place and I look forward to the presentation from the hon. member for Lévis—Bellechasse.

[*Translation*]

Mr. Steven Blaney: Mr. Speaker, I seize this opportunity to thank my colleague from Ottawa—Orléans for his intervention. He works very hard for the people in his riding.

This afternoon, I would like to say that it is important to strongly oppose this motion, with its outrageous content, which underplays

the excellent budget presented in this House. Unfortunately, I see that some members do not support it. Nevertheless, I support it, my colleague from Charlesbourg—Haute-Saint-Charles supports it, my colleague from Ottawa—Orléans supports it as well and, of course, my colleagues on this side of the House all support it.

I am rising this afternoon because I want what is best for businesses in Bellechasse, Les Etchemins and Lévis when they are looking for capital. I have especially in mind the Davie shipyard, whose stocks are doing very well these days. I want these businesses from my riding to be able to access the financial market as quickly as possible and with a minimum number of obstacles to overcome. They should be able to obtain the capital which is so important, particularly during these uncertain economic times.

I believe it is important to act, and that is what our government is doing, while respecting areas of jurisdiction and taking a voluntary approach. Since we were first elected, we have been working together with the provinces to institute a simplified, more efficient system for regulating securities in order to bolster our financial stability, protect investors and of course, be accountable.

We currently have 13 commissions and it is difficult to act quickly. We saw during the crucial events in September 2008 that our counterparts elsewhere in the world, including in the United States and the United Kingdom, were temporarily restricting the short selling of certain shares in the financial services industry in order to ensure market stability. Our interventions in Canada were late in comparison with other countries and there were some differences. Our system was not necessarily very efficient. It is important, especially in times of economic uncertainty, to be particularly efficient in order to provide and maintain a competitive advantage.

Canada is also working with its partners in the G7 and G20 to deal with the systemic risks to the financial industry. We have a healthy financial sector in Canada and we want to keep it that way.

Third, it is very expensive to keep multiple commissions going. What we want is to eliminate the barriers and have the most efficient system possible. If we take the Prospectors and Developers Association of Canada, for instance, they will say that they want a more efficient system. We want to ensure that the efficiency and vitality of our financial sector is not diminished by governmental quarrels. What business people tell us is they want an effective, efficient system. They do not want to be the object of squabbles over flags or parliamentary disputes. That is why it is important to vote this motion down today and to vote in favour of the budget.

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The support for improving our system comes from far beyond our borders. Last year, the Organization for Economic Cooperation and Development stated that multiple regulatory systems made it hard to maximize efficiency and there was a mounting danger that companies would choose securities in other countries. The report said, "A single regulatory authority...would eliminate the inefficiencies created by the limited enforcement authority of individual provincial agencies". What the OECD was telling us, as the Government of Canada, is that we should assume our responsibilities and make sure that our companies can access financial and credit markets and that we should eliminate the barriers that are harming them.

Contrary to what our colleagues in the opposition are saying, the creation of a single commission is not an intrusion. This is a voluntary initiative.

● (1710)

Those provinces and territories who wish to do so may join the organization, but they do not have to. In fact, several provinces have already indicated their desire to work together with us during these challenging economic and fiscal times.

The senior vice-president of the Montreal Economic Institute, Mr. Marcel Boyer, said:

A single securities commission with a strong regional presence would favourably resolve the complex issue of regulating securities in Canada—

Decentralizing to non-exclusive offices that are nevertheless able to influence for the best a single securities commission would promote innovation and efficiency in terms of financial market regulation while at the same time ensuring de facto mutual recognition of regional sensitivities and distinctive features.

We are realizing, thanks to the G7 and G20 countries in particular, that our system needs to be improved and upgraded. This way, our businesses will enjoy the same opportunities and rapid access to capital markets as those from other countries.

How can one be against common sense and local businesses from Quebec, Prince Edward Island or the Yukon having access to capital markets Canada-wide without having to go through 13 different authorities and getting bogged down by bureaucracy?

Here is an opportunity to simplify the process while respecting everyone's areas of jurisdiction, as was clearly pointed out.

I could go on and on this afternoon about the importance of passing the budget, taking concrete action to support our economy and continuing to ensure that our businesses can benefit.

I will gladly answer questions on this topic.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I always find it a bit sad when a member from Quebec runs down his province and his fellow citizens. I can understand that a member should follow his party's line, when it has members throughout Canada, but it seems to me he should try to keep quiet, and not go overboard.

My colleague from Lévis—Bellechasse talked about common sense. The Canadian securities commission he offers as a solution is very good. It is great.

But how come the 125 members of the Quebec National Assembly are all against it? There are not just a bunch of nasty separatists, since they also include the Quebec premier, a federalist

as far as I know, members of the ADQ, Québec solidaire, and the Parti Québécois, Monique Jérôme-Forget, the unions and the employers.

Everybody objects to the hon. member's securities commission. Apparently, everybody is wrong but the hon. member for Lévis—Bellechasse. They all lack common sense. Just 10 people are right in Quebec, and those are the Conservative members. Come on. It does not make sense.

● (1715)

Mr. Steven Blaney: Mr. Speaker, I take this opportunity to acknowledge my friend from the Jeanne-Le Ber riding. He is also a professional engineer. And we need people from this profession in this House. They get some nice training, and we need men and women who embrace this career if we are to promote the knowledge economy in this country.

Let me bring a couple of important points to my colleague's attention. First, equalization is a system we use in this country to redistribute wealth. With this budget, equalization payments to Quebec will reach new heights.

I urge my colleague to support this budget so that we can transfer \$8.3 billion to Quebec. Unlike the previous government, which cut equalization and forced Quebec to make cuts in health and education, we keep increasing equalization payments because we think it is important. We will keep working for Quebec.

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to ask my colleague from Lévis—Bellechasse a question.

As far as acceptance of the national securities commission, which they are telling us is such a great thing, is concerned, I would like to hear an explanation of why, in its most recent economic survey, the OECD is currently ranking Canada second for the quality of its securities regulation, with the current system. There must be a reason for that. In addition, in a study of global financial systems, the World Bank ranked Canada as a leader in securities trading. There are others, but I have selected just those two.

I would like someone to explain to me why the Conservatives do not agree with the assessments by those international bodies?

Mr. Steven Blaney: Mr. Speaker, I thank my colleague from Brome—Missisquoi. I am glad that he has referred to the OECD, because it is precisely that very body, the Organization for Economic Cooperation and Development, that is telling us we need to improve our system because there are some problems.

As I have said, the OECD feels it is difficult to maximize efficiency. There are risks, namely that companies here would abandon our system and go elsewhere. For our part, we want to retain the companies that continue to have access to our markets and use our organizations. So that is very important.

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I would also like to remind the hon. member that Canada is the only industrialized country that does not have a single securities regulator. It is high time, in 2009, that we caught up with others as far as our institutions are concerned, and that we provided the best financial tools so that our companies can continue to thrive and we can keep our workers employed in our businesses in Quebec and Canada.

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, as custom dictates, in light of the fact that I have been elected a second time, I would like to salute all the citizens of Charlesbourg—Haute-Saint-Charles who have placed their trust in me.

I today invite my colleagues to do likewise and reject the Bloc's motion because it is against the interests of Quebec. Our measures in this budget are perfectly consistent with the spirit of open federalism that underpins our overall approach toward restoring the fiscal balance. I invite my colleagues to examine our record in this regard. The facts are most eloquent.

First of all, the government is fully honouring its commitment to pay the provinces increasing, long-term transfers to restore the fiscal balance. The federal transfers have never been so high, and they will continue to increase. The Canada health transfer is increasing by 6% per year, and the Canada social transfer by 3% per year. Federal infrastructure support to the provinces is at record highs. Equalization today stands at \$14.2 billion, compared with \$8.7 billion in 2003-04 under the Liberal government.

Second, Quebec is the province that has benefited the most from the measures we have taken to restore the fiscal balance. Far from decreasing, Quebec's equalization payments and total transfers are at historic highs and continue to rise, but the Bloc persists in tabling its motion against the population of Quebec. Transfers to Quebec for equalization alone have risen 74% since 2005-06, placing the province far in the lead of the recipient provinces in terms of the increase in these transfers.

Equalization has been very advantageous for Quebecers over the years, and the government has worked energetically to ensure that this program continues to grow in a sustainable and equitable manner. The measures it has taken were necessary because of the unprecedented and unexpected volatility in commodity prices in recent months.

As my colleagues know, just after the introduction of the 2007 equalization formula, commodity prices steadily increased, with oil prices tripling in a few months before plummeting 75% in the middle of 2008. These exceptionally high resource prices pushed up the costs of equalization, and under the effect of the new formula, they would have continued to push them up for years. If nothing had been done, equalization costs would have risen over \$26 billion over the next five years. This pace of growth was clearly unsustainable, and the government would have had a lot of difficulty avoiding a long-term structural deficit.

When it submitted its final report on equalization, upon which the new program is based, the O'Brien panel of independent experts could not imagine that oil prices would reach \$150 a barrel or that Ontario would become eligible for equalization. But that is what happened, and it could weigh heavily on future charges. On the other

hand, the O'Brien panel recognized that the equalization program could well pose certain problems. It came up with some very wise advice in this regard, which can be found on page 43 of this final equalization report.

The O'Brien report recognizes that the long-run sustainability of the equalization formula is the Government of Canada's responsibility. We are taking this responsibility seriously and we are acting accordingly. I want to emphasize the fact that these measures do not reflect any reduction in equalization payments. In fact, these changes are only meant to ensure that the growth of the program follows that of the economy. They set a threshold to avoid a contraction of the whole program, and they provide transitional protection to offset their impact on the provinces benefiting from equalization, including Quebec.

The provinces were informed of these changes at the finance ministers' meeting held in Toronto, on November 3. They even got advance notice regarding their rights to equalization for 2009-10, to allow them to plan their budgets on solid ground.

• (1720)

Even if these changes recently generated a broad political debate that was strictly academic and only served to create dissension, I want to point out that they had been welcomed when they were first announced at the finance ministers' meeting, back in November.

In fact, at a press conference that followed the meeting, the Quebec Minister of Finance, Mrs. Jérôme-Forget, said that these changes were "reasonable". They are indeed, particularly under the circumstances that all governments are facing because of this serious global economic recession.

That is why we are defending the changes that we made to ensure the equalization's viability. And we are also defending the way that we implemented these changes.

On behalf of all Canadians from all provinces, including Quebec, I am asking my fellow members to do likewise, to reject this motion—which goes against Quebec's interests—and to support our budget.

I have here many statements made by various groups from Quebec that support the measures proposed in our budget. For example, the Quebec City chamber of commerce said:

The moneys committed by the federal government to infrastructures will certainly have a quick and significant impact on the economy—The personal income tax reduction is also a good measure that will stimulate the economy, just like the rebates for renovations and for first time home buyers.

But they voted against those measures.

Also, François Dupuis, chief economist at the Desjardins group, which is in the riding represented by the member for Lévis—Bellechasse, said the following:

—we believe that the measures proposed by Ottawa will work. The government is hitting several targets at once. For families, this is a breath of fresh air.

They are voting against it.

Norma Kozhaya, research director and chief economist with the Conseil du patronat du Québec, said:

I think that these are good measures both for the short term, given the recession, and for long-term positioning in terms of making businesses more competitive, getting people back to work and increasing taxpayers' purchasing power.

They are voting against it.

The president of the Coalition pour le renouvellement des infrastructures du Québec and mayor of the City of Laval, Gilles Vaillancourt, said:

This budget takes into account the reality of an economy that is going through a recession and responds to the Coalition's repeated demands for more funding to help municipalities accomplish their mission, undertake work to upgrade and renew basic infrastructure, and ensure safe, adequate services for citizens. The new funding program will enable municipalities to plan infrastructure more effectively.

They are voting against it.

The Rivière-du-Loup RCM's chamber of commerce said:

This is extremely good news for the RCM of Rivière-du-Loup.

They are voting against it.

The Alliance des Manufacturiers et Exportateurs du Québec said:

The federal government's budget [...] puts forward measures that will help the manufacturing sector and stimulate the Canadian economy [...] The 2009 budget [...] includes a number of positive measures that will help our businesses during this time of crisis. These measures must be implemented as quickly as possible.

They are voting against it.

We should listen to these groups, reject this anti-Quebec motion, and pass the Budget Implementation Act as soon as possible.

• (1725)

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I listened to our colleague cite a variety of interventions relating to the budget and the measures proposed. I would like to ask him if he read the letter to the finance minister from the Quebec finance minister. In it, she expresses her opposition and that of the

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entire National Assembly. She also refers to a unanimous resolution by the National Assembly, which is completely critical of the proposals contained in the Conservative budget. These proposals would unilaterally amend the equalization formula, which would deprive Quebec of \$991 million next year alone. There is also a plan to create a single securities commission.

The member spoke of a series of interventions along the lines he would like, but the majority of the members of the National Assembly still support the remarks Ms. Jérôme-Forget made in her letter. Has he read it?

Mr. Daniel Petit: Mr. Speaker, I thank my colleague for his question.

I would point out to him that equalization will increase and that it will reach the figure of \$8.9 billion. The province of Quebec has held the record in equalization payments since 1981, some \$4 billion annually.

Furthermore, I would point out that he can read an article in the *Globe and Mail*, which discusses a single commission and which states that, had one existed, there might not have been the problem with the Caisse de dépôt et placement du Québec. Tomorrow, we will lose \$38 billion, because they do not want to join us.

• (1730)

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, what disdain for Quebec institutions. Always the “Ottawa knows best” attitude, ever paternalistic federalism telling the 125 members from Quebec, who ably represent the interests of Quebecers, that they are wrong, that the 10 Conservative members from Quebec know what is good for Quebec, and that the rest of Quebec is wrong.

In his intervention, the member spoke at length on what we are voting against. I will tell him whom he is voting against this evening. He is voting against the 125 members of the National Assembly who voted unanimously in favour of the very text of the motion we present today. He is voting against Pierre Arcand, Vincent Auclair, Jean-Martin Aussant, Claude Bachand, Raymond Bachand, Line Beauchamp, Denise Beaudoin, Louise Beaudoin, Claude Béchard, Stéphane Bédard—

The Acting Speaker (Mr. Barry Devolin): The hon. member for Charlesbourg—Haute-Saint-Charles.

Mr. Daniel Petit: Mr. Speaker, I thank my colleague for listing those names. I can tell you that, indeed, Quebec will not lose any equalization payments. We are coming out on top.

The problem is that we need a motion. Bloc members make Quebecers believe just about anything. The difference is that we had to work to get these results. They never prepared a simple budget in their whole life. They never had any responsibility in their whole life. But for us, we have to live with what we are going to do.

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We had to negotiate to get the \$8.8 billion that will be given out. That is why I am telling you that this motion goes against the interest of Quebec and people in Quebec. All they are doing is voting for the rich without doing anything for the poor.

Mrs. Ève-Mary Thériault (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my colleague from the riding of Charlesbourg—Haute-Saint-Charles read out quotations from several reports, and I also heard several people's opinions

For his information, I would like to refer to an article concerning remarks of his about some Quebecers who, incidentally, are artists. The hon. member said that Conservative members were not all that buddy-buddy with artists, that that was not what they were about and that that was \$2 billion spent by all workers so artists could entertain them.

Indeed, when you say that the Bloc Québécois is not standing up for Quebecers, with remarks such as these—

The Acting Speaker (Mr. Barry Devolin): The hon. parliamentary secretary.

Mr. Daniel Petit: Mr. Speaker, I thank my colleague.

I would like to mention that we are working today for this budget, and it must be passed. We should try to defeat this motion. That is why I am asking all my colleagues to vote against this motion because it is against people in Quebec.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, I will begin by advising you that I will be splitting my time with the hon. member for Argenteuil—Papineau—Mirabel.

Today is a Bloc Québécois opposition day. We introduced a motion that calls upon the government to immediately renounce two measures contained in the recent budget, namely the establishment of a national securities commission and the unilateral amendment of the equalization formula. This places in perspective the debate we have just endured. I use that word because of all the inequities and falsehoods that we have heard in the past thirty minutes or so.

If we opposed the federal budget of this past February, it is in part because of those two measures. The present government is an expert at forcing Quebecers to swallow one insult after another. I am coming to realize that more and more. These two measures constitute the biggest, ugliest and most disgusting load of insults yet. I must also point out that the Quebec National Assembly has passed a unanimous motion against those two measures.

I will limit my comments to the national securities commission, because my colleague will be addressing the matter of equalization. There has been talk of the national securities commission for 40 years now. People need to be given an explanation of what this commission is, and what securities are.

Securities are negotiable and transferable instruments that can be listed on the stock exchange. These are stocks and bonds, certificates of investment and warrants. All of these financial components fall under provincial jurisdiction, as is clearly set out in subsection 92 (13) of the 1867 Constitution Act. We have just heard my colleague from Lévis—Bellechasse say that this did not constitute any encroachment into provincial areas of jurisdiction. That is absolutely

wrong, because management of this commission and these securities is a wholly provincial area of jurisdiction.

In Quebec, the Autorité des marchés financiers is the agency responsible for regulating securities and ensuring that companies issuing securities do so according to the rules. For example, a company looking to issue a series of shares on the Quebec stock market has to abide by the rules set out by the Autorité des marchés financiers to ensure that everything is done according to the rules.

Each province has this system for stocks, bonds and securities. An agreement between the provinces sets up a passport system. If, for example, a Quebec business issues shares under the authority of the Autorité des marchés financiers du Québec, it can do business with citizens of other provinces that follow the passport system. This business is legal. There is one province that does not follow the passport system, and it is Ontario.

People have been talking about creating a single securities commission for 40 years. In 2003, the Liberals put together a panel of experts to examine the possibility of establishing a single agency in Canada. In 2006, the Conservative government put the idea in its budget and economic update and repeated it in its 2007 budget. In June 2007, the current Minister of Finance set up a working group to study the effectiveness of the current system. However, in September 2007, it changed the group's mandate so the latter would examine how to create a single regulator. That was in 2007.

● (1735)

What did it do in 2008? It gave this committee \$150 million to set up a Canada-wide securities commission. That was quite an affront.

They recognized Quebec as a nation. A nation must manage its assets, make its laws and govern itself. If Quebec is recognized as a nation, then interfering in its jurisdictions is not respectful. It shows a lack of respect. It is meddling. It will cause the loss of hundreds, even thousands of jobs in Quebec because it will lead to the disappearance of stock exchange activities in Montreal. There will no longer be any offices in Montreal. Everything will be concentrated, probably on Bay Street, in Ontario. At that point we will bow down to Bay Street.

I would remind members that this budget gave millions of dollars to Ontario's auto industry whereas we had to accept crumbs for our forestry and manufacturing industries. Creating a single securities regulator is another slap in the face to Quebec. At present, the securities commissions of Quebec and the provinces have a voice at the International Organization of Securities Commissions. That is a voice for Quebec on the international stage. That voice will be silenced. We want to continue to be heard.

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The OECD currently puts Canada in second place when it comes to the regulation of securities. The International Monetary Fund and the World Bank feel that Canada has a regulatory framework that is “sophisticated”, “highly effective” and “nearly unified”. The report also mentions “sufficient resources and skilled personnel” and says that the system is “clearly accountable to the government”. As well, it says that the framework is solid and that costs are minimal. The International Monetary Fund and World Bank are not stupid. So when the government says that this will cost less and work better, I do not believe it. There are people who have spoken about this.

We should be wondering what the real factor is that is motivating Canada's Minister of Finance to centralize the securities commission and establish a single entity for Canada. If it is not to concentrate money in Ontario and, once again, to try and silence Quebec, what could it be?

The Bloc Québécois motion is forthright, direct and honest. We simply want to protect Quebec and Quebecers. If we are recognized as a nation, we should have our needs recognized and be respected ourselves.

I am asking all the Quebec members in this House to vote in favour of the Bloc Québécois motion that aims to protect jobs and protect who we are.

● (1740)

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I want to congratulate my colleague on her excellent speech.

In fact, she talked about a very important point of our motion. Earlier, someone mentioned the good reputation our present securities regulation system has in the international arena. I would like to come back to that and ask the hon. member how the International Organization of Securities Commissions can declare that ours is the best system. Since the Constitution says that securities are a provincial jurisdiction and that has been recognized, that gives us a right, that gives us a say because Quebec has its Commission des valeurs mobilières. If that was to disappear, Quebec would lose its right to speak.

I would like to hear the member's comments on that subject.

Ms. Diane Bourgeois: Mr. Speaker, I thank my colleague for that extremely important question.

Quebec's right to speak outside Canada troubles many people, especially the members from other provinces. It is obvious that Quebec has always been proactive and that it always exerted its influence abroad. At one point, Canada began to exert its influence abroad, and we only have to go back in history to see how much of that influence is attributable to Quebec. Canada has always followed Quebec initiatives. Quebec has very often opened the doors for Canadian companies and served as an example for the rest of Canada.

In that sense, depriving Quebec of its right to exert its influence abroad would deprive it of a voice, would deprive it of a means to be self-sufficient and to acquire capital. That is important. As is implied in my colleague's question, Quebec's influence abroad is also Canadian influence abroad and Canadians should think about that. I wonder where Canada would be without Quebec.

● (1745)

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I want to thank my colleague for her excellent presentation. She demonstrated once again that, regardless of who is in office in this Parliament, whether it is the Liberals or the Conservatives, they are never able to address the legitimate aspirations of Quebec. These aspirations are presented to the House of Commons by the Bloc Québécois, but sovereignists are not the only ones who are defending them. The motion that we tabled today in this House is a reflection of two motions that were unanimously passed by the National Assembly.

If, as is the case, Quebecers are never able to influence decisions in this House based on what they unanimously believe, what solution do they have left to truly take control of their destiny, to vote their own laws, to manage all of their money and to represent themselves on the world stage?

Ms. Diane Bourgeois: Mr. Speaker, I thank the hon. member for Jeanne-Le Ber.

Of course, I have always given that answer to everyone. Whenever Quebec's privileges are denied, whenever a lack of respect is shown towards Quebec, it stirs up Quebecers' feelings and it gives them an opportunity to see how strong this contempt for their specificity can be.

In this case, we are talking about a request made by the whole National Assembly, by its 125 members, including the Premier of Quebec. I respect him, even if we do not share the same political stripe. He has his advisors, he knows where he is going, and he says that a single securities commission is not good for us. So, I am telling him, and I am telling my fellow federalist colleagues in this House that they are acting to ensure that the important thing for Quebec is separation, or running away from this Canada that is stifling us.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I would like to thank my colleague, who interrupted her passionate discourse to give me a little time to speak. I am sure that she would have had no trouble using up all of the allotted time.

In our motion, we are asking the government to drop two measures. My colleague and I agreed that she would talk about the Canada-wide securities commission, and I, the Conservative government's unilateral amendments to the equalization formula. In a letter to the Premier of Quebec dated March 19, 2007, the Prime Minister promised that transfers to the provinces would be predictable and long term. In respect of calculating equalization, he should also agree to the Government of Quebec's request to treat revenue generated by Hydro-Québec's transmission and distribution activities the same way Hydro One's revenues are treated.

It is clear from the positions taken by other parties in this House that the only members who are standing up to protect the interests of Quebecers are the Bloc Québécois members. There is a reason that, in election after election, we win a vast majority of the seats in this House: when the time comes to stand up for Quebec's interests, we are the only ones who represent the Quebec nation.

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Members of other political parties in Quebec will vote against this motion. Today, I am asking the government not to make changes to equalization, but this is not a Bloc Québécois request; it is a unanimous National Assembly of Quebec demand. I would be happy to explain. We have the support of Quebec's finance minister, Ms. Jérôme-Forget, who wrote a letter to Canada's Minister of Finance asking for what we are asking for today. She did not write the letter 10 years ago. She wrote it on January 21, 2009, and I will speak about that later.

Everyone knows that Ms. Jérôme-Forget's political allegiance is not the same as ours, and that nobody on our side voted for her party during the last election. Even though we are not supposed to say for whom we voted, we can say that because everyone knows it.

That is the reality. Why? Because equalization is part of the very foundation of a federation. Canada is not the only federation that shares its resources among its various constituent communities, which are called provinces here. Germany, Switzerland, Australia, India, Pakistan and South Africa have equalization systems similar to ours. The United Kingdom also has an equalization system that reflects the needs of Scotland, Wales and Northern Ireland. Equalization is not unique to Canada, but can be found in other federations as well.

The big question is whether Canada is a true federation. We can always discuss this, but the fact is that the equalization system is in place so that people will have access to public services at reasonably comparable levels of taxation. The purpose of equalization is to try to distribute wealth more proportionally throughout the federation.

Do you think Quebecers like getting equalization? They do not, because it is a sign of poverty. Quebec is less wealthy than certain other provinces, even though other provinces also receive equalization payments. But other provinces like Ontario, British Columbia and Alberta are wealthier. We can break all that down.

As for the aid given to the auto industry, the wealth this industry generates does not even benefit Quebec. We had an auto manufacturing plant, but it closed a decade ago. Obviously, we are very happy to have some suppliers, but the auto manufacturing companies are all in Ontario.

The good jobs are therefore in Ontario, and household incomes there are higher than in Quebec. That is why we receive equalization. But it is a myth that Quebec is the spoiled child within Canada.

When we look at the provinces that receive equalization, we see that Quebec gets more. Why? Because its population is larger. But Quebec gets the least money per capita, with \$1,037 in 2008-09. Nova Scotia receives \$1,679 per capita; Manitoba receives \$1,732; Newfoundland receives \$1,781; New Brunswick receives \$2,111 and Prince Edward Island receives \$2,310 per capita.

The total amount Quebec receives is higher, but it is not true that people are treated equitably on a per capita basis. Obviously, the provinces and the Government of Canada debate this.

• (1750)

As for the division of the equalization formula, there seemed to be agreement. We were all aware of that. The Prime Minister had written to the premier of Quebec in 2007 to tell him that, at last, he

had decided to review the formula for calculating equalization payments, within the framework of addressing the fiscal imbalance. We even voted in favour of the 2007 budget, and that is no secret. There was unanimity in Quebec. All political parties were in agreement. The decision was made to give the government a chance. Yet the government was the source of the problem. It has reduced equalization because it has a reduced revenue. It has a reduced revenue because it has reduced the GST. That is the Conservative reality. Now they are trying to scrape up a little money here, a little there, and once again are picking on equalization, which is a revenue calculated into the budget of the province of Quebec. They are saying all manner of things on this subject. The Minister of Finance says the provinces were aware of the new method for calculating equalization, that it was not done unilaterally.

I will read the opening paragraph in the letter that Quebec finance minister Jérôme-Forget wrote to the federal Minister of Finance. It says:

Dear Colleague,

In recent days, federal government authorities, yourself and other representatives of your government included, have affirmed that all pertinent information on the changes you are contemplating to equalization was shared at the federal-provincial meeting of finance ministers held last November 3 in Toronto.

That is incorrect. Allow me to rectify this.

These are not my words. It is a letter from the Quebec finance minister to the federal Minister of Finance in Ottawa. Let all those who have come here saying there was an agreement know, it is not true. And that includes all the Quebec Conservative members who have gone and told Quebec and their fellow MNAs that it was not their fault, that there was an agreement. There was no agreement. The Quebec Conservatives need to wake up. There was no agreement. Period. She wrote that letter and I have a copy.

Perhaps, Mr. Speaker, would you give me permission to table in this House a copy of the letter written by Minister Jérôme-Forget to the Minister of Finance on January 21, 2009?

Do I have leave of the House to do so?

• (1755)

[English]

The Acting Speaker (Mr. Barry Devolin): Does the hon. member have the consent of the House to table this document?

Some hon. members: Agreed.

Some hon. members: No.

Business of Supply

[*Translation*]

Mr. Mario Laframboise: Mr. Speaker, I do not have the House's consent. Once again, it is a sign of how this federation works. A provincial finance minister wrote to the federal Minister of Finance. I am asking for permission from the House to table that letter, which is a public letter. I have copies of it. It is not from a minister affiliated with our party. It is a letter from someone who represents Quebecers, and I am being denied the right to table the letter in this House. That is how the Canadian federation works, and that is what we deplore. Once again, not one Quebec member from the other parties stood up to tell his or her colleagues that it might be important for everyone in the House of Commons to know what is written in the letter dated January 21, 2009, from the Quebec finance minister to the federal finance minister. Once again, we are being denied.

It is no accident that in one election after another, the people of Quebec choose members of the Bloc Québécois to represent them in this House. Once again, we are the only ones who fight to ensure that Quebec is treated equally in the federation. This will continue until Quebec decides to stand on its own two feet and stop sending more in tax money than it gets back. We still hear plenty of myths, including one that we have revenues only because we receive equalization. However, we send more tax money than we receive. That is the reality. Equalization is tax money paid by Quebecers. Of course, if we receive more in equalization, that is because we have a larger population and we pay more income tax than many other Canadian provinces.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I heard my colleague talk, in his excellent presentation, about the different parts of the motion tabled today. He mentioned an important aspect at the very beginning of his speech concerning the problem caused by the government's decision to give preferential treatment to Hydro One, in Ontario, compared to Hydro-Québec, in Quebec.

The transmission and distribution of electricity in Quebec represents two thirds of Hydro-Québec's activities. The Conservative government refused to consider this when calculating the dividends paid by Hydro-Québec to the government. I would like to hear the member for Argenteuil—Papineau—Mirabel talk about the unfairness of this decision which has resulted in the loss of \$250 million in additional equalization payments to Quebec.

Mr. Mario Laframboise: Mr. Speaker, I thank my colleague for Saint-Maurice—Champlain, who is our finance critic and does an excellent job, for allowing me to make some clarifications. Had I been permitted to introduce the letter, no explanation would have been required. My colleague knows that. Ms. Jérôme-Forget is Quebec's minister of finance. In the letter she wrote to the Minister of Finance on January 21, she said:

I also want to raise a matter of vital importance to Quebec that was raised...at the meeting of First Ministers—

On November 14, 2008, your officials advised their provincial counterparts that changes to the equalization regulations were under consideration...One of them concerns a change to the treatment of dividends paid by Hydro One to the government of Ontario. The federal government has decided to consider this source of revenue under the corporate tax base rather than the natural resources base. The argument made by your department is that this enterprise transmits and distributes electricity, but does not produce it.

However, it should be understood that two thirds of Hydro-Québec's revenues are generated by the distribution of electricity. That is also the case for Hydro One. The minister concluded by stating that “this unfair treatment will deprive Quebec of an amount estimated at more than 250 million dollars per year.”

Once again, colleagues from the other parties should not—

• (1800)

The Acting Speaker (Mr. Barry Devolin): Questions and comments. The hon. member for Lévis—Bellechasse.

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I would like the member for Argenteuil—Papineau—Mirabel to rethink his speech. Equalization is a Canada-wide system that distributes wealth. Quebec receives more money than other regions of the country because of the equalization formula, which is an advantage of federalism for Quebec.

That said, is the member for Argenteuil—Papineau—Mirabel willing to acknowledge that this year Quebec will receive a record equalization payment of \$8.3 billion? Is he willing to acknowledge that equalization will continue to increase under the new formula we have put in place? Quebec is receiving more than it did last year. In fact, it is receiving 70% more than it received before we came to power. Is he willing to acknowledge that, thanks to the Conservative government, Quebec is receiving more equalization? If that is the case, why is he against the budget when this money will be transferred to Quebec?

Mr. Mario Laframboise: Mr. Speaker, I understand that this Conservative member from Quebec does not want me to table the letter from Quebec's minister of finance. He would have understood everything if he had read closely. What he is telling us is partly true. The problem is that his government decided to correct the fiscal imbalance. However, with these unilateral measures, the Quebec government will lose \$250 million of revenue from Hydro Quebec and \$500 million from the equalization formula. Money is doled out with one hand and snatched back with the other, all because the Conservatives have made poor budgetary decisions. That is the Conservatives' responsibility.

Even if he gets all worked up today to tell us that we should be happy, we are not happy because Quebec is not happy. If Quebec is happy, it will be clear during the next election.

[*English*]

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am quite honoured to participate in this debate on the motion that has been brought forward by my colleagues from the Bloc.

In their motion before the House, they denounce the government for two recent actions that were included in the budget. One is the establishment of a national security commission. The other is the unilateral amendment of the equalization formula. Both issues are important, but I must say that they are incorrectly phrased by my colleagues from the Bloc. I think it is important that we take the time in the House to debate this issue and look over some of these items.

Business of Supply

First of all, I am not personally opposed to the establishment of a national securities regulator. However, it has to be done in a constitutionally sound manner. Therefore, as my leader has stated, the government should make reference to the Supreme Court prior to proceeding with this plan. I think that is the only fair way and the only way to know that we are acting within the law as well as with the authorization and support of the Supreme Court.

As a party, we remain committed to exploring the national system of securities regulators in cooperation with the provinces and in accordance with the Constitution to enhance coordination and regulation, while maintaining the ability to address unique regional needs. If the United States, our largest trading partner, had a common securities commission and regulator for every state, one can only imagine that it would be very difficult. One of the things we have to realize in this global crisis that is taking place is the important need for us to cooperate and have agencies working together to cut through red tape. That is so important. I think even my colleagues from the Bloc would understand the importance of removing red tape. Red tape can be an obstacle to economic growth. We are living in a global village and times have changed.

It is important to know that securities legislation in Canada and around the world has two main objectives: to protect investors and ensure that capital markets are efficient, fair and transparent. Regulatory discrepancies among jurisdictions in terms of public disclosure and information sharing between companies and investors can create distorted markets and increase risk to investors, both of which are undesirable for economic stability and competitiveness.

Generally, securities regulators administer four broad areas. First, raising capital through sale of securities such as private placements and initial price offerings. Second, ensuring that companies are transparent and continuously disclose relevant investment information. Third, enforcing securities regulations and deterring misleading or deceitful behaviour; and fourth, ensuring traders of securities are qualified, reputable and licensed.

Some provinces have taken different views on this issue. We know that Alberta, Manitoba and Quebec currently oppose the idea of a single regulator, while my home province of Ontario and British Columbia are voicing their support. In October of 2007, the National Assembly of Quebec unanimously passed a motion for the federal government to abandon its Canada-wide securities commission project. It has been stated many times here in the House by my colleagues from the Bloc.

One argument presented by the provinces will be that securities regulation is clearly a provincial area of jurisdiction under the property and civil rights power of the Constitution subsection 92(13) and the federal government should not intrude. In today's regulatory environment, securities in Canada are subject to the rules and regulations of 13 different provincial and territorial regulators, creating a fragmented regulatory framework that serves to hamper investment in Canadian companies.

• (1805)

Some of the specific criticisms of the current fragmented approach include, for example, trying to raise capital. It is expensive to comply with all the provincial laws. Raising capital is time sensitive and

compliance with all of the different rules hold up commencement of trading.

Investors in smaller provinces can be denied investment opportunities. Because of the small and fragmented nature of current securities regulation, enforcement is difficult and not adequately funded.

In support of the current multi-jurisdictional model, provinces argue: it allows for the development of more innovative ideas that can adapt and respond better to unique regional markets; it can more efficiently enforce regulation as they acquire experience and expertise in their regional markets; a single securities regulator may impose compliance rules tailored for larger multinational users and may squeeze out smaller regional companies from accessing capital; and it protects regional securities infrastructure that provinces have developed with accountants, lawyers, underwriters and other professionals.

These are some of the issues that have been raised both for and against by the different provincial jurisdictions. These arguments are valid on both sides.

At the same time, I would go back to my earlier argument, and that is, given the financial uncertainty happening around the world and the crisis also taking place, this would be a unique time to go forward with this initiative provided that it does have constitutional support.

We should look as well to see if we can move forward in co-operation with the provinces. It is important that we have the provinces on our side in dealing with this issue. The government talks at great length about its co-operation with the provinces, but it has the backs up of many provinces that feel they are not being treated fairly.

To address the criticisms, all the provinces and territories, with the exception of Ontario, have created the Canadian Securities Administrators, a forum for securities regulators to coordinate and harmonize Canada's regulatory system. The CSA, as it is called, has successfully implemented several initiatives, including a passport system for a single window of access and recognition to participate in all of the regional capital markets.

On March 17, 2008, the passport securities system moved to its next step and any prospectus approved in one jurisdiction will be recognized in all others save for Ontario. The CSA has also implemented a harmonized Internet SEDAR system for information disclosure and a streamlined national registration system for traders.

In 2006 the Crawford panel, a panel commissioned by the Ontario government to look at securities regulation, recommended adoption of a single securities regulator.

Business of Supply

In 2003 the Liberal government set up the wise persons' committee to adopt a single regulator to address the issues of regulatory barriers, fees and enforcement. This was supported at the time by the Canadian Bankers Association and the Investment Dealers Association of Canada. The wise persons' committee recommended a national system based in Ottawa with strong, functionally empowered regional offices in Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax.

In 2004 the Liberal government agreed with the CWP conclusion that the best possible securities regulatory structure was a single securities regulator and pledged that it would work with provincial and territorial governments to move this forward.

That is the historical background of what has taken place over time on this issue.

• (1810)

The Conservative government and, in particular, the Minister of Finance consistently stated their intent to implement a national securities regulator in budget 2006. Then the government in March 2007 published "Creating a Canadian Advantage in Global Capital Markets", which included the creation of this expert panel. This commitment was reiterated in the 2008 budget.

At the request of the Minister of Finance, the International Monetary Fund, in 2008, completed a report calling on Canada to move forward with a single securities regulator. The Minister of Finance appointed a panel of experts to look at the possible creation of a common securities regulator in Canada, headed by Tom Hockin, a former federal Conservative minister of state for finance and a former president of the Investment Funds Institute of Canada.

These are some of the issues that have been addressed both for those who are in favour and who are against a common regulator.

On the second motion by the Bloc Québécois on the issue of equalization, the Minister of Finance, in announcing budget 2007, infamously stated "the long, tiring, unproductive era of bickering between the provincial and federal governments is over". That was a very short-lived statement, as we all know. It certainly was never realized, except for the very brief second when the minister uttered those words.

In that budget, the Minister of Finance introduced amendments to the equalization formula, amendments the Conservatives believed would fix equalization for good.

Among other things, budget 2007 introduced a return to the measurement standard reflecting the fiscal capacity of all 10 provinces, a new approach to the treatment of natural resource revenues through a 50% exclusion of those revenues from the calculation of equalization payments and, finally, a fiscal capacity cap to ensure that equalization payments did not unfairly bring a receiving province's overall fiscal capacity to a level higher than that of any non-receiving provinces—

The Acting Speaker (Mr. Barry Devolin): It being 6:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Barry Devolin): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Barry Devolin): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Barry Devolin): In my opinion the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Barry Devolin): Call in the members.

• (1845)

[*Translation*]

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

(*Division No. 12*)

YEAS

Members

Allen (Welland)	Ashton
Asselin	Atamanenko
Bachand	Beaudin
Bellavance	Bigras
Blais	Bonsant
Bouchard	Bourgeois
Brunelle	Cardin
Carrier	Chow
Comartin	Crête
Cullen	Davies (Vancouver East)
DeBellefeuille	Demers
Deschamps	Desnoyers
Dewar	Dorion
Duceppe	Dufour
Duncan (Edmonton—Strathcona)	Faillie
Freeman	Gagnon
Gaudet	Godin
Gravelle	Guay
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)	
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)	
Harris (St. John's East)	Hughes
Julian	Laforest
Laframboise	Lavallée
Layton	Lemay
Leslie	Lessard
Lévesque	Malo
Maloway	Mathysen
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Mulcair	Nadeau
Ouellet	Paillé
Paquette	Plamondon
Pomerleau	Rafferty
Roy	Siksay
St-Cyr	Thi Lac
Thibeault	Vincent
Wasylcia-Leis— 69	

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Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	Andrews

Adjournment Proceedings

We were all a bit surprised a few days ago when a spokesperson for the Conservative government told members of the media that the Conservatives “were not buddy-buddy with artists”.

A surprising statement, yes, but surprising mainly because of the frankness of the member for Charlesbourg—Haute-Saint-Charles in saying out loud what his colleagues were thinking quietly to themselves, with barely concealed disdain for our artists.

Yet the cultural industry in Quebec represents 314,000 jobs, 171,000 of those direct ones. In Montreal alone, the cultural industry in 2005 generated economic spinoffs of \$1.4 billion, and was responsible for a growth rate of 4.7%. That is huge. The culture of Quebec is a kind of formidable business card distributed by such greats as Robert Lepage, Cirque du Soleil or La La La Human Steps.

Last fall, the Stephen Harper government stirred up a storm in Quebec when it announced \$45 million in cuts to programs for artists touring abroad. Then, just a few days ago, the Conservatives were again in the spotlight, pulling out of their hat a new program, the Canada prize, with some \$25 million in funding for foreign artists who will be performing in Toronto.

Members have repeatedly questioned the Conservative government about its approach to the cultural sector. We have learned that it made unjustified cuts to the touring program. Then the government announced \$25 million in funding for a program known as the Canada Prizes, which nobody seems to know anything about. The government tried to distance itself from the project once it realized that it was a boondoggle.

The Conservatives are attacking artists, art and culture for purely ideological reasons. They will regret it because Quebecers feel that culture is the very soul of our nation.

That is reason enough for Quebec to take control of its own cultural development. It is more important than ever before for the federal government to transfer all culture-related responsibilities and funding to the Government of Quebec. This is critical to our economic survival and to our survival as a people.

• (1850)

[*English*]

The Acting Speaker (Mr. Barry Devolin): Order, please. I want to take a moment to remind members that when they are speaking in the House, they are not to refer to other members by their names, but rather by their titles. The hon. Parliamentary Secretary to the Minister of Canadian Heritage.

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, the intervention by the member is not unlike other interventions she has made. It was factually incorrect, as a matter of fact.

As you well know, Mr. Speaker, no government in history has supported arts and culture more than this government. In fact, no government in Canadian history has put more money into arts and culture than budget 2009, a budget that the very member who is making the intervention is voting against, which I find remarkable.

She talked specifically about the promotion of culture abroad, which she has mentioned many times. As you know, Mr. Speaker, because I know you follow these things very closely, we have

provided over \$22 million in ongoing support to culture abroad. This is delivered through agencies such as the Canada Council for the Arts, Telefilm Canada, the Association for the Export of Canadian Books, FACTOR, Musicaction and the National Film Board of Canada.

Just this past October, at the Sommet de la Francophonie, the Prime Minister announced that we would invest an additional \$25 million in TV5 over the next five years. What will it use the money for? The hon. member might be inclined to research this because it has indicated that it will facilitate support for TV5MONDE and TV5 Quebec Canada to increase their Canadian and francophone content, modernize and expand their distribution through high definition television, modern media, Internet and video on demand, which will allow francophones in Canada and around the world to have increased access to the network. That allows promotion abroad.

I am really proud of this government's record with respect to heritage and the amount of support we are providing for artists. The member should either research the facts or stop misinterpreting the facts.

[*Translation*]

Mrs. Carole Lavallée: Mr. Speaker, the member said that he is proud of what his government has done for heritage, but I do not see how he can be proud when every artist in Quebec and Canada is in desperate straits. They are begging the government to help them carry on touring internationally.

It is true that the current government has some funding programs to help certain segments of the cultural sector travel abroad. However, there is a gaping hole when it comes to theatre, music and especially dance companies. They no longer have access to any funding programs to help them tour internationally. That is not right. It is just not right for the government to cut \$45 million from those programs, then turn around and give \$25 million to the Canada Prizes for the Arts and Creativity, a boondoggle meant to bring artists here.

• (1855)

[*English*]

Mr. Dean Del Mastro: Mr. Speaker, the member sat in on the same briefings as I did. She keeps referring to the number of cuts and so forth but she was at the presentation on these numbers and knows that what she is saying is not accurate. However, she keeps spinning a misrepresentation to artists. It is unfortunate and it may well be part of the problem.

What we need to be telling artists is how much this government and Parliament has put behind them in support. We believe in what they do and in the vibrancy and value they provide to Canada, as well as the rich flavour they add to the world as a whole when it comes to their artistic contributions.

The reallocations conducted under our strategic review affect a very small amount, as I have said. In budget 2008-09, \$2.31 billion have been allocated to the Canadian heritage portfolio.

Adjournment Proceedings

EMPLOYMENT INSURANCE

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to follow up on a question that I asked the Minister of Human Resources and Skills Development on February 2. The response, frankly, was not an answer and I thought I would take this opportunity to chat about it again.

My question was about comments the minister had made in referring to the EI system. When asked why she had not opened up the EI program more and made it more available across the country, and perhaps made the benefits a little more accessible for people who are now not working, she made the comment that she did not want to make EI too lucrative, that she did not want to pay people not to work. That statement is offensive to Canadians. Let us take a look at the situation.

There were signals before the stimulus package came down that EI would be radically overhauled. It was already clear that EI was going to be a very important part of the social infrastructure for Canadians who were losing their jobs. In the budget, the minister added five weeks, included some money for retraining and a few other things, but did nothing about the two week waiting period, did nothing about the critical issue of evening out access across the country so that all Canadians could have access to EI.

People who pay into EI should have access to EI. It does not seem all that complicated a formula. As a stimulus, EI is particularly useful.

Ian Lee from the Sprott School of Business referred to a survey which indicated that when different types of spending measures were ranked in terms of stimulus, spending on employment insurance actually came out at 1.61. This means that every dollar disbursed to someone who is unemployed generates \$1.61 of economic growth. It is more significant than infrastructure. It is certainly more significant than tax cuts. It is certainly far more significant than the tax cuts that were in the budget which disproportionately favour those who need help the least.

Armine Yalnizyan from the Canadian Centre for Policy Alternatives said that six out of ten Canadians do not get EI. Everybody agrees that is a problem, but the government inexplicably decided to ignore the problem. That will lead to disaster.

Even Finn Poschman of the C.D. Howe Institute said, "It is surprising, given how much money is being spent on initiatives of one kind or another that the government couldn't find ways to ease access for laid-off workers".

If we want to help people on EI, there is a myriad of ways we can do it. We could eliminate the two week waiting period, which in many ways is an affront to Canadians. It is similar to saying that they should not have EI and they should sit for two weeks in the penalty box before they can get it.

We could extend the length of the benefit period. We could increase the rate of benefits and base benefits on the best 12 weeks. We could standardize benefits nationally, which is very important. We could eliminate distinctions between new entrants and re-entrants. We could increase the maximum yearly insurable earnings.

EI's most important role is to provide for those who need help the most, those who make the least amount of money. However, we can imagine people in the auto industry who make a pretty good wage, who are not rich by any standard but they make a pretty good wage, and all of a sudden when they are laid off they are told that EI only covers 55% of part of their earnings. It is not even 55% of their total earnings.

We see in today's news that the year over year hike in EI take-up has gone up 16.6%, 33% in B.C. and 30% in Alberta and Ontario. In London, there is a 75% increase in EI take-up.

Canadians are being forced out of work. The very least the government could do is support them through the employment insurance system. It is good social infrastructure. It is also good stimulus. It makes for a better Canada. It is the type of system that Canadians believe in.

I ask my colleague, is it reasonable to suggest that EI might become too lucrative when the average EI earnings are \$333 a week?

• (1900)

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, the member for Dartmouth—Cole Harbour wonders what the changes are to the EI system. I will outline some of the steps we have taken under our economic action plan to improve it.

There is no doubt we understand the uncertainty that many Canadian workers and their families face. Our plan will assist these workers and their families. It will help those who are being hit hardest during this economic downturn, those who have lost their jobs through no fault of their own.

The member has suggested that we are spending some money for retraining. As part of our economic action plan, we are investing an unprecedented \$8.3 billion in the Canada skills and training strategy.

Canadians who have lost their jobs or are at risk of losing them need to know their government is working hard for them, and that is what we are doing.

Through our economic action plan, we are increasing funding for training delivered through the employment insurance program by \$1 billion over two years, and that is on top of the existing \$1.95 billion. We will do this through our existing labour market development agreements with the provinces and territories. This government recognizes that the provinces and territories are best placed to design and deliver training programs to address the needs of their labour markets.

This large cash infusion will help respond to the higher demand for labour market programs and training owing to increased unemployment. As a result, thousands more EI eligible clients will receive training.

Adjournment Proceedings

We know this is a difficult time for many Canadians, and never before has there been such a concerted effort to reach out and help them.

We know that those who have worked in the same or similar jobs for a long time and are permanently laid off often have a more difficult time adjusting to the changing labour market, especially during tough times. That is why our economic action plan is working for them.

To help these workers change occupations, we are introducing a pilot project, working with the provinces and territories, that would extend EI benefits for long tenured workers pursuing longer term training.

In addition, through our economic action plan, workers with severance or other separation payments will be eligible for earlier access to EI benefits if they use some or all of these payments to purchase skills upgrading or training. We will be working with the provinces and territories to implement this measure. This support will not only help Canadians who are facing job loss and uncertainty, but will also help them get back into the workforce.

We appreciate, too, that when the labour market takes a downturn, Canadians need support. That is why we are providing assistance through an expanded work sharing program so people can retrain and preserve their jobs.

For the next two years, we will make available nationally the five weeks of extended EI benefits that have previously been available through a pilot project only in regions with the highest unemployment. The government will also increase the maximum duration of benefits to 50 weeks. Some 400,000 claimants could benefit from these changes.

Clearly, we understand the challenges facing many Canadians. These measures show that our government is quick to take action to adjust employment insurance to meet the needs of today's workers and prepare them for the jobs of tomorrow. These are accumulate incentive steps, a number of steps taken specifically and directed to those who are unemployed. We understand the circumstances they are going through and we are taking action.

I ask the member, along with other members of the House, to get behind the budget implementation plan to ensure it gets into force as soon as possible.

Mr. Michael Savage: Mr. Speaker, I thank my colleague for taking time out of his busy schedule to come here and read the departmental briefing notes.

I sincerely want to ask him a question because I know him to be a man with a big heart.

His government denied that the economic situation was bad and all of a sudden it agreed that it was bad and getting worse all the time. In light of what is facing Canadian workers, does he not think it is time to rethink the measures in the budget and do more to help Canada's unemployed?

Mr. Ed Komarnicki: Mr. Speaker, perhaps my learned friend has not been listening to me.

We know Canadians want to get back to work and we are helping them do just that. I outlined a number of initiatives that we would be taking.

That is why we are extending EI benefits in our economic action plan by five weeks. That is why we are putting more resources toward EI processing. That is why we are providing more in terms of expanded work sharing so workers can continue working to support their families during this uncertain time. That is why we are investing billions of dollars in retraining initiatives to help those who have been unfortunate enough to lose their jobs. We are helping them get the training and the skills they need so they can get back to work with the jobs not only of today but also of tomorrow.

We are doing a series of things to deal with an unpleasant situation. We have to deal with them in a practical way.

I ask the member to look at all these initiatives and get behind us and support them.

● (1905)

The Acting Speaker (Mr. Barry Devolin): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:05 p.m.)

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