



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Debates

VOLUME 146 • NUMBER 232 • 1st SESSION • 41st PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Monday, April 15, 2013

—

Speaker: The Honourable Andrew Scheer

CONTENTS

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

HOUSE OF COMMONS

Monday, April 15, 2013

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

• (1105)
[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—BUDGET 2013

Mr. Murray Rankin (Victoria, NDP) moved:

That this House condemn the tax hikes introduced by the government in Budget 2013 on hospital parking, bicycles, baby strollers, coffee makers, iPods and other goods and services, which break the promise the government made to Canadians during the last election.

He said: Mr. Speaker, today I rise to speak on a motion that calls on this House to condemn the tax hikes introduced by the Conservative government in budget 2013. It raised taxes on hospital parking, bicycles, baby strollers, coffee makers, iPods and other goods and services, which, in our judgment, breaks the promise the government made to Canadians during the last election.

In that election, Conservatives ran on a pledge that there would be no new taxes. The Prime Minister said, “I give you my word: As long as I will be Prime Minister...there will be no new taxes”.

In the lead-up to the budget, the Minister of Finance reaffirmed that pledge and again promised Canadians that there would be no tax increases in this budget. In his 2013 budget speech, the minister said, “We will not raise taxes...”.

However, as noted, the budget is filled with hundreds of tax hikes on everything from hospital parking, credit unions and workers' funds, to bicycles, baby strollers, safety deposit boxes and the like. Apparently they both forgot this promise. The reality is that there are tax hikes, and they will cost Canadians nearly \$8 billion over the next five years.

I should note at the outset that I will be sharing my time with the member for Rimouski-Neigette—Témiscouata—Les Basques.

The Conservatives are raising taxes on over 1,200 types of goods, which will hit Canadians in their pocketbooks. These tax hikes will also hurt Canadian businesses, which will now find it harder to compete with their U.S. competitors as the cross-border price

differential widens. The government should be supporting Canadian retailers, not forcing cash-strapped shoppers to head south of the border, which is a phenomenon many of us living in southern Canada see growing every year.

Not content to simply raise prices on hundreds of goods, the Conservatives are trying to help their big corporate friends by attacking institutions that support working families, such as credit unions and workers' funds, with hundreds of millions of dollars in new taxes. The Conservatives are unwilling to let anything escape taxation, and even increase taxes on those with safety deposit boxes to the tune of \$150 million.

I predict that we will be told by the Conservatives and their apologists that the new tariffs are not really taxes at all, and that therefore their promises have not been broken. However, hard-working taxpayers know the bottom line: they will have less in their pockets next year, if their incomes remain constant, than they will this year. That is the bottom line that Canadians will understand.

In anticipation of this argument, I decided to look at some material that defines taxes. I went to the very reputable Canadian Tax Foundation's book, called *Tax Policy in Canada*, which was given to us at the finance committee not long ago. It defines tax as follows:

Taxes are compulsory payments made by individuals and businesses to government treasuries to finance public services.

It goes on to say:

Taxes are not the only source of government revenue.

Indeed, in the Canadian Tax Foundation's *Tax Policy in Canada*, under “Principal Elements of the Canadian Tax System”, the first item is tariffs. It spends a lot of time talking about the historical importance of tariffs as important sources of revenue for the government.

Something I rarely do, and I suspect my colleagues on this side of the House rarely do as well, is quote the Fraser Institute. However, when the Fraser Institute referred to the Canadian Consumer Tax Index last year, it said the following:

The Canadian Consumer Tax Index calculates the total tax bill paid by a Canadian family with average income by adding up the various taxes that the family pays to federal, provincial, and local governments. These include taxes such as income taxes, sales taxes, Employment Insurance and Canada Pension Plan contributions, as well as “hidden” taxes such as import duties, excise taxes on tobacco and alcohol, amusement taxes, and gas taxes.

Business of Supply

The most drastic tax hikes in this budget are entitled “Modernizing Canada’s General Preferential Tariff (GPT) Regime for Developing Countries”. This measure raises tariffs. We say it is a form of tax, agreeing with the Fraser Institute, on imports of 1,290 types of goods from 72 countries. These tariff hikes will raise the price on goods across the board, hurting consumers and retailers. The government is raising tariffs on over 80% of all imported types of goods from over 70 countries, and it is inevitable that Canadian consumers will feel the effect in their pocketbooks.

Canadian retailers are going to have to raise their prices as well. The tariff hikes are going to widen the Canada-U.S. tax gap.

The government is trying to frame the general preferential tariff as a foreign aid program, but Canadians will not be fooled. Changes to the general preferential tariff are simply more tax hikes. According to industry sources, this will raise the price of affected imports by some 3%.

The Conservatives have trumpeted their \$76 million in tax relief for sporting goods and baby clothes, but this is vastly outweighed by the tax hikes in the general preferential tariff. In their marketing of the budget, the Conservatives have made a virtue out of lowering tariffs on sporting goods and baby clothes in an effort to deflect attention from the massive increase in tariffs on 1,290 types of goods from 72 countries. That is what is going on. The GPT tax hike is going to generate \$330 million a year, and by 2017-18 over \$1 billion in total.

What about the famous iPod tax? The Conservatives have told us that there is no such thing. I am indebted to Professor Moffatt of the Richard Ivey School of Business at the University of Western Ontario, whose analysis can be found in *The Globe and Mail* and elsewhere. In his judgment, after admittedly tortuous analysis of a very complicated system of exemptions and tariffs, he concludes that there is such a thing as an iPod tax. Also buried in the long list of tariff hikes imposed by budget 2013 is a new 5% tax on MP3 players and iPods entering Canada. It is tariff category 85119.81.29.

This is a new Conservative iPod tax. They have claimed that music devices and iPods would not be subject to a tariff increase. Why? It is because it is a special exemption dating from 1987 for devices that are plugged into a computer. However, Professor Moffatt’s analysis demonstrates that actually qualifying for that exemption is so onerous that it is unlikely any importer or retailer will be able to use it to avoid the new Conservative iPod tax. The Conservatives are just blowing smoke.

Sony of Canada has warned that consumers should expect an increase of 5% to 6% in the cost of its MP3 players and iPods because attaining the exemption is so complicated.

The new 5% tax on iPods and MP3 players shows Conservative hypocrisy on tax hikes. Despite the photo op with the Minister of Industry and the Minister of Canadian Heritage at the end of 2010, there is a real iPod tax.

The Conservatives have always tried to claim that they are the defenders of Canadian taxpayers. They have repeatedly run on platforms focused on tax cuts and promises not to raise taxes; they have broken their promises.

New Democrats believe in doing politics differently. We believe politicians should be accountable for what they say and do. The Conservatives promised Canadians they would neither raise taxes nor create any new taxes. They have violated this pledge to Canadians. My hope is that all members of the House will consider the motion carefully and vote to condemn these harmful tax increases.

● (1110)

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, it is always a pleasure to be back in the House debating an important subject after being with our constituents over the last few weeks.

My colleague spoke about economic management principles. He spoke about how government can finance its programs and what the scope of government should be.

After his party has proposed billions of dollars in increased spending, after it has proposed billions of dollars to widen the scope of government after lobbying against Canadian jobs and spoken against key sectors of the Canadian economy, how can that member criticize any sort of policy that would develop economic growth? His party, time after time, has lobbied against Canadian jobs, and it proposes to increase taxes across the board, including a tax on air.

How would he propose to manage the government, given all of these false promises and flawed economic thinking?

Mr. Murray Rankin: Mr. Speaker, in our judgment, it is not about the amount of taxes, it is about the amount of hypocrisy. The Conservatives have said repeatedly that they are the ones that taxpayers can trust to cut taxes, balance the books and not raise taxes. Those have been the promises. I am trying to demonstrate in the House the difference between the words of the government and the actions reflected in the budget.

A budget is the best expression of a government’s priorities. Also, given the things that politicians say in advance of a budget, it gives us a very good barometer on the integrity of a government that promises not to do something and then turns around and demonstrably does the opposite. That is the focus of this line of questioning.

To suggest that there is, in a sense, a tax on air—

● (1115)

The Acting Speaker (Mr. Bruce Stanton): Order, please.

Business of Supply

I realize that on opposition days, quite usually, we have lots of interest in questions and comments. Normally there is only a five-minute period for that, so I would encourage members to keep their comments and questions short and succinct so that more members can participate.

Questions and comments, the hon. member for Kingston and the Islands.

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, my riding of Kingston and the Islands borders New York State. I would like to know how this increase in prices for consumers in Kingston and the Islands will affect their tendency to cross the border to shop in New York.

Mr. Murray Rankin: Mr. Speaker, the requirement for Canadian retailers to address these tariffs and therefore to raise their price of goods to the end consumer will cause consumers in the Kingston, Vancouver, or Niagara area, or wherever we are close to American borders, to say, "It is cheaper to go into the United States. The tariffs are lower there. Let us go there and not shop at home. Let us not create wealth and jobs in Canada; let us do it in the United States".

It is short thinking.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I have several questions, but I will keep them short.

First, I would like the hon. member to tell me the difference between a tax and a tariff, and who pays for it.

My second question is about his comment about the Fraser Institute. Is that not an institute that normally rallies around the Conservatives, saying that whatever the Conservatives say is God's truth and that they can do no wrong? Could he clarify that for me, please?

Mr. Murray Rankin: Mr. Speaker, it grieves me deeply to be quoting the Fraser Institute on anything, but when it gets it right, it is important the truth be told. It has quoted the Canadian Consumer Tax Index. It has frequently done this. It is not novel for the Fraser Institute. It says there is such a thing in Canada as hidden taxes, and it clearly includes import duties and excise taxes on that list.

That is what we are talking about: the hidden taxes facing Canadian consumers. The Conservatives say there is nothing about income tax, but Canadians know better. They know who pays and what the bottom line is.

The difference between a tariff and a tax is that a tax is direct hit on Canadians' pocketbooks; a tariff gets us there one step later.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I am very pleased to rise to speak to this very important issue, especially after the hon. member for Victoria. He is relatively new to the House, but he gives a really good impression when he talks about financial matters, particularly regarding the Conservative government's hypocrisy when it comes to fiscal matters.

That is why we are standing up here today and why we are having this opposition day. We want to talk about the Conservative government's hypocrisy when it comes to fiscal matters, particularly

regarding its statements on finances, which do nothing to enhance its credibility—quite the contrary.

I am sure everyone remembers the now-famous phrase spoken by George Bush Sr. in the 1990s, just before he became the President of the United States. He had just won the Republican nomination and said the following simple phrase: "Read my lips: no new taxes."

The Conservative government, the Minister of Finance and the Minister of State for Finance had their own George Bush moment here in the House. At least they saved themselves the embarrassment of saying "read my lips".

However, just this past February, at the Economic Club of Canada, the Minister of Finance said that there would be no new taxes in this budget. The day after the budget was presented, the Minister of State for Finance said that Canadians would not find any new taxes in it. We went over it very carefully, and there they are, clearly set out in annex 2 of budget 2013 tabled by the Conservatives.

We clearly see an \$8 billion increase in taxes over the next five years. We can debate the validity of some of these measures, but that is not what the Conservative government wants to do. It wants to deny the fact that it plans to increase taxes for Canadians to the tune of \$8 billion over the next five years.

There are so many tax hikes that I cannot address them all. However, I would like to mention four in particular. My colleague clearly described how approximately 72 countries will no longer benefit from the general preferential tariff, which applies to the customs tariffs paid by various countries. This measure applied to 72 countries, most of which are developing countries. Over 1,200 products from these 72 countries will no longer benefit from this tariff, which means that the government will be taking between \$1.5 billion and \$1.7 billion more from the pockets of Canadian taxpayers over the next five years.

The Conservatives presented two arguments. First, they said that they are removing from the list countries that should no longer be there, such as China, South Korea and Taiwan—countries that have now reached a point where they are more developed. In such cases, the measure might be justified.

However, the government is also removing from the list countries that it now considers to be fully developed, such as Kazakhstan, the Dominican Republic, Cuba and Venezuela. The Conservative government is justifying the removal of these countries from the list by saying that they are now fully developed and that they no longer need the general preferential tariff.

Yet, the general preferential tariff helps these developing countries, which need markets in order to export their products and further promote their economic growth. The only way the government can justify this measure is on the pretext that the GPT was a form of foreign aid for these countries. That is an interesting rationale.

If Canada wants to develop these new markets, it must work with countries that have the means to purchase our goods. In order to do that, we have to help these countries to improve their economy, particularly through these tariffs.

Business of Supply

What is more, it is not just these countries that pay the price. Canadian consumers are also victims. I would like to talk about a few of the examples mentioned by the hon. member for Victoria. Take bicycles and tricycles. Right now, 50% of the bicycles sold in Canada come from these 72 countries. The government is proposing a 4.5% increase in taxes or duty on imports. This represents a tax hike of over \$6 million, which will come from consumers' pockets.

Take baby strollers for example. Ninety percent of Canada's baby stroller market is supplied by these 72 countries. It will therefore be difficult for us to avoid these taxes on imports.

• (1120)

That is the equivalent of taking an extra \$1 million or so out of consumers' pockets. Plastic school equipment fares no better in a market where 61% of it is imported. That tax hike equals \$1.3 million.

Ninety per cent of wigs typically used by cancer patients undergoing treatment are imported. The wigs never used to be subject to a tariff, but the proposed increase is equal to about 15.5% of their price. That will rob Canadians of \$4.6 million. It does not end there, though. Prices of 1,200 products are going to increase significantly.

Before I move on, I would like to mention, as my colleague did, the dedication of Mike Moffatt, who is an assistant professor and part of the Business, Economics and Public Policy group at the Richard Ivey School of Business at the University of Western Ontario.

This budget contains more than just import taxes, however. It also contains tax hikes because it eliminates tax credits that are crucial to economic development. As I mentioned during debate on the budget, the Conservative government will gradually eliminate the tax credit for labour-sponsored venture capital corporations.

If the Conservative government claims that creating tax credits for sports, the arts and so on is a tax cut, then believe me, eliminating a tax credit is a tax hike for Canadians. This tax hike is worth \$355 million over five years, and it will be particularly detrimental to economic development in Quebec, where approximately 90% of these tax credits were claimed. That is an extremely important point, because labour-sponsored funds have been a model in Quebec and an extremely useful tool for economic development. These funds were created in the 1980s, during a time of financial hardship, when venture capital did not really exist in Canada. That is when the Fonds de solidarité FTQ was created. In the past 30 years, the Fonds de solidarité FTQ has invested \$10 billion in the Quebec economy. In recent years, the Fonds de solidarité FTQ has created or maintained 500,000 jobs.

This tax credit exists because it fulfills a specific need that other venture capital firms—specifically private-sector ones—do not, and because it makes it possible to invest in companies that are starting up or struggling. This explains why the return is lower with these funds, but that does not prevent small investors from contributing to the funds to save for retirement—since these are a type of RRSP—and also to help develop the local economy.

In my region, the Lower St. Lawrence, the Fonds de solidarité FTQ assists 25 different businesses that have received absolutely

nothing from private funds. On the one hand, the Conservatives are getting rid of this \$355 million in tax credits, and on the other hand, they want to give another \$400 million for private equity funds. This is absolutely ridiculous, and even Canada's Venture Capital and Private Equity Association, which represents private funds, is opposed to the elimination of the tax credit for labour-sponsored funds.

The Conservatives have messed up, since this 15% tax credit is not going to the Fonds de solidarité or the CSN's Fondation, as some may have believed. Small investors—the people who reinvest and who can benefit from this tax credit—are the ones who are being cheated here.

With this measure, the Conservatives will not only damage a tool that is essential to Quebec's economic development, but they will also discourage people from saving, which is extremely important, especially in Quebec. Of course, the other provinces are being encouraged to step up and create this type of fund. These funds invest in different businesses, and they also invest heavily in private venture capital firms.

I will talk about two other measures quickly, since my time is running out. First I want to talk about the \$205 million tax increase over five years, because an additional credit for credit unions is being eliminated.

• (1125)

Once again, the government is going after credit unions with specific mandates to invest in small rural municipalities. It is making it hard for them to compete with the banks. This represents another tax hike for business.

Second, we can debate the elimination of the tax credit for dividends that specifically affects SMEs and owners of SMEs that are not publicly owned or publicly traded. This represents a significant tax hike. We are talking about a tax grab of \$2.34 billion over five—

The Acting Speaker (Mr. Bruce Stanton): Order, please.

The member's time has expired.

[*English*]

Questions and comments, the honourable Parliamentary Secretary to the Minister of Finance.

[*Translation*]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I would like to thank my colleague for his speech.

He mentioned a few of the NDP's mistaken ideas about this budget. That is nothing new. After we lowered the GST by 2%, the NDP attacked everything we did to put more money in the pockets of Canadian families.

Business of Supply

I have a fairly simple question for my colleague who sits on the Standing Committee on Finance. Could he explain why the NDP keeps insisting that the GST must go up? If the NDP were in power, it would increase the GST. Publicly, the NDP says that it is not true. And yet a number of NDP members have clearly said that they want to increase the GST. Will they increase it, or not?

• (1130)

Mr. Guy Caron: Mr. Speaker, we want to talk about the 2013 budget, but the Conservatives want to talk about the 2006 budget.

We have a Conservative government that promised not to raise taxes. However, taxes will go up by \$8 billion over the next five years. I would have liked my colleague to respond to the arguments already presented here, but she will not. The Conservatives are again harping on about carbon taxes and the GST, which they increased, a measure that has been criticized by most credible economists in Canada.

If the Conservative government wanted to increase and improve economic growth, and make the economy more stable, it could have done so in a number of other ways. At the time, increasing the GST was the least effective means, but that is what the government went with.

For our part, we do not have an official policy on increasing the GST, despite the government's fearmongering. However, we do want the government to discuss these increases.

The Acting Speaker (Mr. Bruce Stanton): Order, please.

We have time to discuss many questions.

The hon. member for Winnipeg North.

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I would like to broach the issue from the point of view of how the Conservative government has consistently used deception in trying to give Canadians the impression that it is a government that does not believe in taxation. It has consistently attempted to give that message. What is somewhat sad is that the government will spend millions of tax dollars on spin ads, trying to give that impression.

The vast majority of Canadians can see through it. We believe in recognizing that when the government increases tariffs, not only is it increasing taxes indirectly; it is also costing jobs. We will see more Canadians wanting to go and get those bargains south, something which raises a whole new issue.

I wonder if the member might like to provide a comment on that.

[*Translation*]

Mr. Guy Caron: Mr. Speaker, the hon. member for Winnipeg North has perfectly summed up the Conservatives' position on their fiscal policies: smoke and mirrors. They deal in illusions designed to fool people, especially after they table their various budgets or their budget implementation bill.

For instance, in our opinion, there was an orchestrated leak before the budget was tabled, to brag about the elimination of customs tariffs on some products that are popular with Canadians. The sole purpose of the leak was to fool consumers. Tariffs are being reduced by \$30 million to \$40 million, but more than \$300 million a year in

import duties are being imposed. Those measures clearly show that the Conservative government is neither serious nor credible when it comes to fiscal matters.

[*English*]

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP):

Mr. Speaker, the Conservatives have tried to frame the general preferential tariff as a foreign aid program. My question to my colleague is whether in his opinion, that is an accurate description or explanation of what will happen with this budget.

[*Translation*]

Mr. Guy Caron: Mr. Speaker, that is open to debate. If we talk about the fact that we need to increase the economic performance of developing countries, not only for humanitarian reasons, but also to improve international trade, the general preferential tariff has its place.

Countries like Kazakhstan, Venezuela and the Dominican Republic are not currently in a position to compete with Canada. They must secure access to our markets to be able to develop. However, the government's reason for placing those countries in the same category as developed countries such as South Korea or China is not valid.

[*English*]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I am pleased to rise today to talk

about the government's wonderful plan to make sure that we have tax fairness in this country.

When my colleague across the way from the NDP spoke just before me, he indicated that he did not want to answer the question about raising the GST. Here is why. The NDP has made up all this fearmongering dialogue about tax increases in budget 2013. There are no tax increases in budget 2013.

Let me explain for Canadians exactly what the NDP has done. The general preferential tariff, which is what today is all about, is about tax fairness. This foreign aid program was created in the 1970s to give special treatment to help companies in poor countries. That was the crux of what that general preferential tariff was intended to do. However, this program had not been reviewed or thoroughly looked at since the 1970s. That meant that companies in countries such as China and South Korea, whose economies are booming, were receiving privileged access to our market when competing against our Canadian companies, our Canadian businesses. That clearly needed to change, and that is exactly what we did.

Tax fairness is what this government is about. A high-tax agenda is what the NDP is all about. It wants to increase the GST. It wants a 45-day work year. It wants a \$21 billion carbon tax. It wants to increase corporate taxes by about \$34 billion.

Business of Supply

Today we are going to address some of those very disturbing policies of the NDP. I am proud to stand here today against that high-tax agenda of the socialists, or are they now known as the social democrat members of the NDP? This weekend we saw a shocking display in Montreal at the NDP convention. The NDP, despite the fact that it debated countless far-left policy resolutions that would nationalize nearly every industry in Canada, raise taxes on every Canadian and rip up every trade deal Canada has ever signed, tried to hide the socialist roots it has entrenched in its party.

The NDP can play around with the words all it wants. It can paint its house with a brand new coat of paint, but it cannot hide the fact that it is big government. It believes in big government, and it believes in high-tax socialist policies. We know it. The NDP knows it, and Canadians know it. The NDP does not believe in capitalism. The NDP does not believe in free markets. The NDP does not believe in low taxes.

In the words of the well-regarded commentator Brian Lilley:

[The] NDP leader...doesn't believe lower taxes do much of anything.... Since when did we all have to start asking for permission to keep more of our money? Since when did we need to justify having our money so that we could keep it rather than hand it over to government?

Some hon. members: Oh, oh!

Mrs. Shelley Glover: I will continue with the quote while the NDP members are heckling:

[The NDP leader] is showing his socialist thought process here. It is your money when government says it is your money.... He and other progressives see all money as belonging to the collective and governments will tell you what you can keep.

I can see why they are upset about that, because they hate to face the truth, which is why they removed high-priority wording from their constitution at their convention this weekend. Indeed, if anyone wants hard proof of the NDP's high-tax agenda, look at its election platform. What do we find? We find a \$21 billion carbon tax that would increase the cost of gas, groceries, electricity and everything else. What else do we find? We find a \$34 billion tax hike on Canadian job creators that would kill jobs for Canadians. There is more where that came from.

Like all socialists, it kills the NDP to think that Canadians and Canadian businesses are keeping more of their hard-earned money in their own pockets and are not helping to pad the coffers of a bloated, big government. Indeed, if anyone wants more proof of the NDP high-tax agenda and what it would mean for our pockets, let us just look at the NDP record in Parliament.

• (1135)

Unlike the NDP, our Conservative government believes that leaving more money in the pockets of hard-working Canadians is the right thing to do, and we have the record to prove it.

Despite the NDP member's motion today, it is a fact that all Canadians are benefiting from tax relief introduced by our Conservative government. Unlike the NDP, we understand that higher taxes do not help Canadians. Since coming to office in 2006, we have cut over 150 taxes, reducing taxes in every way the government collects them: personal, consumption, business, excise taxes and more.

All Canadians, including those who do not earn enough to pay personal income tax, are benefiting from the 2% reduction in the GST rate. All taxpayers are benefiting from personal income tax relief, which includes reducing the lowest personal income tax rate to 16% and increasing the basic amount that all Canadians can earn without paying federal income tax. The new tax-free savings account is improving incentives to save through a flexible, registered general-purpose account that allows Canadians to earn tax-free investment income. We have removed over \$1 million low-income Canadians completely from the tax rolls, and we have reduced the overall tax burden to its lowest level in nearly 50 years.

I am happy to report that due to our aggressive tax reductions, tax freedom day is over two weeks earlier under our government than it was under the tax-and-spend Liberals. Indeed, Canadians know that when it comes to tax reductions, our Conservative government has a long-standing record of significant achievements.

• (1140)

[*Translation*]

In addition, our government introduced many other targeted tax cuts, and I would like to point out that the NDP voted against every single one of these measures.

We helped families with children by introducing the child tax credit, the children's fitness tax credit and the children's arts tax credit.

We established the registered disability savings plan to help individuals and families save for the long-term financial security of those with severe disabilities.

We enhanced support to caregivers by creating the family caregiver tax credit. We provided additional annual tax cuts to seniors and pensioners by increasing the age credit and the pension income credit amounts, raising the age limit for maturing savings in registered pension plans and registered retirement savings plans, and introducing pension income splitting.

We provided further support to students and their families by exempting scholarship income from taxation, introducing the textbook tax credit and making registered education savings plans more responsive to changing needs.

We introduced the public transit tax credit to encourage public transit use. What is more, we have increased and enhanced benefits for Canadian families and individuals by introducing the universal child care benefit, introducing and enhancing the working income tax benefit and increasing the amount of income that families can earn in relation to the national child benefit supplement and the Canada child tax benefit. I could go on.

Seniors and pensioners have benefited considerably from tax cuts. Our government's excellent record when it comes to tax relief means that they pay less tax.

Business of Supply

More specifically, since 2006, our Conservative government has increased the age tax credit for seniors by \$2,000. We have doubled the maximum amount of eligible pension income that can be claimed under the pension income credit. It is now \$2,000. We have introduced pension income splitting and increased the age limit for maturing pensions and registered retirement savings plans to 71 from 69 years of age.

Thanks to those measures, seniors and pensioners benefit from tax cuts worth about \$2.7 billion every year. Since 2012, about 380,000 seniors no longer have to pay taxes. Once again, the NDP opposed all of these measures to cut taxes for seniors.

Our government has provided Canadians with nearly \$160 billion in tax breaks overall.

That is \$160 billion that Canadian families have been able to keep for themselves.

What exactly does that mean for Canadian families? Among other things, it means that they can keep more of their earnings to pay their bills, pay down their mortgage, save for their children's studies and save for their retirement.

Indeed, the average family of four can now save \$3,200 in taxes because of the tax relief measures and tax cuts introduced by our Conservative government since 2006. Let us think about that for a moment. Canadian families can keep an extra \$3,200 to put towards their personal priorities, but the NDP does not think that Canadians deserve to hold on to their earnings and benefit from these tax cuts.

That is a fact, and public records can prove it.

• (1145)

[English]

The NDP and NDP members of Parliament have a proven record of pushing a high-tax agenda by voting no again and again in the House of Commons against our Conservative government's initiatives to lower the tax burden. They protest and mock our efforts to leave more money with everyday families and businesses to help them grow our economy and much more. Public statements by NDP members of Parliament clearly underline their fundamental belief that Canadian families should be forced to send more and more of their hard-earned money to government.

Here are just a few examples of the NDP members bashing tax cuts and demanding tax increases, from many debates here in Parliament. The NDP member for Hamilton Mountain said:

The Prime Minister is picking up the [tax-fighter] mantle.

The 1% cut in the GST...will cost us collectively \$5 billion in foregone community investments.

The Conservatives are intent on taking us in the wrong direction....

Listen to the NDP MP for London—Fanshawe. She said:

...I am absolutely astonished. I am breathless. A reduction in the GST...in terms of what the government can collect.... It is absolutely ludicrous.

The NDP MP for Hamilton East—Stoney Creek said:

The government's decision to go beyond the GST cut and to proceed with further personal and corporate tax cuts is troubling. This will cause a significant shrinkage in the government's fiscal capacity to invest in the aspirations of ordinary Canadians. It betrays their hopes in many ways.

The NDP MP for Thunder Bay—Rainy River said, "I believe broad-based tax cuts do not work..."

The NDP MP for Timmins—James Bay said the Conservative government is "coming with one tax break after another, which were absolutely useless tax breaks in terms of GST". He said "that speaks very much of the typical attitude of the neo-conservatives..."

The NDP MP for Algoma—Manitoulin—Kapusking stated:

The cuts are unjustified and a major cause of the current fiscal crisis. Those reckless tax cuts should be rescinded....

New Democrats have been vocal critics of reckless tax cuts....

Finally, the NDP MP for Skeena—Bulkley Valley said, "...tax cutting is seen to be a failed strategy..."

I could literally go on for hours and hours, quoting NDP MPs who have publicly stated that they and their party are proudly opposed to lower taxes, proudly opposed to allowing Canadians to keep more of their money in their own pockets, proudly fighting for higher and higher taxes.

I want to challenge the New Democrats today to do something that I know they probably will not. As the quotes I just read demonstrate, the NDP members voted against and campaigned against our decision to cut the GST from 7% to 5%, a tax cut that is leaving \$1,000 a year in the pockets of a typical Canadian family, and providing more than \$12 billion in annual tax relief overall. What Canadians watching at home need to know is that the New Democrats have never admitted that cutting the GST actually left more money in the pockets of Canadians, a move that many economists have heralded for helping Canada's economy.

As Carl Sonnen of Infometrica previously noted, the two-point cut in the GST translated roughly into about 162,000 new jobs. He said, "You can't argue that raising the GST rate won't hurt jobs. It will." He said the Conservative GST cut likely softened the recession's blow.

In fact, I want to read a couple of key quotes for Canadians who might be worried, with good reason, about the NDP's plan for the GST. These are recent quotes from key NDP MPs publicly attacking our Conservative government's reduction of the GST from 7% to 5%, bemoaning the fact Canadian families were keeping more of their hard-earned money and not the government.

Let us start with the NDP deputy finance critic, the member for Rimouski-Neigette—Témiscouata—Les Basques who refused to answer the question, when I put it to him, about their plan to increase the GST, contrary to all the evidence we have heard here today. Here is his quote:

Business of Supply

Cutting the GST was probably the worst measure that this government could have adopted.

Now let us listen to the NDP representative on the finance committee, the member for Beauport—Limoilou:

...reducing the GST...was a serious problem.

By reducing taxes, the government lost out on a huge amount of tax income.

Finally, let me quote the NDP finance critic, the NDP's official spokesperson on all issues related to the economy, as appointed by the NDP leader. First, the member for Parkdale—High Park had this to say. "I do not support the GST cut.... The GST cut is not a solution".

Second, let us listen to this revealing quote:

...cuts to the GST.... ...take us in the wrong direction. I am very proud that our [NDP] caucus stood opposed to that....

Clearly, based on these quotes, Canadians should be worried about the NDP's plan for the GST and its plan to target the pockets of Canadians. As I said before, I want to challenge the NDP today, during this debate, in front of all Canadians watching at home on CPAC—

Some hon. members: Oh, oh!

● (1150)

The Acting Speaker (Mr. Bruce Stanton): Order. I am sorry to interrupt the hon. parliamentary secretary. I realize there is some exuberance in the House today, this being Monday. I would just say again, though, that when members have the floor, they are accorded respect and members listen. I am sure hon. members would like to hear what the parliamentary secretary is saying.

The hon. parliamentary secretary.

Mrs. Shelly Glover: Mr. Speaker, I appreciate your intervention. It was getting hard to hear myself over the noise in the Liberal corner over there.

As I was saying, I would like to challenge the NDP members here today, during this debate. I want them to state publicly and on the record the following. I want them to say that cutting the GST from 7% to 5% and leaving \$1,000 a year in the pockets of a typical Canadian family was the right thing to do, or at least admit that it actually leaves money in Canadians' pockets, to let them decide how to use it.

Today's debate will run for about four hours and will include literally dozens of NDP speakers, and I only ask that one of the NDP speakers today, in front of all Canadians, make that simple statement. I ask if any NDP member will come clean with Canadians. Along with all Canadians from coast to coast to coast, I will be watching here today to see what the NDP will do.

While I hope at least one NDP member will apologize for their misleading antics, pretending they did not say what they have said, I would bet the NDP members will not once admit that cutting the GST to leave more money in the pockets of Canadians was a positive move.

Again, if the question is put to them, I hope the NDP members will not deflect, as the previous speaker from the NDP did. I hope they will answer the question sincerely and admit that they have

stated some misleading things when they try to deny and say they have no intention of raising the GST. I think Canadians have heard their quotes here today. They need to admit to them or correct them or apologize for them.

Making sure that we have a low-tax agenda is something of which we are proud. We believe Canadians pay too much tax, and we continue to put forward budget after budget that does not impose new taxes on Canadians, and that includes budget 2013.

Anything the NDP members are saying about the general preferential tariff today is false. It is created, just like their attempts to say that raising the GST by their party is false. They have admitted it. They need to start telling the honest to God truth about their plans.

[Translation]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I want to thank the hon. member for Saint Boniface for her speech, but I found parts of it to be somewhat naive, which is too bad. She and her colleagues are rather naive when it comes to the economy. When it comes to the market, the NDP knows the score and we take the time to understand things before we open our mouths. Everyone knows that an unregulated market leads to corporate concentration and even monopolies. Nineteenth-century oil tycoon, John D. Rockefeller, is a prime example of someone who used vertical and horizontal integration to create a monopoly.

Let us move on to something else because the list of products affected by the tax hikes is quite long. I see that the cost of diesel-electric locomotives is affected by increases of 5% to 9.5%. Just over a year ago, the last diesel-electric locomotive manufacturing plant closed in London—Fanshawe. I mean London. My thoughts were with my colleague from London—Fanshawe.

I would like the hon. member opposite to explain the logic in this. I fail to see any logic in this unless the government is trying to encourage Caterpillar to reopen a plant and pay workers minimum wage. I wonder.

Mrs. Shelly Glover: Mr. Speaker, I want to thank my colleague for his question and welcome him to the House of Commons.

This government has been focusing on small, medium and large businesses, and people in the business community have noticed the improvements that this government has made.

Today we are talking about budget 2013. I hope my colleague will allow me to say a few words about some of the tax relief in the budget such as the tax relief for new manufacturing machinery and equipment by extending the accelerated capital cost allowance for two years. The NDP will vote against this relief even though it will help manufacturers.

Again, if everyone watching us wants to read about this tax relief they can turn to budget 2013. No need to take my colleague's word for it.

● (1155)

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, the riding of my colleague, the Parliamentary Secretary to the Minister of Finance, is more than 150 kilometres from the border. My own riding, Kingston and the Islands, is next to New York state.

Business of Supply

I would like to ask him whether the government has conducted an economic analysis of how small businesses in the riding of Kingston and the Islands and across the country will be affected by increased tariffs at the border.

[English]

What is the effect on retailers from the hike in tariffs? Whether it is right or wrong, has the government analyzed what effect these increases will have on cross-border shopping? What is going to be the economic impact on businesses in my riding of Kingston and the Islands?

[Translation]

Mrs. Shelly Glover: Mr. Speaker, I thank my colleague for his question.

People who live in Manitoba—where I am from—or who live close to the border often experience transport problems between the two countries. Our measures for the transport of goods, whether we are talking about imports or exports, have received the support of small, medium and large businesses.

I would like to read a short quote from the Canadian Federation of Independent Business.

[English]

I will read it in English so that my colleague can understand exactly what it said without paraphrasing or translating. It said:

Overall, this is a good budget for small business. [The minister] has done a solid job by remaining on course to eliminate the deficit while announcing some important measures for Canada's entrepreneurs.

It mentions measures such as the expansion of the EI hiring credit, and it goes on and on.

We have never seen such support from our stakeholders as we have in budget 2013.

[Translation]

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I thank my colleague for her speech.

Last weekend, the chamber of commerce in my riding hosted an event where I was able to talk to Canadians about the budget speech.

[English]

One thing my colleague just spoke about was the impact it has had on business and how business has responded, but she did not talk about the new Canada job grant and I wonder if she could talk to the House about it. The new Canada job grant is going to assist many of our businesses to create jobs. How is that going to help the economy?

Mrs. Shelly Glover: Mr. Speaker, the parliamentary secretary is absolutely correct. I, as well, was in my constituency for the last two weeks, and it was probably the number one positive measure I heard about time and time again. The skills training we have invested in by creating a Canada job grant, by ensuring we are going to provide some opportunities for apprentices—not only in federal construction projects but by encouraging provinces and territories to also expand by using apprentices in their construction and infrastructure projects

—was tremendously received. I never heard a single naysayer with regard to the skills training we intend to provide.

Internships are also in the budget. We have so many good measures to help Canadians connect with jobs. I encourage everyone at home to read the budget so they can take advantage of it.

[Translation]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I would like to talk about a topic to which the hon. member devoted only one minute of her 20-minute speech on budget 2013. The question before the House is whether the Conservative government has increased taxes by \$8 billion over the past five years.

I assume that the Parliamentary Secretary to the Minister of Finance has read the budget. It is interesting to see that a table on page 331 lists all the budget 2013 tax measures. The table is entitled “Cost of Proposed Tax and Tariff Measures”. The word “cost” applies to the government, given that tax cuts lead to a drop in revenue.

Some figures are in parentheses. For the hon. member's sake, I would like to explain that costs in parentheses are negative. That is the revenue that the government makes from tax measures. Among others, there is a dividend tax credit with an amount in parentheses of \$2.3 billion over five years. There is also a measure that would scrap the labour-sponsored venture capital corporations tax credit, with an amount of \$355 million in parentheses. Similarly, the general preferential tariff has an amount of \$1.2 billion in parentheses. If we add up all the figures in parentheses, we end up with a total of \$8 billion over the next five years.

Could the Parliamentary Secretary to the Minister of Finance tell us, with a straight face, that there are no tax increases, as she said in her speech?

• (1200)

Mrs. Shelly Glover: Mr. Speaker, I repeat that there are no tax increases in budget 2013.

What is the hon. member talking about? He is talking about what we do on this side of the House, which guarantees that our tax system is fair. At the moment, our tax system has a number of loopholes that need to be addressed. It is unfortunate that the hon. member is not supporting the government in its efforts to close those loopholes.

[English]

That is what we are talking about in budget 2013. We intend to close tax loopholes. We intend to make sure everyone pays their fair share. We do not want to see people take advantage of a tax system that has not been reviewed, and the general preferential tariff regime has not been reviewed since the 1970s.

It is ridiculous that the opposition would create this kind of controversy when the government is doing the right thing. Canadians believe it, we believe it, and we will continue on that path to make sure it happens.

Business of Supply

Mrs. Stella Ambler (Mississauga South, CPC): Mr. Speaker, I thank the parliamentary secretary for that speech, and especially for addressing the misinformation and some of the accusations that are coming from the other side, which are just a little bit over the top. I am glad she gave us some more information about the fact that we are still keeping our promise to balance the budget, and we are doing this without raising taxes.

With regard to the general preferential tariff the NDP is talking about, why was there this need to modernize and review it? I understand that, but could the parliamentary secretary tell me how that will impact what we have done to close these tax loopholes, how that will impact the people of Mississauga South, the people of Saint Boniface, and the average Canadian? Why did we do this and why was it a good thing?

Mrs. Shelly Glover: Mr. Speaker, I care about how it affects Canadians and Canadian families. In fact, Canadian families are benefiting from about \$3,200 total every single year of tax income that used to be collected. Under this government, we have been able to reduce taxes 150 ways so that they could keep that money in their own pockets.

The general preferential tariffs is a regime that has not been looked at since the 1970s, and it was meant for poor countries where there are companies working so that we could help them. The budget will change that, so that booming economies like China, India, and Brazil are not benefiting from what was intended for poor countries. Essentially, individual Canadians and Canadian families, while we are working with the Retail Council of Canada, will see that consumers will benefit from lower costs of goods, thanks to measures that—

The Acting Speaker (Mr. Bruce Stanton): Resuming debate, the hon. member for Kings—Hants.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, it is a pleasure to rise today to speak to the opposition motion condemning certain tax increases in budget 2013.

I will be sharing my time with the hon. member for Malpeque.

As many Canadians know, the Conservatives promised in the last election that if they were re-elected they would not raise taxes on Canadian consumers and families. They made that promise three times, in fact, in their platform. However, with budget 2013 the Conservatives have clearly broken that promise. They are raising taxes, which are tariffs but are actual taxes, on goods imported from other countries. These tariffs are a hidden tax on just about everything. It is really a hidden tax because Canadians do not see these taxes on receipts. For instance, the HST, GST, provincial sales tax, or consumption taxes are more transparent to Canadians. Instead, these import taxes are included in the sticker price, hidden from Canadians.

Budget 2013 increases some tariffs while decreasing others, but the Conservatives' talking points only deal with the tariffs that are going down. The reality is that the budget reduces tariffs on 37 items while increasing tariffs on almost 1,300 products. Overall, it is clear that Canadian consumers will be worse off. Another thing to consider is that when tariffs go up and retailers increase the sticker prices, Canadians have to pay more. However, when tariffs go down, the full savings are not always passed on to the consumer.

Mike Moffatt is a business professor at Western University and has been doing a tremendous job on educating Canadians on these tax increases in the most recent federal budget. He has done this in spite of contradictory information from the Conservative government. Professor Moffatt has written that “Canadian consumers will be feeling a major hit to their pocketbooks” as a result of these tax increases. He stated that “the tariff changes make it more expensive to raise a child” in Canada. He pointed out that Conservative tax increases will make it more expensive to buy baby carriages, school supplies, children's bicycles, tricycles, and wagons.

He also said that “Canadian consumers will be paying tens of millions more to furnish their homes” because the Conservatives are raising taxes on everything from coffee and tea makers to rugs with synthetic fibres, paint brushes, rollers, plastic tableware, and household goods. He estimates that higher tariffs on imported wigs will cost Canadians an additional \$4.6 million per year, which is shameful when we think that a lot of the people requiring wigs are cancer patients. Therefore, the Conservatives are actually taxing people at the most vulnerable times in their lives. Conservatives are increasing taxes on hospital parking, which will, of course, make it more expensive for Canadians to get treatment or to visit sick loved ones.

In terms of Canadian retailers, these higher taxes do not just hurt consumers and Canadian middle-class families. They hurt Canadian retailers. The increase to import taxes in budget 2013 will widen the price gap between Canada and the U.S. For example, certain shoes will go from being duty free to having an extra tax of 18%. When the Canadian price is increased by 18% while the U.S. price stays the same, it is going to encourage more cross-border shopping and will particularly hurt retailers in border communities. This is on top of the Conservative move last year to increase the amount that Canadians can bring back from the U.S. duty free, a move that also encourages more Canadians to do more shopping in the U.S. and, as such, hurts retailers in Canadian border communities in particular. Cross-border shopping hurts Canadian retailers, specifically small businesses that are operating on very small margins. It hurts Canadians who depend on the retail sector for their jobs and it is not clear why the Conservatives would want to put these jobs at risk.

Business of Supply

There is another perhaps unintended consequence of these tax increases on imports. Caught in budget 2013 changes are employers and employees in least-developed countries, as well as the Canadian businesses that have been working with them as part of their supply chain. Under the current rules, manufacturers in least-developed countries can use some inputs from GPT countries and still qualify for lower tariffs. For example, shoemakers in Bangladesh or Cambodia could use fabrics from China and still meet the rules of origin for least-developed countries.

● (1205)

However, by removing China from the GPT list without making consequential changes to the rules for the least-developed countries, that shoemaker in Bangladesh or Cambodia will no longer qualify for duty-free treatment. Instead, his shoes will face an import tax of 18%, which will go directly to the Conservative government. It is worse for the Canadian consumer and it is worse for impoverished labourers in the developing world.

It is not just these taxes and these tariffs that the Conservatives are increasing in the budget. Despite their promise not to raise taxes, they have raised EI premiums three times since the last election. EI premiums are a payroll tax that every worker and employer must pay. Conservatives have been known to call it a job-killing payroll tax. The current Minister of Finance said in the past, “For many businesses, an increase in payroll taxes would make it harder to sustain existing jobs.” The Minister of Foreign Affairs went further. He said, “That is what Canadians do not want, a job-killing payroll tax increase... Those of us on this side of the House will not buy into that socialist scheme to raise taxes.”

I am a little surprised that the foreign minister is now, based on his own words, adopting a socialist scheme. In fact, the Conservatives have raised payroll taxes three times. Just when the New Democrats have moved beyond socialism, the Conservatives seem to have embraced it, based on their own words.

Raising EI premiums is another Conservative broken promise. The Conservatives raised the EI tax rate in budget 2011, they did it in budget 2012, and they have done it in budget 2013. In fact, the Conservatives have raised the EI tax rate by 8.7% since the last election. For average workers, that is almost \$150 more per year taken off their paycheques. It is \$150 less for them to use to pay the bills or to put food on the table.

The tax increases in budget 2013 will make life tougher for middle-class Canadian families at a very tough time. Canadian households have watched their incomes flatline over the last several years, while the cost of living is going up. At the same time, household debt has skyrocketed, as families take out second mortgages or turn to credit cards to try to make ends meet.

Canadian families now owe a record \$1.67 for every dollar of annual income. They are barely making ends meet today, with record low interest rates, and they are petrified as to what will happen in the future as rates will inevitably rise. They are worried about the Minister of Finance's recent demand that banks increase their mortgage prices, as though the last few years have not been hard enough for middle-class families. The minister asked Manulife to increase its mortgage rate from 2.89% to 3.09% and asked for other banks to follow suit.

What does that mean for a Canadian family with a \$400,000 mortgage? It means an additional \$12,000 out of their pockets over the next five years. That is an extra \$12,000 that a Canadian family will not have to put toward their children's education or for their retirement. They will not have that money to help pay basic expenses or to make ends meet. It is also an extra \$12,000 in bank profits, simply because the finance minister decided to meddle in mortgage prices.

In terms of other broken promises, the Prime Minister said he would “preserve the old age security, the guaranteed income supplement, and the Canada pension plan, and all projected future increases to these programs”. We all know that in budget 2012, the Conservatives broke that promise. Instead of preserving old age security and the guaranteed income supplement, they cut it by raising the age of eligibility from 65 to 67, hurting the most vulnerable seniors. We know that 40% of seniors receiving OAS make less than \$20,000 per year and that 53% make less than \$25,000 per year.

It is clear that Conservative broken promises will make it harder for Canadian middle-class families to make ends meet. We know that these latest tax hikes in budget 2013 on imported goods are going to disproportionately affect young families by making it more expensive for them to buy shoes and bicycles for their children. The hikes will also make it more expensive to buy basic furnishings for their homes.

This comes at a time when middle-class Canadian families are struggling. It is a time when young Canadians are struggling to find work. Education costs, student debt, and the lack of opportunities are creating a situation where almost 30% of young Canadians between the ages of 25 and 29 are living back at home. There is a lot of hardship out there and this is no time for the Conservatives to be raising taxes on middle-class families, on young families that are struggling today.

● (1215)

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, my colleague is absolutely right, particularly in the last part of what he said.

Governments have to make some choices. They can either raise taxes and tariffs, as the government has done in the budget, or they can spend money elsewhere.

Business of Supply

As an example, something my staff and I have worked very hard on is going through all the points from this secretive government to find out exactly how much the President of the Treasury Board spent from the G8 legacy fund in his riding during that time. I will not go through all the items, but maybe I will have a chance later on to do that. I may be missing some, but it comes to \$45,758,945 that was spent from the G8 legacy fund in his riding. If he had not done that, would he have had to raise taxes now? Would my friend comment on that?

Hon. Scott Brison: Mr. Speaker, I appreciate the question from the hon. member because he is absolutely right. It is about choices. In fact, hosting the G8 and the G20 actually cost Canadian taxpayers and Canadian families over \$1.2 billion. This is in addition to the fact that the Conservative government has spent, since being elected, over \$600 million on government advertising, much of it focused on self-promotional advertising, which ought to be paid for by the Conservative Party.

The hon. member is quite right. This money comes from somewhere. It is effectively tax dollars that hard-working Canadian middle-class families are sending to Ottawa and are expecting us to manage it well. The government has given Canadian record levels of deficit through a combination of high spending and bad fiscal management. That comes at a real cost to Canadian families that are struggling to make ends meet.

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I want to ask my colleague from the finance committee a very simple question and I would like him to answer it.

First, he talked about the general preferential tariff regime, which has not been altered since the 1970s, when it was created to help companies in poor countries. Since the 1970s, there are countries like China, India, Brazil, and we could go on and on, that are no longer poor countries. They are in fact what the Canadian Manufacturers & Exporters would term as the new industrial powerhouses.

Therefore, could my colleague simply answer why he believes China, India, Brazil and these other industrial powerhouses deserve a special tariff like other countries that are poor?

Hon. Scott Brison: Mr. Speaker, there is a saying that “If it walks like a duck and quacks like a duck, it's probably a duck”. If it raises the cost for Canadians to make ends meet and makes it more expensive for Canadian middle-class families to buy goods, it is probably a tax.

The reality is that this is a tax hike. The parliamentary secretary cannot deny this is a tax hit that, as Mike Moffatt, business professor at Western and an expert in this area, has said will “make it more expensive to raise a child” in Canada. It is a tax hike on vulnerable, middle-class families with children.

It is a sneaky tax hike because it is hidden, but through the motion today opposition members are uncovering this for Canadians. We are providing a service to Canadians by letting them know the Conservatives are actually sneaking in taxes.

Why would the Conservatives actually boast about the reduction in tariffs on 37 goods and not even mention the effects of the

increase in tariffs on 1,300? The reality is that they have raised payroll taxes and taxes on basic goods that Canadian families need. They do not want to talk about this, but we will not let them get away with it because for middle-income families, these taxes will make it tougher to make ends meet.

• (1220)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am pleased to support today's motion, which condemns the many tax hikes introduced by the tired, old, weary Conservative government.

The current Prime Minister is no longer fit to govern. All he seems to do is undermine the middle class, reduce services to Canadians and maintain the tax breaks for corporations that are sitting on \$560 billion of cash, while not creating jobs, not increasing productivity and not investing in new technology. That is not a vision for Canada. That is a disaster for middle-class Canadians and it is driving our economy in the wrong direction. Now we see more tax hikes in budget 2013, or as the government would like to portray, in Canada's action plan 2013.

The Minister of Canadian Heritage, who just perked up, loves to advertise, not quite as much as the Conservative Party, but he does like to use taxpayer money for action plan ads. When Canadians watch those ads, they should remind themselves that they paid for them, and they do come at a cost. Every time they see them, they should think of the increased taxes on the small things that affect them.

My colleague from Kings—Hants just outlined the 1,300 products that would increase in cost as a result. Canadians should think of the high youth unemployment in our country when they see those Canada action plan ads, the high youth unemployment that is a result of the government's handling of the economy and the job market. They should think as well of the attack on seasonal industries and seasonal workers by the increasing taxation through EI premiums on both employers and employees.

My colleague from Kings—Hants in summary basically has said that the budget increases tariffs on a host of consumer goods, imposes the GST on pay parking at hospitals and colleges, increases taxes on small credit unions and continues employment insurance tax increases on Canadian workers and employers. It is not going the right way.

The issue of the removal of the preferential tariffs is a decision the government has made in the same manner it has made most of its decisions, in secret in a sneaky kind of way. The announcement contained in the budget of March 21, 2013, on pages 134 and 135 relating to the general preferential tariff, is worth noting. The Minister of Finance, in a statement on December 21, 2012, indicated the department was accepting submissions in the consultation period concerning the issue of preferential tariffs between December 21, 2012 and February 13, 2013. The budget was presented on March 21. Who was consulted in that period? Again, Canadians have no way of knowing, no matter how one slices it, how this decision will cost them in consumer goods. How was that decision made?

Beyond the secrecy and the sneaky way of increasing taxes, let us look at the wider issue, and that is the Conservative government's record on international trade generally. Taxes and trade are part of the government's agenda. There are some key facts that we should consider.

• (1225)

According to Statistics Canada, our country continues to be marred by a continual merchandise trade deficit. In the most recent Statistics Canada publication on merchandise trade, which was tabled on April 5 of this year, Canada's merchandise trade deficit increased for the first two months of 2013. What is most disturbing is that our exports are 5.1% lower than in 2008, the year the global economic crisis began. This means that in spite of the rhetoric of the government, 39 of the last 51 months have seen the country marred by a trade deficit.

Prior to the Conservative government assuming office, Canada had been experiencing trade surpluses since the 1970s. According to the World Bank, since 2009 Canada had been running an ever-increasing current account trade deficit. The facts reveal that Canada, when compared to 17 of the other strongest economies, has consistently been at the bottom of the list in terms of trade performance.

A recent report from the CIBC has found that the hyper-trade negotiating agenda of the Conservative government has failed to live up to expectations. The report found that Canada remained dependent on our United States trading partner and that in spite of the Conservative government turning away from the United States toward other markets, the result was that non-U.S. trade had actually declined on a year-over-year basis.

In the past five years all of the growth in terms of exports to developing countries has been with China. The past decade has seen our exports stall while our imports have increased by 45%, which translates into what the CIBC describes as a lost decade for exports.

The government claims that it brings in trade. Some would ask why I would talk about trade when we are talking about tariffs. Tariffs and trade go together. The government claimed that 2013 would be the year of trade. However, when it comes to trade, there has been an absolute failure on the part of the government. There has also been an utter failure on the part of the government when it comes to how tariffs and taxes affect middle-class and low-income Canadians, as my colleague from Kings—Hants has outlined so well.

Just to sum up on trade, I want to quote from a business press article published in 2009 entitled "Trade deficit Canada's first since 1976", which states:

That grim assessment was borne out yesterday in data that show Canada recorded its first trade deficit in 32 years, reflecting the sudden collapse of U.S. demand and commodity prices.

I raise that point because the government talks a line on trade as it talks a line on taxes, yet it fails when it comes to trade and taxes.

To explain specifically, budget 2013 has removed the general preferential tariff rate for 72 countries from which Canada imports goods. The GPT is at least 3% lower than the most favoured nation tariff rate, but is generally substantially lower than that on most

Business of Supply

goods. It is estimated that the increased tariffs will provide an additional \$333 million of revenue per year for the government.

For the information of Canadians, the \$333 million of revenue for the government, whether that is on bicycles, consumer goods, shoes and products that Canadians need and use, is revenue coming the wallets of consumers. The motion claims that the government is increasing taxes through tariff measures on ordinary Canadians, while it tries to claim otherwise.

• (1230)

In summary, the Conservative government is failing on the trade issue, and clearly, it is failing on one of the most important issues that affect Canadians, and that is the cost to Canadian consumers and the middle class.

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I thank my colleague from Malpeque for his speech. I had the pleasure of serving with him on the Standing Committee on International Trade, and I would like to thank him for contributing to the debate on the issue that has been raised so suddenly in the House of Commons.

The only unfortunate aspect is that the Liberals were very slow to react to this specific issue. Therefore, I am very pleased to see them following our lead. However, I would like to know why it took them so long to react. Were they distracted by the leadership race?

This might also concern the type of measures adopted by this government, which might have been appropriate for various products in a certain era and with respect to certain countries, but which are no longer appropriate because our industrial fabric has been destroyed.

I will let my colleague respond.

[*English*]

Hon. Wayne Easter: Mr. Speaker, I was worried there for a moment. I thought I was seeing a socialist, but maybe I was not. As the Minister of Canadian Heritage said, which I want to mirror, did you ever hear the like?

To answer the question, the way these tariffs were handled by the Government of Canada was very sneaky. It was done in secret. As was mentioned, in budget 2013 the government blew heartily about the 37 goods it was reducing tariffs on, but it failed to mention the 1,300 products it was increasing tariffs on, which will mean a greater cost to Canadians.

The Liberal Party has been out there on this issue with our critic for finance. We will always be out there on issues that affect Canadians from coast to coast to coast. We have a leadership and a party that believes in the unity of this country. We put in place the Clarity Act so that nobody could break up the country—

The Acting Speaker (Mr. Bruce Stanton): Questions and comments, the hon. Minister of Canadian Heritage.

Business of Supply

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, the truth is that if our government were raising taxes, the Liberals would be supporting it. Our government has lowered taxes for Canadians in every way in which the Government of Canada collects taxes. In fact, a family of four today has \$3,200 more in its pocket than it did when our government first came into office. If the hon. member really believes in putting more money in families' pockets, he must really hate himself for not having supported those tax cuts.

With regard to jobs, Canada is leading the world with the best job numbers in all of the G7. If jobs are his priority, he must really hate himself for not supporting our government.

With regard to government ads, he said that the government is wasting money on government ads. We are spending less money on government ads than the Liberals did when they were in government. If he is against government ads, he must really hate himself for his track record.

He talked about the importance of deficits. The truth is that our government has cut the deficit in half. As a matter of fact, when we did our stimulus spending, the Liberals opposite all voted in favour of that spending and said that we should be spending more. If he is against deficit spending, boy he really must hate himself for voting for our economic action plan.

With regard to trade, Canada is at the table of the TPP, the Trans-Pacific Partnership. We are negotiating the Canada-Europe trade agreement. We have signed over 32 blue sky agreements, opening up the skies for Canadian consumers, driving down costs and creating more options for Canadians. If he really wants to participate in a debate, it would be nice if he knew just a little bit about what has actually taken place over the past seven years.

Hon. Wayne Easter: Mr. Speaker, I wonder where that member has been for the last seven years. I believe that when the Conservatives came to power, they had a surplus, which our party, while in government, left them. They had a surplus of \$13 billion. Ever since, we have seen deficits from that government.

There really was not a question there. We see a lot of smoke and mirrors in that question and a lot of propaganda. The fact is that youth unemployment is the highest it has ever been. Services are cut worse than they have ever been in Canada.

The member wants to talk about trade. Let us talk about trade. That is a government that said that CETA would be signed a little over a year ago, and now the Conservatives are claiming that it is going to be the summer before it is signed. Canada is playing second fiddle to the United States and Europe in negotiations.

That is a government that failed to sign an FTA with South Korea, which is costing the Canadian beef and hog industry in this country \$1 billion in trade. We are losing \$1 billion in trade in that market as a result of that government's terrible record on trade.

The member should be ashamed for even standing up and talking about trade, because the Conservatives have been an utter failure.

• (1235)

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I want to, first of all, thank my NDP colleague from Victoria for

introducing and supporting the debate on this important opposition day motion. I also want to say that I will be splitting my time with my colleague, the member for Beauport—Limoilou.

I am very pleased to speak on this important motion today. At heart, what we are talking about is taxes, but ultimately, it is about hypocrisy on the part of the government. I would go even further and say that it is hypocrisy and disregard for Canadians and the difficult times that so many Canadians find themselves in.

Let me start with hypocrisy. The current Prime Minister promised that during his term as prime minister, there would be no new taxes. That was echoed by the Minister of Finance when he said in this particular budget that there would be no tax increases. Let me just clarify with a couple of quotes.

I give you my word: As long as I will be Prime Minister,...there will be no new taxes.

Further:

You know, there's two schools of economics on this, one is that there are some good taxes and the other is that no taxes are good taxes. I'm in the latter category. I don't believe any taxes are good taxes.

That was the Prime Minister who said that.

The Minister of Finance, in his budget speech just this year, said, "We will not raise taxes".

It is profound hypocrisy to then, in this budget, forget this promise and raise taxes for Canadians that will mean nearly \$8 billion out of their pockets. The Conservatives are raising taxes on over 1,200 types of goods that will hit Canadians right in the pocketbook, things Canadians have to pay for every day—basic goods and services—whether it is school products for kids, household utensils or bicycles. Even iPods are not exempt. The list of taxes is quite significant. Over 80% of consumer goods will be affected. They include baby carriages, school supplies, as I said, shoes, clothes, and many other consumer products in a time of a still very fragile economic situation. The economy is still in a fragile state, and to have this kind of tax on everything is very difficult for consumers.

I want to emphasize the iPod tax, which is, of course, buried among the taxes listed in budget 2013. It is a new 5% tax on MP3 players and iPods that are coming into Canada. To emphasize the hypocrisy of this tax, I want to cite the Minister of Industry and the Minister of Canadian Heritage and Official Languages, who, in December 2010, said:

During this fragile economic recovery, the last thing Canadian families and consumers need is a massive new tax on iPods.

However, that is exactly what the government has introduced. This is going to be hitting more than 80% of Canadian products, things such as safety deposit boxes and insurance programs and even more substantial programs, such as labour-sponsored venture capital corporations, which are investment bodies that create jobs and help build communities across this country.

Business of Supply

I have spoken to chambers of commerce and investors who are very concerned that the government has simply misunderstood what these venture capital corporations are about. It saw the word "labour" and thought maybe it would just be attacking unions by raising taxes on these labour-sponsored funds rather than attacking communities and jobs and upsetting business and the investment community.

●(1240)

The government has also raised taxes on credit unions. We believe that competition is a healthy thing, including in the financial sector; credit unions provide healthy competition for the major banks in this country, but instead the government has opted for a cash grab that is going to impact the operation of credit unions across this country. Again, I do not know whether this is just an exercise in hypocrisy or whether they really do not like credit unions, because the impact of this tax on credit unions is going to be significant.

In sum, Conservatives are increasing the costs on average Canadians, but let us look at the record of the government when it comes to profitable companies and when it comes to the wealthy in this country. We have seen the current government, like the Liberal government before it, cutting tens of billions of dollars in taxes on profitable corporations. At the same time, it has turned a blind eye to tax havens and money going offshore that could be contributing to the public coffers. Maybe it would mean Canadians would not have to be taxed on iPods, bicycles and kids' shoes.

Fully one-quarter of all Canadian foreign direct investments has gone into tax havens. In 2011 alone, Canadians invested, so to speak, \$53.3 billion in Barbados and \$25.8 billion in the Cayman Islands. Is this money that should be here in Canada, being taxed and contributing the public good in this country? Would that not be a fair way to treat Canadian tax dollars?

At a time when nearly 1.4 million Canadians are unemployed and when in March alone Canadians lost 54,000 full-time jobs, we have seen a record increase in temporary foreign workers. They have tripled in number. Companies are allowed to pay them 15% less than Canadian workers, so we are seeing the suppression of Canadian wages and the undermining of jobs and taxes here in Canada at the same time as the dinging of average consumers in the pocketbook, which will affect every Canadian family across this country.

It is the height of hypocrisy. It is a betrayal of the needs of Canadians during this fragile economic period.

We believe that fair is fair. We should all be contributing fairly to the good of this country to make sure that our social programs and services run in a manner that Canadians want to see and contribute to the public good right across this country.

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Mr. Speaker, I would like to acknowledge my colleague who just gave the speech, but I wonder if she would acknowledge that the general preferential tariff was established in the 1970s and has not been thoroughly reviewed since that time. It gave an advantage to countries like China and South Korea, which had privileged access to Canada in terms of competing with Canadian businesses. It seems a bit like crocodile tears when the opposition members say we do not provide the necessary support to Canadian businesses while on the other hand they are against the

changes we are proposing, which will actually make it much more fair in terms of competing.

●(1245)

Ms. Peggy Nash: Mr. Speaker, in terms of fairness, perhaps the hon. member could answer this question: at a time when Canada is not collecting substantial amounts of tax dollars from offshore tax havens, why is the government undermining the Canada Revenue Agency by losing the jobs of 3,000 people who could be reviewing this tax leakage or tax gap and collecting taxes from those who are storing money offshore, so that average Canadians would not be hit so hard in their pocketbooks?

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I would like to return to the idea of average middle-class Canadians, who are to be hit profoundly by this indirect tax increase. That is really what it is, as the member for Malpeque clearly indicated. Additional revenue in the hundreds of millions of dollars is going to be coming in; that revenue is coming in from somewhere, and it is coming from the pockets of Canadians from coast to coast to coast.

One of the other things being impacted is the price gap between U. S. products and Canadian products and the impact it has on jobs in Canada. I am wondering if the member might want to comment on that issue.

Ms. Peggy Nash: Mr. Speaker, the member is absolutely right: retailers in Canada, especially those along the border with the United States, are already hit hard by a price differential between our two countries that makes no sense. There is no justification for it in most cases, and now they will be faced with a double whammy by these tax increases by the government.

Why is the government doing it? It is because it has an artificial political deadline of balancing the books by 2015, prior to the next election. That is the political commitment it has made. Where will it get the money? It will grab it out of the pockets of average Canadians, rather than making its friends pay their fair share of taxes and contribute to the national good and welfare.

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I would like to congratulate my colleague for her speech and point out that the Conservatives have broken their promise by introducing, in the 2013 budget, additional taxes on goods, which will impact household budgets and consumers. This will have an impact on consumption and the economy.

I would like my colleague to talk about household debt and the other repercussions that this budget will have on households.

Ms. Peggy Nash: Mr. Speaker, I would like to thank my colleague, who asked an excellent question.

Canadian consumer debt has hit a record high. It will be very difficult for consumers to pay more for so many of the goods they need.

This government is being hypocritical because Canadians will be paying more and its friends will be exempt from these taxes, which do not apply to the one percent.

Business of Supply

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, it is a great pleasure and honour to speak to this issue on this opposition day, particularly since my speech follows those of three of my colleagues with whom I have the great pleasure of working on the Standing Committee on Finance. I would like to thank the hon. member for Victoria for bringing this issue before the House of Commons, because it is very important.

I am also pleased that my three colleagues from the Standing Committee on Finance have played fair by leaving a few factors for me to address. Given their considerable expertise, I might not have had much to offer the House. Fortunately, I can address some very specific issues related to the budget.

I am well aware that some, if not most, Conservative government members like living in the past. However, at some point, they need to get with the times and adopt measures that are relevant to Canada's current conditions.

I certainly agree with some government members who claim that the general preferential tariff or GPT regime needed to be modernized. Unfortunately, these changes are too late for some countries. In fact, one could easily say that the changes are 20 years too late for some of them.

What is more, the government is applying the new regime to a wide range of countries, some of which still need the GPT. This is a really unfortunate aspect of the budget and is symptomatic of the government's complete unwillingness to consider any insight that could help it to implement measures that would assist Canadian families and companies. Perhaps the government is naive or just ignorant in its very narrow perspective, its blindness as to what is going on with the economy. We will continue to work, to keep an eye on the issue and to demonstrate the government's ignorance.

When I say that this measure is 20 years too late, I am thinking about certain specific countries and the overall erosion of Canada's industrial sector. Hundreds of thousands of jobs were very quickly lost under this Conservative government.

Unfortunately, the current Conservative government, already very worn out by its mandate, is not the only one to have abandoned our industry and allowed the destruction of entire sectors of the Canadian economy, thereby forcing thousands, if not millions, of families into temporary or even permanent poverty in some regions of Canada. This measure will only exacerbate the problem. Indeed, especially considering the product categories that will be affected, the proposed regime can even be compared to a flat tax that will hit the middle class and our small and medium-sized businesses most of all.

I say this because, as the member for Beauport—Limoilou, I know very well which sectors and segments of the population will be directly affected and hit hard by this in their daily lives.

Part of the Beauport—Limoilou riding is located in downtown Quebec City. I am referring specifically to Limoilou. It is a very dense urban area that has been experiencing quite a baby boom. Many young families are coming to settle down in Limoilou. To put it simply, and to paint a clear picture, strollers are practically taking over the streets.

When we look at the list of products that will be affected by the tariffs, it includes things like strollers, tricycles and, probably the most shocking, plastic school supplies.

• (1250)

I am so glad to still be a young man, at barely 46 years old. Nevertheless, it has been quite a while since I finished my studies. Still, I do remember the good old days, when I was in elementary and then high school. For instance, at the time, I had to buy a geometry kit, and it was marked "Made in Canada".

Clearly, everyone agrees that the various sectors of our economy are operating under conditions that are forcing them to adapt. Certain changes have taken place that have forced some companies to shut down, while still others have had to cut back their operations. However, the reprehensible abandonment of many industry sectors in the face of justifiable and inevitable globalization—for which the government should have positioned itself so as to be able to adapt—is almost criminal. This has driven many people in a number of our large communities into an abyss that they just cannot get out of.

I do not know who, on the government side, could answer the legitimate questions that young families in Limoilou, people in their 20s and 30s, are asking. These families have chosen to live downtown, near their workplace, and they have chosen to stand up for a good quality of life. However, they are going to have to deal with tariff hikes, which are a type of forced tax that the government is applying improperly. We should not be surprised by what this government is doing. This is exactly the type of unilateral measure that the Conservatives implement, just like those they imposed on the provinces with regard to health transfers.

The government does not consult Canadians and does not even examine the issues. The measures that it implements seem to be the result of the sort of misguided inspiration that comes from too little sleep. It is really shameful.

As I had the opportunity to mention today, I have the great privilege of being a member of the Standing Committee on Finance, and I have also had the opportunity to serve on the Standing Committee on International Trade. On many occasions, I took the time to speak out against the government's shameful naivety when it comes to international trade. Our country is suffering a great deal as a result of this government's extremely simplistic views and policies.

Take China, for example. It is one of the countries that is being targeted by the changes to the tariff regime. A country's place in the economy deserves to be debated in order to determine the role it must play. However, when the government lets things go, does not react and does not take into account the conditions that exist in other countries of the world, it should not be surprised when it gets results as poor as those we are currently getting.

Business of Supply

I would like to talk about China since this country's success is in large part due to the fact that it is an extremely interventionist country. It is therefore rather ironic that the government is trying to teach everyone a lesson without even taking into account the objective conditions of the world economic order. I am not necessarily asking the government to be protectionist, but it must be aware that it has to do something when other countries fail to engage in fair play. This is the kind of thing that the NDP will not just put up with. On the contrary, when countries seek to attack Canada, the NDP will react and respond.

In conclusion, I would like to say that China has taken a very interventionist approach when it comes to currency. It has kept the value of its currency very low. It has taken a very interventionist approach to job and business creation and has paid out massive subsidies in the guise of loans to companies by Chinese banks that did not even require repayment.

Now our core industry has been ravaged. This measure comes too late, is completely useless and places an unnecessary burden on our small and medium-sized businesses as well as our families.

Why is the government increasing taxes like this?

• (1255)

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I want to take the opportunity just to highlight some inconsistency within the Conservative government. In the most recent budget, the Conservatives would take the liberty of decreasing 37 different tariffs. Canadians were told in many forums that the Government of Canada took great pride in the fact that it would reduce tariffs. What the Conservatives did not say at the time is that they would actually increase more than 1,300 tariffs at the same time within the same budget. That increase in tariffs would generate hundreds of millions of dollars annually in different forms of revenue.

Might the member provide some comment on why the Conservatives might have been a little selective in terms of exactly what message they were trying to send Canadians on the whole issue of tariffs, when in fact quite the opposite might be the case, where the Conservatives would increase so many, compared to decreasing?

• (1300)

[*Translation*]

Mr. Raymond Côté: Mr. Speaker, I would like to thank the member for Winnipeg North for his question.

The government is likely suffering from selective memory, no doubt caused by its communications department, which has such a negative influence. That is my hypothesis. I cannot say for sure that that is the precise explanation in response to my colleague's question.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I have a very simple question for my colleague. I heard the speeches from government members who completely denied that there are any new taxes in this budget. However, we can see that over five years, there will be \$8 billion in new taxes that will be taken directly out of Canadians' pockets.

The government seems to be focusing on one thing in particular, and that is the fact that 72 countries will no longer be covered by the general preferential tariff, which is an import tax that is lower for certain countries. The government is focusing on China, India and Brazil, but it is also considering many other countries—such as Kazakhstan, Thailand, the Dominican Republic and Namibia—as being fully developed.

Could my colleague tell us why the government is focusing on certain countries, which we could very well debate, but is denying the fact that it is amending the general preferential tariff for other countries that are not fully developed?

Mr. Raymond Côté: Mr. Speaker, I would like to thank my colleague from Rimouski-Neigette—Témiscouata—Les Basques for his question. In my opinion, he can speak to this better than I can because he has been a member of the Standing Committee on Finance longer than I have.

It would be really extraordinary if we could have an honest and frank debate with this government, either in this place or at committee. We cannot criticize the government for picking its battles, but we can criticize it for refusing to inform Canadians and the major players in our economy about a number of its policies. It is truly deplorable, it is downright dishonest and, as some of my colleagues have already mentioned, it is pure hypocrisy.

[*English*]

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, the heart of our opposition day motion is talking about fairness and about being up front with Canadians. I know my colleague has spoken about this, but I want to talk about my province of British Columbia, where we had a provincial government that brought in a tax about which it was not up front with British Columbians. I wonder if the federal Conservatives are actually taking a page out of the provincial B.C. Liberals' book, by which they introduced the HST and were not up front with British Columbians. I wonder if that is what the Conservatives are doing here by not being up front about the tariffs and the taxes. Could the hon. member talk about that?

[*Translation*]

Mr. Raymond Côté: Mr. Speaker, I would like to thank my colleague from New Westminster—Coquitlam for his question. I am surprised that there have been no questions about the GST from my Conservative colleagues. That is clearly because our answer was too good and it would have been useless to ask the question again. Therefore, I hope we will not waste any time on that.

I will nevertheless comment on this matter because it is important. With regard to the GST and the health transfers I talked about, if an NDP government were to come to power, it would take the time, unlike the current government, to consult the provinces before taking action on these and other issues. That is something the government refuses to do.

That message was loud and clear.

Business of Supply

•(1305)

[English]

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Mr. Speaker, as Parliamentary Secretary to the Minister of National Revenue, I am pleased to stand today against the NDP's opposition day motion. It is another opportunity to remind Canadians of the NDP's record on taxes. That record speaks for itself.

Time and time again, NDP members stand in this place and vote no against our Conservative government's actions to lower the tax burden, protesting efforts to leave Canadian families and businesses with more money to help them grow our economy. Even worse, the NDP continues to call for billions in new taxes on Canadians; that is, from a carbon tax that would raise the price of everything, to a \$10-billion-a-year tax hike on businesses.

Unlike the NDP, our Conservative government believes that leaving more money in the pockets of hard-working Canadians is the right thing to do, and we have the record to prove it.

Since coming to office in 2006, we have cut taxes more than 150 times, reducing taxes in every way that government collects them. Actually, I just noted that, in one of the NDP mail-outs to its constituents, the whip encourages Canadians to ensure that they take advantage of these tax reduction opportunities. Even in its mail-outs to its constituents, the NDP is acknowledging the very important measures we have provided. It was quite gratifying to see the NDP actually sending out that mail-out.

We have cut taxes more than 150 times, and we have reduced them in every way that government collects them. We have removed more than one million Canadians from the tax rolls altogether, and the overall tax burden on Canadians is now at the lowest point in more than five decades.

Today, I would like to highlight some of these important measures that our government has done to support job-creating businesses across Canada—tax relief that the NDP consistently opposes.

Our approach to business taxation follows simple logic. Lower taxes make Canada's economy stronger and create stable, long-term jobs. Today, Canada has the best record of jobs and growth and recovery among the G7 nations. We can see how that plan is meshing and is working. In fact, a recent study by KPMG concluded that Canada's total business tax costs—business income taxes, capital taxes, sales taxes, property taxes and wage-based taxes—are more than 40% lower than those in the United States. Again, I just think we need to compare how Canada is doing against the United States fiscally and in terms of our net GDP-to-debt ratio in order to know our plan is working.

In short, our government has created an environment that encourages new investments, growth and job creation, one that ensures Canada has the strongest fiscal position and the lowest business tax costs in the G7.

When we consider our Conservative government's unparalleled commitment to lowering taxes, especially for job-creating small businesses, the NDP motion is a scary prospect for Canadians.

The NDP position is very well known. The opposition House leader, the member for Skeena—Bulkley Valley, in British Columbia, summed it up best when he said, "...tax cutting is seen to be a failed strategy...". That is absolutely wrong.

Let me now highlight some of our government's key initiatives that demonstrate our continuing leadership in lowering taxes for businesses, all of which, again I have to point out, the NDP voted against.

Canadians understand that a competitive business tax plays a key role in supporting businesses in all sectors of the economy to invest, grow and thrive. Our government has implemented broad-based tax reductions that support investment and growth. These cuts are delivering more than \$60 billion of tax relief to job-creating businesses over a six-year period, ending in 2013-14.

For example, to spur investment and productivity, we have reduced the federal business tax rate to 15% in 2012 from 21% in 2007, which is amazing support for our corporations. The small business tax rate was reduced to 11%, and the amount of income eligible for this lower rate was increased to \$500,000 in 2009.

•(1310)

Canada's system of international taxation was improved to better support cross-border trade and investments. These actions are part of a policy framework that increases the productive capacity of the Canadian economy as well as Canadian living standards.

Lower business tax rates and other tax changes have increased investment in Canada and reduced the costs of expanding, giving businesses strong incentives to invest and hire in Canada.

Our government's low-tax plan is helping to guide the Canadian economy along the path of sustainable economic growth. Real business investment in Canada is now 8.1% higher than its pre-recession peak, while no other G7 country has even returned to its pre-recession levels. Again, having a positive business environment encourages people to come and invest. It encourages the job creators in the country that produce the wealth for those important social services program and the things we value.

More examples include tax relief for new manufacturing machinery and equipment that will help businesses invest for the future. The accelerated capital cost allowance for machinery and equipment used in the manufacturing and processing sector was first introduced in budget 2007 and extended in budget 2008, budget 2009 and budget 2011 in response to the ongoing global economic challenges.

Business of Supply

The ACCA allows businesses to write off eligible investments faster, providing them with the support they need to retool and remain competitive. Canadian businesses from across the country have applauded this measure, which is very important in helping them to expand. Indeed, as the finance committee heard from witnesses from across the country, this was a consistent message in terms of ways that we could support the business communities. In total, more than 25,000 businesses in the manufacturing and processing sectors, employing Canadians in all regions of the country, have taken advantage of the accelerated capital cost allowance since it was first introduced in 2007.

On the advice of the Canadian Manufacturing Coalition and others, we will provide \$1.4 billion of tax relief over four years to the manufacturing and processing sectors through a two-year extension of a temporary accelerated capital cost allowance for new investment in machinery and equipment. This tax relief will encourage manufacturers and processors to accelerate and undertake additional investment in machinery and equipment, making their operations more productive and globally competitive. It will enable manufacturing and processing companies to plan and invest over the coming years and help create jobs in a sector that has been particularly hard hit by the global recession.

Key measures introduced by our government are already delivering substantial tax relief to small businesses and small business owners. Reductions in the small business tax rate to 11% and increases in the small business income limit to \$500,000 are estimated to provide small businesses more than \$2 billion in tax relief in 2013 and more than \$10.4 billion over the 2008-09 to 2013-14 period.

I would like to give an example. A small Canadian controlled private corporation, with \$500,000 in taxable income, has seen its federal corporate tax bill decline by more than one-third, from \$83,600 in 2006 to \$55,000 in 2013. That is a tax saving of over 30%, or \$28,600, that can be reinvested in the business to fuel the growth and expansion that creates new jobs.

Again, I have to point out that the NDP shamefully voted against all those tax reductions for small businesses.

However, we are doing even more than this. The lifetime capital gains exemption on qualified small business shares was increased to \$750,000. It was at \$500,000 in budget 2007. We are looking at the first increase in an exemption since 1988.

• (1315)

This LCGE, as it is known in short form, is estimated to be delivering almost \$1 billion of federal tax relief annually to small business owners, farmers and fishermen, and certainly every one of us in our ridings see the challenges small business owners face and the very important role they play in our communities. They are the first people supporting jobs, training for young people and communities and the many endeavours undertaken. It is a giant first step in 2013 and will go up to \$800,000 in 2014. In addition, to ensure that the value does not erode over time, we will index a new \$800,000 LCGE limit to inflation, which is for the first time ever, something members of the finance committee heard people across Canada ask for.

Representatives of job-creating businesses, large and small, have told us time and time again that this tax relief is crucial in helping them expand their operations and hire more Canadians, but again opposition members are just not listening. Maybe they will take note of the words of Jayson Myers, president and CEO of the Canadian Manufacturers & Exporters, who explained:

—business tax cuts are benefiting Canadians in very important ways....While...tax rates have fallen, the amount of money businesses are paying to government is—in fact—increasing because their investments have made them more competitive, more profitable, and have allowed them to grow.

That is a really important illustration of how lower taxes actually can generate higher revenue.

Not only that, but the Canadian Manufacturers & Exporters has stated unequivocally:

If governments had not provided tax relief for Canadian businesses, the recession would have been deeper and unemployment would have certainly been higher.

I cannot imagine a clearer message from Canada's job creators and yet opposition members' wilful ignorance on taxes prevails.

Perhaps the NDP member for Windsor West had his head in the sand when he remarked in the House:

—the reality is that the tax cuts are not even the number one thing the corporations are asking for...tax cuts are not the priority.

That was a very puzzling statement. The bottom line is that when it comes to job creation, our Conservative government is listening to Canadians who are telling us what works while the NDP cannot seem to shake off some ideological commitment to higher taxes.

Since 2006, our government's number one priority has been creating jobs for Canadians and I am proud that we followed through on this commitment again in budget 2013, especially when it comes to small businesses. In recognition of the critical role that small businesses play as job creators in the Canadian economy, the economic action plan proposes to extend for one year the temporary hiring credit for small businesses. This temporary credit will be available to an estimated 560,000 employers, allowing small businesses to reinvest approximately \$225 million in job creation in 2013.

Certainly, in my role as parliamentary secretary, I am especially pleased that economic action plan 2013 has announced that CRA will take even more action to reduce red tape and improve services for small businesses. For example, CRA has created a dedicated team that is responsible for coordinating and addressing small business issues. The CRA has mandated the team to ensure that the agency takes a small business lens approach to service improvements, with a renewed and enhanced focus on cutting red tape. This focus on engagement with small business stakeholders will ensure that the perspectives of the small business community are continuously taken into account in every aspect of the work that CRA does.

Business of Supply

Last summer, when I conducted round tables across the country, I heard that we need to do a little more. Again, we are looking at a wide range of additional electronic services for businesses to be implemented to build on the success and help businesses get what they need faster, reduce paperwork, save time and help the environment.

I would like to provide another example. In April 2013 business owners can choose to go paperless and rely exclusively on electronic notices stored in the secure “My Business Account” portal, accompanied by emails directly from the Canada Revenue Agency.

• (1320)

I am also pleased to tell Parliament that CRA is expanding its small business focus across all operations and moving toward a “tell us once” approach, so that small businesses will not have to submit the same information several times.

Under our Conservative government, the CRA is helping small business owners avoid costly and time consuming audits by raising awareness of their tax obligations in order to get them the help they need right from the start.

Canada's entrepreneurs and risk-takers are confronted with the many challenges of a globally competitive marketplace each and every day. These entrepreneurs need their government to be a partner in achieving success through lower taxes, not an impediment caused by the NDP's plans for higher taxes and reckless spending.

Job creators know that in our government they have a partner. Since 2006, we have designed and implemented policies aimed at driving the economy to its full potential for the benefit of all Canadians.

Economic action plan 2013 sets a path to return to balanced budgets by 2015, which will strengthen Canada's fiscal advantage and spur long-term jobs and growth.

Today, Canada's is universally recognized for its resilience through the global recession and recovery, its low tax environment, its highly educated and skilled labour force, its natural resource endowment and a financial sector that is the envy of the world.

However, we cannot become complacent. In a fast-changing, competitive global economy, Canadians must continually aim higher to avoid falling behind.

Together, the initiatives in economic action plan 2013 build on previous government action to reinforce the fundamental strengths of the Canadian economy. The results so far dramatically highlight the wisdom and effectiveness of our decisions, with 900,000 net new jobs, the best record in the G7.

Even better, Canada stands among just a handful of nations with a AAA credit rating. Canada remains one of the most welcoming and profitable places in the world for international business and foreign direct investments.

By lowering taxes, reducing red tape and removing barriers to trade and investment, we have made Canada one of the most welcoming and profitable places in the world for international business and foreign direct investments.

The facts are clear. We stand for low taxes and private sector growth. The NDP stands for high taxes and big government. The NDP plans massive new taxes, be it a carbon tax that would raise the price of everything or massive new business tax hikes.

For these reasons, I know the NDP motion will be rejected by Parliament.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, my colleague and I sit together on the finance committee so I know she has read budget 2013. She has read pages 331 and 332 and has seen the increase in taxes on hospital parking, on credit unions, on shoes, on iPods.

Why are Conservatives breaking their promise? Why are they increasing taxes on Canadians, but letting tax cheats and profitable corporations slip through the tax net? Why are they doing that?

Mrs. Cathy McLeod: Mr. Speaker, I object to the premise of that question. We have absolutely presented a plan to Canadians, a plan to return to balanced budgets by 2015 and a plan to return to balanced budgets by maintaining transfers to provinces and not raising taxes for our business owners, our corporations. That has been our commitment as government.

NDP members have sat on the committee. The member has heard the very important testimony regarding the importance of closing tax loopholes. Tools will be given to the CRA in economic action plan 2013 to go after those tax cheats.

• (1325)

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, whilst I sympathize with my hon. colleague when she talks about some of the tax increases that the NDP want to talk about, I would sure like to hear about what she and her government plan to do for the over \$100 million they have added to the national debt since they came to power. That, to me, is very much more pertinent at this time.

When is a tax not a tax? When is a premium increase for employment insurance, which is a payroll tax, not a tax? When is adding tariffs to over 1,000 items to generate about \$300 million not a tax?

I would like to know what the government calls the tax and how it supposedly, that low-tax government, refuses to recognize that payroll taxes and tariff increases are not taxes.

Mrs. Cathy McLeod: Mr. Speaker, the member for Westmount—Ville-Marie was sitting in the House in 2008 when we were in a global recession. People were concerned. What I heard was the opposition saying spend more money. I hate to imagine what the deficit would have been had we listened. We chose to do targeted, timely spending, along with our G7 counterparts. It worked. We had a plan.

We are turning back to balanced budgets. I am glad we were the government of the day. Had we not been at the helm, the deficit would have been absolutely phenomenal had we listened to the opposition.

Business of Supply

Mr. Brad Butt (Mississauga—Streetsville, CPC): Mr. Speaker, I want to thank the parliamentary secretary for a clear and good response to an irresponsible motion put forward by the opposition today. I do not think the opposition understands the difference between tariffs and taxes and other revenue measures governments proceed with.

I would like to give the parliamentary secretary an opportunity to highlight some of the tariff reductions and why there are reductions in those tariffs for countries with which we have free trade agreements and fair trade agreements versus countries that have benefited from these other tariffs for many years whose situations have not changed.

Mrs. Cathy McLeod: Mr. Speaker, that is an important question. It was very well received in terms of the removal of tariffs from baby clothes and sporting goods equipment.

It is more important to remember that the foreign aid program was created in 1970 to give special help to poor countries. It had not been reviewed since the 1970s. It meant that countries such as China and South Korea were receiving privileged access to our markets when competing against small businesses.

Again, I have to say that I think the opposition should speak with the Canadian manufacturing sector about its concerns. The government has provided many important measures that support the Canadian manufacturing industry. Again, it is not giving special preferential treatment to those countries that no longer need it.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, the Minister of Finance mentioned several times that Budget 2013 would have no new taxes. The Minister of State for Finance gave the same answer when he was asked about Budget 2013 in the House.

When the Conservative government creates tax credits—the so-called boutique tax credits—for arts or sports for example, it talks about tax cuts that benefit Canadians. When tax credits are scrapped, it pretends not to notice.

The hon. member for Westmount—Ville-Marie asked a very relevant question that the government member did not answer. What is considered a tax credit or a new tax? In the budget, there is \$8 billion in new taxes and in reduced or cancelled tax credits. The member said that there were no corporate tax increases, but there is an increase of \$2.3 billion over the next five years, and that is only from scrapping the dividend tax credit for small and medium-sized businesses.

Can the Parliamentary Secretary to the Minister of National Revenue look us in the eye and say that there are no tax increases? If she cannot, what is her definition of a tax? The government does not seem to know, even though it governs a G8 country. That makes no sense at all.

• (1330)

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, I hope the opposition will support economic action plan 2013. It can see the clear work we have done to create tax fairness for all Canadians. We have taken

some important measures in terms of tax loopholes. We have given the Canada Revenue Agency some important tools to help in its ability to crack down on tax evasion and the use of offshore tax havens.

I also briefly want to talk to the tax credit issue. Today the whip of the NDP is publishing and celebrating our tax credits and is making sure that her constituents are aware of them. I am glad to see that she recognizes how valuable these tax credits are to members of her riding. It is good to see the NDP celebrating some of the important measures we have taken in our budget.

Ms. Joan Crockatt (Calgary Centre, CPC): Mr. Speaker, these tax credits are an important issue that many Canadians may not be fully aware of. I wonder if the member could fill us in on the tax credit for new home buyers. My son is in that particular position, and I know that people of his generation need to know what programs are out there for them.

Mrs. Cathy McLeod: Mr. Speaker, we absolutely recognize that our young adults have challenges in terms of buying that first home. Therefore, we have measures that really provide support for those first-time home buyers.

Importantly, the bigger picture is that we are ensuring that they are going to get the training to do the jobs that need to be done. There are important measures, whether they are changes supporting the Canada student loan program or the Canada job grant program that would be available. Of course, the member mentioned a measure we are particularly proud of, and that is the tax credit for first-time home buyers.

[*Translation*]

Mr. Guy Caron: Mr. Speaker, I would like to ask a very quick question about tax credits.

How can the Parliamentary Secretary to the Minister of National Revenue say that creating a tax credit will reduce taxes for Canadians, but that scrapping a tax credit will not increase the tax burden for them?

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, we certainly believe in a system of tax fairness. The member has sat with me on the finance committee and has heard of some fairly aggressive tax planning practices. The aggressiveness is perhaps legal but is above the spirit of what we are trying to do with our tax system.

I ask that he support the very important measures in the budget that focus on closing tax loopholes and on creating tax fairness for all Canadians.

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I will be sharing my time with the member for Sudbury.

I want to begin by thanking my colleague, the hon. member for Victoria, for moving this motion. He is giving us an opportunity to elaborate on certain aspects of the budget brought down by the Minister of Finance.

Business of Supply

During the election campaign, the Prime Minister publicly and formally promised Canadians there would be no new taxes. Not even six months ago, his Minister of Finance reiterated that promise in anticipation of budget 2013-14. Meanwhile, they accuse their adversaries of wanting to increase the tax burden and they claim to be standing up for the taxpayer. We now know that was just malarkey. In reality, the Conservatives were secretly preparing massive tax hikes that affect all Canadians.

With support from the Prime Minister, the Minister of Finance went against every one of this government's public positions and basically increased Canadians' tax burden. The Minister of State for Finance challenged us to find tax increases in the budget. We found them handily.

No less than 1,290 types of products will be subject to higher tariffs. These new tariffs on a wide range of sectors in more than 70 countries are significant: 5% more for bicycles, 11% for scissors, 3% for strollers, 6% for table fans, 10% for vinegar and so forth. There is even a new 5% tax on iPods even though the Conservatives falsely accused the official opposition of promoting such a measure. This is another example of the government's hypocrisy when it comes to economics.

Generally speaking, we are not talking about luxury items here. We are talking about standard consumer products that are used by the majority of Canadian households. It is not the importers of these products who are going to absorb the bulk of these new tariffs. It is the consumer who is going to be stuck with the bill. It is not just consumers who are going to feel the impact of this unjustified measure. Retailers located close to the Canada-U.S. border are going to see their sales decline again because of this new price gap.

This is an ironic choice by a government that falsely claims to defend taxpayers and help the economy. Unfortunately for Canadians, the Conservatives did not stop there.

In addition to these tariff increases, the government is eliminating the 15% tax credit for money invested in labour-sponsored venture capital corporations. The government got this money back over a three-year period because businesses grew and formerly unemployed workers paid more taxes. Instead of addressing the fact that Canada is behind when it comes to venture capital, the Conservatives decided to go after Canadian taxpayers.

I want to point out that the government is eliminating the preferential tax rates for co-operatives. This means that co-operatives such as Mouvement Desjardins will support fewer small and medium-sized businesses and fewer projects. This also means less money in the pockets of depositors, who are once again being affected by the Conservatives' policies. Add to that the end of the tax exemption for things such as parking and safety deposit box rentals.

As a result of these measures, taxpayers will have less wiggle room and will have to either spend less or go more into debt, which is never good news for the economy. Over a period of just five years, the 2013-14 budget is increasing the tax burden by \$7.8 billion.

● (1335)

This burden will go from \$500 million this year to \$2.3 billion before the end of the decade. Between 2010 and 2018, the

Conservatives will have increased the tax burden by nearly \$20 billion.

The public is the government's first victim. After cutting all federal government services to the public in their 2012-13 budget, the Conservatives are now dipping into taxpayers' pockets. Now, Canadians will be paying more for fewer services. The Conservatives will have to take responsibility for this.

This government made a choice. True to form, it decided to spare major corporations and the wealthy and force the general public to suffer the consequences. The main impact of the \$12 billion in tax cuts for the private sector was to increase the financial reserves of Canadian businesses from \$185 billion to \$575 billion over a period of 10 years. While major corporations will benefit from the Conservatives' handouts, Canadians will be paying more to live their lives. This is completely unacceptable.

Why make Canadian taxpayers suffer because of the government's budget cuts? Why cut the number of employees at the Canada Revenue Agency by 6% when the government is losing tens of billions of dollars to tax evasion? Why eliminate tax cuts that stimulate the Canadian economy when the economic outlook is still uncertain?

The current motion condemns this situation. We want to speak out against this government's poor choices. The latest budget cuts will affect people's day-to-day lives. This wide range of new taxes will undoubtedly impact consumer confidence and debt levels.

The Conservatives refuse to admit that tax cuts for big business severely limited the government's room to manoeuvre but did not have much of an impact on economic growth. They refuse to admit that their decisions are catching up with them and that Canadians are the ones now paying the price.

With that in mind, I ask the members here to support the motion moved by the member for Victoria, thus sending a clear message to the government: the significant tax hikes set out in the latest budget are unacceptable, inappropriate and unjustified.

● (1340)

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, lady luck is not on my side. I asked some very simple questions of government members, but I did not receive a response. It seems that the government, rife with hypocrisy—and I apologize for using that term, but it is truly the case here—is denying the obvious existence of tax increases in this budget and refuses to acknowledge that they are there. My last question was on that exact topic.

Business of Supply

The government feels that any kind of tax credit—for things like the arts or sports—constitutes a tax cut. Why then is it refusing to acknowledge that eliminating a tax credit, for businesses or individuals, is therefore a tax increase?

Since I have yet to receive an answer from the government, I would like to ask my colleague that question. Her speech was excellent, by the way. I would like to know why we should not consider the elimination of a tax credit for credit unions or labour-sponsored venture capital corporations, for example, to be a tax increase that will affect the Canadian economy as a whole, which this government is denying?

Mrs. Sadia Groguhé: Mr. Speaker, I thank my hon. colleague for the question.

Indeed, eliminating tax credits is the same as a tax increase. He mentioned certain corporations. If this tax credit is no longer guaranteed, how can those corporations reinvest in our economy if the funds they rely on cannot meet Canada's economic needs?

Furthermore, I completely agree with his comments about hypocrisy regarding the new taxes being imposed on Canadians. These taxes will quite simply put a very serious strain on family budgets, and this will have a significant impact on our economy, in any event.

[English]

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): Mr. Speaker, our Prime Minister promised Canadians that during his term as Prime Minister there will be no new taxes. Our Minister of Finance also told Canadians that there will be no new taxes in this budget. Apparently they both forgot their promises with the nearly \$8 billion of tax hikes.

We know that these tax hikes will hurt Canadian businesses. As businesses struggle with the new tariffs that are imposed on them, the burden of these taxes will be passed directly to the already cash-strapped end consumers, who will do more and more of their shopping across the border in the United States.

What does my hon. colleague think about the hypocrisy with respect to the government, the Prime Minister and the Minister of Finance saying there would be no tax increases, when we are now seeing increases in tariffs and taxes for all Canadians? The end consumer and all Canadians will have to make the few dollars that they have go a lot further.

• (1345)

[Translation]

Mrs. Sadia Groguhé: Mr. Speaker, my colleague is quite right. This is hypocrisy, pure and simple.

I would also like to point out that there is a huge discrepancy between what the Conservatives say and their record on paper. Budget 2013 clearly illustrates this.

Yes, Canadian businesses are in trouble. Consumers whose taxes go up will also be in trouble. This will be very harmful for both entrepreneurs and consumers.

Mr. Guy Caron: Mr. Speaker, I am very pleased to rise to speak so frequently on a subject that might seem technical and dry, but that

directly affects a key concern of many Canadians. This directly affects Canadian taxpayers' pocketbooks.

My question is very simple. We have heard a lot about the general preferential tariff and the list of 72 countries and over 1,200 products. There is a lot of talk about the fact that this will affect the status of certain countries that are now developed. Furthermore, this will allow the government to collect about \$355 million in additional taxes.

I would like to know if my colleague considers this change an increase in taxes on imports.

Mrs. Sadia Groguhé: Mr. Speaker, I thank my hon. colleague for his question. I agree with him.

Indeed, this new status regarding the general preferential tariff will have an impact. We have talked about all the repercussions this budget will have on businesses. We have also talked about all the negative and harmful repercussions these tax increases will have on consumers. The same is true of changes that will do nothing to help the general preferential tariff.

[English]

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I am pleased to rise today and speak to our opposition day motion.

First, the Canadian public is getting all too used to not taking what the Conservative government says to them at face value. In 2008, the Prime Minister claimed that "As long as I will be Prime Minister...there will be no new taxes". In the budget speech, the finance minister claimed that his budget would not raise taxes.

Yet, all too predictably, the budget that was presented to Parliament last month shows that the Conservatives are not living up to their promises. In fact, the budget detailed three separate types of tax increases: first, through changes to the general preferential tariff regime; second, by changing current tax rules relating to credit unions, safety deposit boxes and workers' funds; and finally, by adding the GST and HST to previously exempted types of parking, including at schools, at municipal parking lots and, most shockingly, at hospitals.

The tax hikes detailed in budget 2013 would cost Canadians \$8 billion over the next five years. The Conservative MPs will no doubt say it is not a tariff and is not a tax, but this simply is not true. Let us stamp out that argument from the outset.

Even the *Encyclopedia Britannica* defines a tariff as "a tax levied upon goods as they cross national boundaries, usually by the government of the importing country". The government can call these tariff changes whatever it wants, but that does not change what they are: a tax increase, and one that will hit the poorest Canadians the hardest.

Mike Moffat, an assistant professor at the University of Western Ontario, summarized the entirety of these tariff changes most succinctly when he said, "These tax increases are also likely to be regressive in nature".

Business of Supply

What products will be hit by these tax changes? It is a pretty long list, including bicycles, baby carriages, coffee makers, scissors, rubber sandals, vinegar, umbrellas, paint brushes and perfume, just to name a few.

Let us look at some of these in a little more detail.

Canada imports bicycles worth \$125 million from countries covered by the general preferential tariff regime. The changes in the budget will see the tariff on imported bicycles increase from 8.5% to 13%, which will cost Canadians between \$5 million and \$6 million a year. Ironically, the government was all too happy to shout from the rafters about its cut in tariffs on sporting equipment, but while it gives with one hand, it takes away with the other. If the government is aiming to make it cheaper for Canadians to get active, why is it increasing the cost of bicycles, which not only help Canadians stay healthy but also offer an environmentally friendly method of transportation?

The increased tax on baby carriages is equally perplexing. Again, the government was happy to sell the reduction on tariffs on baby clothes, but I do not remember any Conservative MPs or government spokespeople talking about the \$1 million annual tax increase on baby carriers. Roughly 90% of all baby carriages imported into Canada come from countries covered by the general preferential tariff regime. This means that a huge majority of baby carriages will see a 3% tariff rise.

However, probably the most surprising of these tax increases is the government's iPod tax. The hypocrisy of the Conservatives on this is shocking. Not only did they promise no new taxes, but they have specifically promised no tax on iPods. A joint statement issued by the Minister of Canadian Heritage and the then Minister of Industry in December 2010 stated, "During this fragile economic recovery, the last thing Canadian families and consumers need is a massive new tax on iPods". Given this statement, why is the government now implementing a tariff increase on MP3 players that equates to a 5% iPod tax?

The Conservatives would have us believe that this tariff will not be applied to iPods due to a special exemption dated back to 1987 on devices that are plugged into a computer. The problem with this argument is that it has already been refuted by a government department.

• (1350)

An internal memo from March 2012 by the Canada Border Services Agency states that it is cracking down on this exemption as the application process, which has not been fulfilled on most MP3 players, requires a certificate for each product to be signed by the consumer. CBSA, explaining its crackdown, said:

As the vast majority of end-users of these products are consumers, it is expected that the required certification will not be available as the onus is on the importer to have the required certificate completed by the consumer, typically at the time of sale.

Further, the crackdown "will likely result in a significant amount of customs duty being reassessed, and will not be well-received by the importing community."

In fact, the final nail in the coffin of the Conservatives' argument is that CBSA has already written to one importer of the iPod touch

8GB to tell it that the product is subject to end-user verification for each and every product sold in order to get the tariff exemption.

It makes no sense for the Conservatives to increase the taxes on all these consumer goods, especially when the government's other austerity measures, as pointed out by *The Economist*, mean that the Conservatives are essentially relying on consumer spending to get the Canadian economy into gear. In fact, both BMO chief economist Doug Porter and Martin Schwartz, CEO of the bike manufacturer, Dorel Industries, have pointed out that the most likely consumer response to these tariff changes would be an increase in cross-border shopping, therefore hurting Canadian businesses.

I will also talk briefly about some of the other tax increases in this budget. The elimination of both the tax credit for labour-sponsored venture capital corporations or workers' funds and the preferential tax rate for credit unions smack of ideological attacks.

The elimination of the workers' funds tax credit would particularly hurt middle-class Canadians who were eligible for a tax credit of 15% on investments of up to \$5,000. This tax increase would seem to be a direct attack on the labour movement, which would hurt the venture capital sector in Canada more generally. Just last year, the Conservatives announced their desire to help Canada's venture capital industry which lags behind its U.S. counterpart. Then, they turn around and kick one of the legs away from under it. It is no surprise that Canada's Venture Capital and Private Equity Association has expressed its disappointment with this tax increase.

Similarly, the elimination of the preferential tax rate for credit unions would seem like nothing more than a cash grab on an industry which offers ethical and lower-risk financial services to Canadians. The elimination of the preferential rate would add \$10 million to \$75 million in tax costs to credit unions, costs which unfortunately would have to be passed on to the credit unions' customers or would lead to cuts in the great community work that credit unions do from coast to coast to coast. In fact, the only people who are happy with this proposed decision are the bankers, who would see their competition weakened.

It is quite clear that the tax increases announced in this budget would do nothing to help consumers, would hurt Canadian businesses, as more people look to shop in the U.S., and would weaken competition in the financial sector. However, they also would prove that Canadians cannot trust the promises made by the Conservatives.

It is time that the public can trust that the government will do what it says. That is why I urge my colleagues to support this motion.

Statements by Members

● (1355)

Mr. Paul Calandra (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, I listened very intently to this member's speech. I wonder if the New Democrats' idea of helping our manufacturers is to give our competitors an advantage that our own Canadian manufacturers do not have. We know that the New Democrats spent the entire weekend trying to convince Canadians they are what they are not. That is free traders, people who understand how the economy works; people who understand that reducing taxes for families, businesses, and individuals helps spur economic growth, the type of growth that we have seen here, with over 900,000 jobs created.

Does this now mean that the New Democrats are in favour of free trade? Do they actually now agree that free trade helps create business and boost the economy? Are they supportive of free trade with the United States? Are they supportive of North American free trade? Are they supportive of our efforts on free trade with Europe? Do they support our entrance into the trans-Pacific partnership? Is this what the New Democrats are saying? Since they want to reduce and take off all the tariffs across the board, are they now finally free traders, and do they finally understand how important it is to have an economy that can trade with the rest of the world?

Mr. Glenn Thibeault: Mr. Speaker, I would like to thank the hon. member for the question and also for watching our convention this weekend.

He would have learned that of course New Democrats are in favour of trade, but what we support is fair trade, trade that will actually benefit Canadians and Canadian companies, not just give away things to all of the other countries out there.

NDP members support Canadian businesses and Canadian families, and when it comes to the tax increases that the Conservatives have put in this budget, we are not the only ones who are calling them out on this. The CEO of the Bank of Montreal had this to say, "One wonders if this doesn't potentially lead to even more of a problem on the price gap. I have to wonder if this isn't taking from one hand and piling on to the other...aggravating cross-border shopping."

If the Conservatives are talking about trade, we are not going to see much because we are going to have all of our Canadian consumers going over to the U.S. to buy products because they keep raising the tariffs, making things more expensive for those in Canada.

The Acting Speaker (Mr. Bruce Stanton): Order. The hon. member for Sudbury will have three minutes remaining for questions and comments when the House next returns to debate on the question.

STATEMENTS BY MEMBERS

[English]

KELLY GRUBER PERFORMANCE BASEBALL CAMP

Mr. Ben Lobb (Huron—Bruce, CPC): Mr. Speaker, make sure to mark down July 8 and July 9 this summer for the Kelly Gruber Performance Baseball Camp in Clinton, Ontario, featuring Kelly

Gruber, two-time all-star and World Series champion. The camp also features Bill "Spaceman" Lee, former pitcher of the Expos, and former Blue Jays Mark Eichhorn and Lloyd "Shaker" Moseby.

The camp is open to boys and girls from the ages of 8 to 17. The first 30 kids who register get a free Louisville Slugger baseball bat. Parents and grandparents should go out and sign up the kids today.

Clinton Minor Baseball is honoured to host such an exciting camp and is proud to announce that thanks to the many sponsors and donors, the camp will be one of the most affordable camps this summer, at a cost of only \$50 per child. For more details and to register for the camp, please visit gruberbaseball.com.

Once again, we thank the sponsors, the participants, and the municipality of Central Huron for making this all possible.

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● (1400)

REHTAEH PARSONS

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, today, I rise on behalf of our caucus and our party to offer our deepest condolences to the family and friends of Rehtaeh Parsons. It is a heartbreaking situation. The shock and grief that is still so palpable in our community is being felt across Canada and, indeed, around the world.

What happened to Rehtaeh should never happen to anyone. Everyone has a role to play in preventing such a tragic series of events. We must harness this outpouring of anger and sadness into meaningful action. Schools, law enforcement agencies, justice officials and, indeed, politicians at all levels of government must do better.

In honour of Rehtaeh Parsons, and for everyone who has succumbed to the burden of victimization, I ask all members of this House to think about how they can help to prevent violence against women and children.

* * *

JUSTICE

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, after losing a loved one from a horrific act by a sadistic murderer, the families of victims are forced to relive the tragedy 25 years later.

Canadian society's most vile and deranged murderers are eligible for a parole hearing every two years after their 25-year sentences have been served. Most of those convicts are never released on parole. These parole hearings are unnecessary, but the victims' families are forced to revisit the trauma and confront the murderers who have brutalized their loved ones over and over again. We cannot let this go on.

Next week, this House will be debating my private member's bill, Bill C-478, the respecting families of murdered and brutalized persons act.

Statements by Members

Bill C-478 would empower the courts to set parole ineligibility periods up to 40 years for those convicted of abducting, sexually assaulting, and murdering our innocent. The bill has received strong support from those families who have had to endure this pain.

I call upon all members of this House to support Bill C-478 and provide the justice these families rightly deserve.

* * *

LEADER OF THE LIBERAL PARTY OF CANADA

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, I rise today to welcome our new leader and a new era for the Liberal Party of Canada. Over 100,000 Canadians participated in the largest leadership vote in the history of our country.

[Translation]

During the campaign, our new leader spoke about the need to find a new way of doing things. We have to set aside politics that pit the regions against one another, as well as the politics of fear and envy. Instead, we must think about Canada's overall long-term interests.

[English]

I crossed our country over the last five months and saw for myself the hope our new leader is helping to foster. I met Canadians who are not cynical but who believe that we can, and must, build a country that creates opportunities for everyone to succeed, a country full of promise.

[Translation]

I have never been more optimistic about the future of the Liberal Party and our country. I have the great pleasure, together with the whole caucus and all Canadians, to welcome our new leader.

* * *

[English]

HEADWATERS HEALTH CARE CENTRE

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I am honoured to be recognizing an important milestone today. Headwaters Health Care Centre, located in my riding of Dufferin—Caledon, is celebrating its 100th anniversary.

During its long history in our community, the hospital has continued to provide high-quality, safe, and exceptional patient-centred care close to home. In 1999, it became the first fully digital diagnostics department in North America. The hospital has many other considerable achievements to celebrate in its centennial year, including having the lowest emergency department wait times, having high patient satisfaction scores, being a leader in numerous best practices, and being accredited with an exemplary standing in 2012.

I encourage my colleagues, and the residents of Dufferin—Caledon, to join me in sincerely congratulating the Headwaters Health Care Centre on this very special occasion and in wishing the hospital another 100 years of community service excellence.

• (1405)

[Translation]

THE CONSERVATIVE GOVERNMENT

Mr. José Nunez-Melo (Laval, NDP): Mr. Speaker, March 28 was a dark day for the House of Commons. On that day, three important bills were arbitrarily rejected by the Conservative caucus.

The Conservative caucus overwhelmingly voted down the good intentions of providing justice and giving the Government of Canada the opportunity to do the right thing and support some just and worthy causes. Bill C-380 would have prohibited imports of shark fins. Bill C-459 would have helped consumers, in particular air passengers. Bill C-464 would have supported Canadian mothers in the event of multiple births.

On March 28, the ignorance of our honourable government colleagues was on display again. Even worse, they failed to grasp the negative consequences for which they will be held to account in the next election.

* * *

[English]

ISRAEL

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, today Israel is celebrating 65 years as a modern, independent state in a historic homeland dating back 3,000 years.

As was well stated by the late Margaret Thatcher, the political and economic construction of Israel against huge odds and bitter adversaries is one of the heroic sagas of our time.

I was part of a delegation that is just back from visiting three Baltic states. They are rebuilding after decades of occupation. We crossed paths with a large delegation from Israel accompanying Jewish young people on the annual March of the Living to commemorate the genocide associated with the Nazi and Soviet occupations.

Out of the ashes of the Holocaust, Israel emerged, a reminder that the darkest night must yield to a new dawn. Sixty-five years later, Israel is renowned for its contributions to science, medicine, technology and agriculture. Excellence in innovation has earned it the reputation as the “start-up” nation.

Today Canada stands with Israel.

I hope all members will join me in wishing Israel a happy birthday.

[Member spoke in Hebrew as follows:]

Chag Sameach. Am Yisrael Chai.

* * *

VAISAKHI

Mr. Parm Gill (Brampton—Springdale, CPC): Mr. Speaker, Vaisakhi is one of the most important observances of the year for Sikhs around the world. It is also a day when Sikhs celebrate the birth of Khalsa, which was founded in 1699 by our guru, Guru Gobind Singh Ji.

Statements by Members

The contributions of Sikh Canadians toward improving our country are immense. Whether it is in our economic or cultural sectors, Sikhs in Canada have worked tirelessly to help build and define our nation.

Canada is home to well over half a million Sikhs, one of the largest Sikh populations outside of India, and now hosts some of the largest Vaisakhi celebrations in the world.

I am thrilled to announce that tonight my colleagues and I will be hosting the Vaisakhi on the Hill annual event.

On behalf of the entire Conservative caucus, I would like to wish all of those celebrating around the world a very happy and prosperous Vaisakhi.

* * *

VAISAKHI

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, happy Vaisakhi.

For well over 100 years now the Canadian mosaic has been enriched by Sikh communities and others of Indian origin. This is a wonderful time of year to reflect upon the tremendous contributions that these sisters and brothers have made to our shared culture. Social justice for all is a tenet of Sikhism.

This year we mark the 314th anniversary of the Khalsa, and throughout the coming month Canadians will celebrate this joyous time of renewal by visiting gurdwaras, joining parades and reflecting upon the diversity that makes our beautiful country so strong.

I am proud to represent Newton—North Delta, the riding with the largest Sikh population in Canada. Therefore, I say to my colleagues in the House, my constituents, Canadians and everyone around the world, let us celebrate Vaisakhi together and grow our communal strengths.

[Member spoke in Punjabi as follows:]

Aao apa ral mil ke Vaisakhi manaye ate sanjha vadhaya.

[English]

Happy Vaisakhi.

* * *

RALPH KLEIN

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, I stand here today to pay tribute to a man of the people who worked his way up to become a trusted community voice, the premier of the province he loved and a symbol all Albertans are proud of.

Ralph Klein was born and raised in Calgary. From humble beginnings, he first earned the public's trust as a journalist on television and radio and later as mayor of Calgary for most of the 1980s, where his visionary leadership built the light rail transit system and made Calgary an Olympic city, hosting the 1988 winter games.

Ralph Klein served as a minister in Don Getty's government and went on to succeed him as the 12th premier of Alberta.

A straight-talking figure, respected by the people who elected him, his successes were innumerable. Chief among them is that he led the way in securing the economic success from which Alberta and all of Canada continue to benefit today.

He was a unique personality and an exceptional leader. Albertans and all Canadians mourn his loss.

Our deepest sympathies go out to Colleen and family, and we thank them sharing him with us.

Ralph loved the people of Alberta and we loved him back. He will be missed.

* * *

● (1410)

PETER KORMOS

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, two weeks ago, Welland lost a friend and champion of the little guy. Peter Kormos died at 60. The key to Peter's political life was an unswerving commitment to the strifes and struggles of workers and the oppressed. He had a generous personality, a character of great empathy, an understanding of both the large and small things of life and boundless energy mixed with an infectious wit and sometimes outrageous repartee.

His passionate intelligent politics influenced everything about his life. A gifted orator, Peter combined political courage with unwaivering conviction and became a consistent irritant to those of every political stripe who betrayed the trust of those who elected them. His commitment to working-class struggles was matched by his humour, his wealth of knowledge and wise judgment.

When the news of his passing emerged, the entire community went into a state of mourning. We will miss the man who was on a first-name basis with everyone and always greeted them with a hearty "howdy", the man who met them at the legion, the picket line, the cultural events and the Welland Farmers' Market.

Every community deserves a Peter Kormos. We were fortunate enough to have had one. Rest well, my friend.

* * *

NEW DEMOCRATIC PARTY OF CANADA

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, our Conservative government is squarely focused on what matters to Canadians: creating jobs and economic growth and securing Canada's long-term prosperity.

By implementing Canada's economic action plan, Canada has experienced one of the best economic performances among G7 countries, both during the global recession and throughout its recovery. Unfortunately, while we are focused on jobs and economic growth, the socialist NDP is focused on imposing a \$20-billion job-killing carbon tax on Canadian families, which would raise the price of gas, food, electricity and everything else. Such a tax would ruin our economy.

Oral Questions

The NDP's \$20 billion job-killing carbon tax would be devastating for the Canadian economy. That is why our Conservative government will continue to fight the socialist NDP's reckless economic experiments and remain focused on creating jobs and economic growth.

* * *

LEADER OF THE LIBERAL PARTY OF CANADA

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):

Mr. Speaker, the announcement was made at 5:45; the hopes of a nation came bursting alive; The emotional roar was honest and loud; a promising young leader who will make us all proud; But then as expected, just after 6:30, came the vicious attack ads, abusive and dirty; And we fully expect in House statements today, the PM will issue what each Tory must say. They'll read off their drivel with mind-numbing zeal; to perform in the blue tent, you must be part seal; 'Cuz on that side the Kool-Aid isn't sipped, it's guzzled, by a backbencher who's been beaten, neutered and muzzled; But Canadians are wise; they've seen this before; and Republican-style politics they've come to deplore. They want hope, they want promise, they want a future that's bright; they want a leader who's willing to work hard and fight. You see, our guy is great and he's loved by the masses; And when the next writ is dropped, he is going to kick their—door down.

* * *

VETERANS AFFAIRS

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, colleagues from all sides know that it is rare when I stand and am personally critical of individuals in the House.

However, as a result of an online article by the member for Rosemont—La Petite-Patrie, I received significant outrage in my riding. As the son of a veteran, I was deeply dismayed to hear the member praise Communism and mock the contribution of our veterans.

The NDP leader tried to downplay the article when he said not to forget that it was written years ago. Then the NDP member further defended his article in saying that it is a text with which he has no problem; "I still think like that".

This offensive article diminishes what Canadian soldiers fought and died to defend in the world war. On their behalf, the member and the Leader of the Opposition need to apologize for their anti-veteran, anti-military, anti-Canadian and indefensible statements.

I ask the member if he still thinks like that.

* * *

• (1415)

[Translation]

NEW DEMOCRATIC PARTY OF CANADA

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):

Mr. Speaker, my colleagues and I just came back from a great weekend in Montreal. More than 2,000 NDP delegates gathered at the largest convention in our history. The NDP caucus is proud of the participation of all the delegates.

We stressed that, unlike the Conservatives, we want to help all Canadian families, improve the EI system, protect our environment, put an end to attacks on workers, provide better health care to our veterans and build a fairer, greener and more prosperous Canada.

After an unequivocal vote of confidence for our leader and his compelling speech, Canadians know that he has all the required experience and skills to become the next prime minister of Canada.

The hope and optimism so dear to Jack were very much in evidence at the convention all weekend long.

With an experienced and proven leader, a united and diverse caucus, and thousands of supporters ready to work for change, we are ready to replace the Conservatives in 2015.

* * *

[English]

LADY MARGARET THATCHER

Ms. Michelle Rempel (Calgary Centre-North, CPC): Mr. Speaker, it has been said that, if you set out just to be liked, you would be prepared to compromise on anything at any time and you would achieve nothing. In embodying this tenet, Margaret Thatcher emboldened her nation to abandon its tether to the yoke of managerial socialism.

Her leadership redefined the concept of equality from one of standardized mediocrity to one rooted in the promise of opportunity. She rejected the notions that the state is superior to the capability of the individual, that tokenism trumps merit, that cotton-candy rhetoric can successfully grow an economy and that the pursuit of power is purely a sport of popularity to be sought for the sake of itself alone.

She said that being powerful is like being a lady: if one has to tell someone, one is not. She carried this principle through to the concept of vision, in that she taught us that ideas do matter, in fact, and that one must stand for something or one stands for nothing at all.

It has been said that Lady Thatcher saved her country, but I like to believe she empowered it to save itself.

ORAL QUESTIONS

[Translation]

EMPLOYMENT

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, last Thursday, the Royal Bank took responsibility and publicly apologized for firing Canadian workers in order to replace them with temporary foreign workers.

The 340,000 temporary foreign workers currently in Canada work in every sector of our economy, from the Royal Bank to Tim Hortons. The public forced the Royal Bank to apologize for doing the wrong thing.

Oral Questions

Will the Prime Minister do the same? Will he do the right thing and insist that his Minister of Citizenship, Immigration and Multiculturalism apologize to Canadians?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as we have already indicated in the budget, we intend to reform this program. Obviously the purpose of this program is not to replace Canadian workers. The government will reform the program as promised.

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, regardless of their intentions, that is what is happening.

It was David Moreau, a courageous employee dismissed by the Royal Bank, who informed Canadians about how companies are getting rid of Canadian workers and replacing them with temporary foreign workers.

It is the Minister of Citizenship, Immigration and Multiculturalism who is in the wrong here, whether the Prime Minister likes it or not. Unlike the Royal Bank, the minister is still trying to shirk his responsibilities.

Will the Prime Minister show the same courage as David Moreau and insist that his Minister of Citizenship, Immigration and Multiculturalism apologize?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, it is clear that using this program to replace Canadian workers is wrong. The government did not have such information.

Obviously we are going to investigate the matter, but as we have already said in the budget, we intend to reform this program.

[*English*]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, 340,000 temporary foreign workers: That is 40% of the jobs created in Canada since the recession. Under the Conservative government, temporary foreign workers are not being used to fill a shortage of highly skilled labour; they are replacing clerical workers in Ontario, fish plant workers in Newfoundland and Labrador, food service workers in Alberta and miners in British Columbia.

There are still 1.4 million unemployed Canadians. Can the Prime Minister tell them what specific skills are required to work at a Tim Hortons counter that he thinks Canadian workers do not have?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there are certain cases in Canada where there are absolute shortages of workers, and the temporary foreign workers program exists for those circumstances and not for other circumstances. We have been very clear that we will make sure the program is reformed so it cannot be misused in any such way. However, I would point out that I have in my hand letters from not fewer than eight NDP members of Parliament asking the government to approve additional temporary foreign workers for their ridings.

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, when we are talking about a Tim Hortons counter, we are not talking about highly skilled jobs that cannot be filled by Canadians. We have 1.4 million Canadians without work. They want to know why their jobs are being taken by temporary foreign workers. That is not the purpose of the program. Why has he allowed it to happen?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there are labour shortages in some parts of the Canadian economy. That is why, for example, the government has introduced the Canada jobs grant in the budget. It is also why we are reforming the temporary foreign workers program to make sure it sticks to its purpose, which is to provide temporary help when there is an absolute skills shortage, but the leader of the NDP can explain why in some regions of high unemployment his members are writing to the government asking for temporary foreign workers

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, the Minister of Finance will phone the banks to make them charge more for mortgages for Canadian families then allow Canadian workers in those same banks to be replaced. They have the answering to do.

Let us look at their record: attacking collective bargaining rights; forcing seniors to work an extra two years; kicking workers off EI unless they take a 30% pay cut. Now they are taking jobs away from Canadian workers and legislating lower pay for the foreign workers who replace them. It seems that the Prime Minister's message to Canadians is clear: work for less or you will be replaced.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there are so many falsehoods in that preamble, I do not know where to begin.

The facts are the following: this country, this government, has an outstanding job creation record compared to most of the developed world. More Canadians are working. More Canadians need work, and more employers need workers. At the same time, we are clear that we will make sure that the temporary foreign workers program will be used only as it is intended. We promised that in the budget. In spite of that, the NDP voted against it and then writes us to ask for more temporary foreign workers. They are the ones who have to explain their contradictions.

* * *

[*Translation*]

TAXATION

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, this government lacks judgment on international trade, particularly when it comes to its new \$350 million tax on the middle class.

Does the government not understand that increasing the price of hundreds of basic necessities will be a huge burden for Canadians who are struggling?

Oral Questions

•(1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I want to congratulate the member on being elected the new leader of the Liberal Party.

The government has reduced Canadian tariffs by over a half a billion dollars a year, which is one of the ways we are reducing taxes for Canadians. Of course, the Liberal Party voted against all of these measures to reduce taxes for Canadian families.

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, as a result of these new tariffs on imports, middle-class Canadians will have to pay more to buy tricycles, school supplies and children's clothing.

How can the government justify this senseless new tax to the millions of Canadians who are struggling to make ends meet?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the government has lowered tariffs for Canadians considerably. We do not think it is effective or fair to give companies from emerging countries like China advantages at the expense of Canadian taxpayers.

[*English*]

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, according to *Collins English Dictionary*, a tariff is “a tax levied by a government on imports”. The Prime Minister can couch this in any terms he likes, but the facts are that when middle-class Canadians go into a store to buy a tricycle, to buy school supplies, to buy a little red wagon for their kids, they will pay more because of a tax in this government's budget.

Now that the PM knows what is in his budget, will he show good judgment, admit it is a tax and repeal this tax on middle-class Canadians?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I mentioned, this government has made enormous reductions in tariffs and custom duties, and of course, in taxes generally, including sales taxes, for the Canadian people. Every time we have done that, the Liberal Party has voted against those reductions.

What the Liberal Party seems to stand for is that somehow we should give special tax breaks to emerging economies like China. We think that is inappropriate. That is why we will make sure there is fair taxation for all companies and lower taxes for Canadians.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the Minister of Natural Resources still has doubts about the impact of climate change. He thinks that people are not worried about the earth becoming two degrees warmer. On the contrary, people are extremely concerned to see glaciers melting, polar bears disappearing and our oceans being drained of their resources.

By denying the existence of climate change, the Conservatives have once again embarrassed us on the international stage.

Will the minister finally recognize that climate change is real and has been proven by science or not?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, as I have said many times, I accept science.

However, the deputy leader of the NDP is disagreeing with a 2,000-page independent, objective scientific study on the Keystone XL pipeline conducted by the U.S. State Department. We are matching the United States' greenhouse gas emissions targets, which involve a 17% reduction in emissions by 2020. We are halfway to meeting our commitments.

[*English*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): The minister accepts science, Mr. Speaker, but does not believe it. The minister made an outrageous claim and has failed to name a single scientist to back it up. These anti-climate-change beliefs are relics of a bygone age. Worse still, the government is sending clear signals to industry that it will do nothing to fight climate change, that it will do nothing to make polluters pay. The Conservatives are happy to leave the cleanup bill to future generations to pay. That is wrong and irresponsible.

Will the minister apologize for his ill-informed and outrageous comments?

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the people who should apologize here are the NDP, which is a party filled with job-creation deniers.

It is the first time in Canadian history we have seen the stoppage of growth in greenhouse gas emissions, while the economy continues to grow. This is because our sector-by-sector regulatory approach actually reduces greenhouse gas emissions while saving Canadians money, unlike the NDP, which proposes an approach that would raise the cost of basic goods and everything for all Canadians.

* * *

•(1430)

[*Translation*]

TAXATION

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, in addition to denying the existence of climate change, the Conservatives are also denying the existence of their new iPod tax.

However, Canadians are not fooled. They know that the Conservatives have imposed a real tax on iPods and other electronics.

Living in denial and having it in for the economist who discovered the tax is not going to change the facts.

Will the Conservatives keep their election promise and remove their tax on almost all consumer goods from their budget?

[English]

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, that statement is absolutely false. The iPods that have been coming into Canada have been coming in for many years tax-free. I am not sure where the NDP dreamed this up. Our government will ensure that they continue to come into Canada tariff-free.

We need to remind Canadians that we are talking about taxes. I actually had to watch some paint dry yesterday, so I did not get to watch the NDP convention. I understand that there are all kinds of new ways to raise taxes on Canadians.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, it is executives from Sony who are saying taxes are going up on MP3 players. Does the minister think Sony is part of some NDP conspiracy?

In their budget, Conservatives chose to spend more on the Senate, while raising taxes on already squeezed families. They are raising taxes on the price of coffee, the price of iPods, and now, we learn, even of coffins.

The minister promised Canadians he would not raise taxes. When will he admit he broke his promise and is now even raising taxes on coffins?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, Canadians understand that since we formed government in 2006, we began on a low-tax plan, and we continue on that. We have reduced 150 different taxes to Canadians—for businesses, for individual taxes. The average family of four in Canada actually gets to keep \$3,200 more of their own hard-earned money. We think Canadians agree with that.

* * *

CANADA REVENUE AGENCY

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, instead of admitting the truth, Conservatives are yet again making things up to attack the NDP.

The people, for example, who make and sell iPods agree that they are raising taxes on many items, including iPods. The Conservatives are simply making life more expensive for Canadians and are refusing to admit it. No one is being fooled by the Conservative talking points.

While families pay more, wealthy investors using tax shelters are getting away with not paying their fair share. Why is the minister cutting the Canada Revenue Agency's enforcement branch?

Hon. Gail Shea (Minister of National Revenue and Minister for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, that is not true. We are not cutting the enforcement branch whatsoever. We are keeping tax rates low by closing tax loopholes and making the tax system fairer for Canadians. We have introduced over 75 measures to improve the integrity of our tax system. Shamefully, the NDP has voted against every single attempt by our government to close tax loopholes since 2006.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, while families are being squeezed, the Conservatives are making life more expensive for Canadians and are simply refusing to admit it.

Oral Questions

The Conservatives, for example, are relying on billionaires to report their income in tax shelters and are pretending that this is a serious policy. Self-policing by tax cheats is no way to run a G8 economy.

The minister should be investing in enforcement, not cutting it, as she is. When will the minister agree to act and accept the practical measures the NDP has been proposing so we can crack down on tax cheats?

Hon. Gail Shea (Minister of National Revenue and Minister for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, we have long recognized this issue and we have consistently taken measures to address it.

Since we came to government, we have increased the size of the international audit program by roughly 40%, and we have identified over \$4.5 billion in unpaid taxes. Closing tax loopholes and keeping the tax system fair keeps our tax rates low.

Not only does the NDP vote against all of our attempts to close tax loopholes, but it proposes to increase taxes on Canadians by \$56 billion.

[Translation]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, the Minister of National Revenue has not done her homework on tax evasion. She cannot tell us how much money Canada loses to tax evasion every year.

This is a serious problem, but the Conservatives are refusing to take a serious approach. They are relying on investigative services in tax havens and the goodwill of the guilty parties. At the same time, they are cutting the resources of the Canada Revenue Agency.

The question is simple. Why are the Conservatives refusing to come up with effective means of fighting tax evasion?

• (1435)

[English]

Hon. Gail Shea (Minister of National Revenue and Minister for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, we believe that anyone with information related to aggressive tax planning has an obligation to provide that information to the CRA for review.

If the NDP is really serious about this issue, then we look forward to its support for the 2013 economic action plan. That is where CRA will get the tools it needs to fight tax evasion.

* * *

[Translation]

TAXATION

Ms. Annick Papillon (Québec, NDP): Mr. Speaker, in addition to losing billions of dollars to tax evasion, the Conservatives have hiked import tariffs on almost everything.

Oral Questions

Moreover, Sony executives confirmed last week that they were already paying the new MP3 tax. Electronic devices will not be the only goods affected. Coffee will also cost more and, just in time for the cycling season, so will bicycles.

The Conservatives promised that they would not increase taxes, but that is what they are doing. They can still correct their mistake. Will they support our motion to condemn these new tax hikes?

[English]

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the answer is a definite no, just so they know.

We have actually reduced tariffs. We have eliminated 1,900 tariffs. Who helped us do that? It was not the opposition, which votes against it every time.

Over half a billion dollars is what the opposition voted against in reduced tariffs to Canadians. Those lower costs get passed on to consumers. I would like the NDP members to go back and explain to their constituents why they want to raise taxes and why they vote against it when we want to lower taxes.

[Translation]

Ms. Annick Papillon (Québec, NDP): Mr. Speaker, the Conservatives are fooling themselves.

Economists have said that the Conservative budget contains tax hikes on a number of goods. Corporate executives have candidly said that their products will cost more and that they will have no choice but to pass the cost on to the consumer.

Only the Conservatives are in denial. Canadians will have to tighten their belts another notch to pay the Conservatives' taxes. That is a fact.

Why are the Conservatives refusing to support our motion to take these taxes out of the budget? It is simple.

[English]

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, once again we will not be supporting that motion. It very much shows a lack of understanding of what we are dealing with.

General preferential tariffs are foreign aid, a foreign aid program that was put in 40 years ago. I would suggest that Brazil, Russia, China and India have actually graduated, so we do not need to be providing foreign aid to them.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, Mike P. Moffatt is a business professor at the University of Western Ontario. He says that the Conservative tax hikes on imports will make it more expensive to raise a child in Canada.

The Conservatives are hiking taxes on everything from kids' bikes and shoes to school supplies, and even home furnishings.

At a time when Canadian middle-class families are already struggling to make ends meet, why are the Conservatives punishing these young families with tax hikes?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, once again that gentleman obviously does not understand the issue at hand.

We have continually reduced taxes for Canadians. As I referred to earlier, we have reduced 150 different taxes to Canadians. We make sure that what they are going to buy is available. Through this measure, we will be able to make sure that continues. We just wish that the opposition would actually get on board and support this, because it provides fairer competition to Canadian manufacturers.

[Translation]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, although the income of average Canadian families is just not increasing, the Conservatives have decided to increase the price of more than 1,200 products used by these families.

For example, a new child's bicycle will cost 5% more, and a wig for a cancer patient will cost 15% more.

Why are the Conservatives increasing the cost of living for average Canadian families, which are already paying their fair share?

• (1440)

[English]

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, I tend to trust some of our unbiased advisers. Let me read what the Montreal Board of Trade said:

We're happy the government was able to stick to its plan to eliminate the deficit without raising taxes.

That came in economic action plan 2012.

The *Edmonton Sun* referred to:

The fact that there are no new taxes in [economic action plan 2013]..., and that the Conservatives still plan to balance the books...

That is who we should be listening to.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, no new taxes is a joke. Last year the Minister of Finance announced his budget from a bicycle shop here in Ottawa, and this year his budget attacks those very same small business owners.

His increases in import tariffs will leave Canadians paying hundreds of millions of dollars more in over 1,200 items, including coffee makers; USB keys; yes, iPods; and, of course, bicycles.

Why is the Minister of Finance hurting small businesses with a hidden tax on their goods and driving their customers to shop in the United States?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, I understand that the Liberals continue to support higher taxes. In fact, that hon. member, I believe, introduced a carbon tax in British Columbia that it actually has not quite got over.

As I said before, we have eliminated 1,900 tariffs on products coming into Canada. We continue to do that to make sure that Canadian companies and Canadian consumers have fair pricing.

ETHICS

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, where to begin on the last two weeks of incompetence, corruption and scandal under this Conservative government?

We have the temporary foreign workers program out of control. We have ministers denying climate change. We have criminal charges now against Conservative campaign operatives. The Conservatives even imposed an iPod tax.

Then there is Peter Penashue, who took over \$40,000 in illegal donations in unclaimed flights and got the thumbs-up from the Prime Minister.

What happened to the government that promised ethical accountability to Canadians? Where did it go? Where is that promise?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the reality is that in the case of Mr. Peter Penashue, he has delivered for the people of Labrador. He is delivering jobs through the Muskrat Falls project, delivering for hunters by helping scrap the wasteful long gun registry and defending the seal hunt—something the opposition parties have failed to do—and he has kept his word to his constituents.

That is why we hope to invite him back here after they have had a chance to vote.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, the fact is that Mr. Penashue has failed to come clean for his last campaign, and Conservatives just do not care, just as they do not care when Mr. Penashue pits region against region.

The Premier of Newfoundland and Labrador said if it were her minister, she would have given him the boot.

Will the Conservatives now admit it was wrong for Mr. Penashue to brag about withholding project funding for Newfoundland to favour his own riding, or will they continue to defend this unacceptable behaviour by their former and now disgraced minister?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, Mr. Penashue is delivering for Labrador. He has delivered jobs through the Muskrat Falls project. He has delivered for hunters who have demanded for years to have the long gun registry scrapped, something that the NDP, including its rural members, failed to join us in doing.

Mr. Penashue has worked to expand funding for the Trans-Labrador Highway. That is the work that he has done to deliver on behalf of his constituents, and now they will have an opportunity to vote.

* * *

[Translation]

DEMOCRATIC REFORM

Ms. Alexandrine Latendresse (Louis-Saint-Laurent, NDP): Mr. Speaker, the people of Labrador deserve better. As Todd Russell

Oral Questions

said, they deserve a member like Harry Borlase, who understands the situation in Labrador.

Charges have finally been laid in the 2011 robocalls case. It comes as no surprise that a former Conservative employee has been singled out. This is a first step in finding out who among the Conservatives is the brain behind the electoral fraud.

This investigation would go much faster if the government finally kept its promise and granted Elections Canada additional powers. They have been dragging their feet for over a year.

When will they amend the Canada Elections Act?

[English]

Hon. Tim Uppal (Minister of State (Democratic Reform), CPC): Mr. Speaker, Canadians' confidence in the integrity of their election system has been challenged. Our government will introduce a comprehensive elections reform proposal to increase accountability, accessibility and integrity in our elections system. We will put forward our proposal in the very near future.

• (1445)

Mr. Craig Scott (Toronto—Danforth, NDP): Mr. Speaker, now it is “in the very near future” and no longer “in due course”.

Charges have finally been laid against Conservative operative Michael Sona under the “Prohibitions” section of the Canada Elections Act. We are now one step closer to finding out who is ultimately responsible for this scheme. He is charged with wilfully preventing and endeavouring to prevent an elector from voting at an election—in everyday language, illegal vote suppression.

Why are Conservatives not serious about preventing this in the future, and why are they delaying new legislation?

Hon. Tim Uppal (Minister of State (Democratic Reform), CPC): Mr. Speaker, let us talk about following the law. It was the Liberals who were investigated, fined and found guilty of making illegal robocalls, and then again, the member for Westmount—Ville-Marie said that he did make illegal robocalls. The NDP accepted hundreds of thousands of dollars in illegal donations from the big union bosses and were then forced to pay it back.

As we have said before, a comprehensive proposal will be put forward in the near future.

*Oral Questions***INFRASTRUCTURE**

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, last Friday, a presidential permit was issued by the U.S. Secretary of State which clears the way for the construction of a new bridge across the Detroit River. This is good news for travellers, workers and industry on both sides of the border. Everyone supports this project—everyone, that is, but the NDP.

Could the Minister of Transport, Infrastructure and Communities update the House on this latest step forward for the new bridge over the Detroit River?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities, Minister of the Economic Development Agency of Canada for the Regions of Quebec, Minister of Intergovernmental Affairs and President of the Queen's Privy Council for Canada, CPC): Mr. Speaker, I would like to thank the member for his hard work on this important file.

The presidential permit is a crucial step forward in advancing the new bridge between Detroit and Windsor. It is unfortunate that the members opposite do not support this vital economic project that also stimulates job creation. The fact is that this project is very important for the economies for both of our countries. This project remains a top priority for our government, and we will continue to work together with our partners across the border to see that it is completed as soon as possible.

* * *

[Translation]

INTERNATIONAL CO-OPERATION

Ms. Hélène Laverdière (Laurier-Sainte-Marie, NDP): Mr. Speaker, Canada is the only country in the world to withdraw from the United Nations Convention to Combat Desertification. Half of the world's population lives in threatened areas, including here in Canada, in the Prairies. Significant scientific work is being conducted in connection with the convention with a view to offsetting the impact of climate change. The impact is real, despite what the Minister of Natural Resources thinks.

Why are the Conservatives turning their backs on international co-operation once again? Is it because they are afraid of science?

[English]

Hon. Julian Fantino (Minister of International Cooperation, CPC): Mr. Speaker, our government is making Canada's assistance more effective and efficient so that we can get resources to those who need it most around the world. We are supporting concrete measures to help developing countries deal with drought instead of paying for conferences and salaries of UN bureaucrats.

Only 18% of the UN convention budget went to programs to deal with drought, compared to nearly 75% on salaries, consultants, conferences and internal office expenses, which is something that the NDP would obviously support.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, walking away from this treaty in the middle of a 10-year strategy is just short-sighted and irresponsible.

What would it cost? It would cost about the same as Pamela Wallin's travel budget. That is how much it would cost. The result is

that we are isolating ourselves even more from the international world.

We pulled out of Kyoto. We have lost our seat at the Security Council. We have cut our aid to Africa. Now we are isolating ourselves. From what we just heard from the minister, I guess it is okay to actually do less with the poorest regions in the world.

Will the Conservatives reverse their decision and start acting responsibly?

Hon. Julian Fantino (Minister of International Cooperation, CPC): Mr. Speaker, on behalf of Canadians, I believe that it is the responsible thing to do with hard-earned taxpayer dollars. Canadians can be proud of the results that their hard-earned tax dollars are achieving, not on talk shops but on real measures to help those in greater need.

* * *

HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the international embarrassment is now spreading from the environment to health issues. In 2011, the Conservatives abandoned the Northern Dimension Partnership in Public Health and Social Well-being. This is a critical international forum tackling major health issues in the north. Now we learn the Conservatives are refusing to pay their outstanding dues.

Why are the Conservatives ignoring the health needs of northern Canadians and why are they further isolating Canada on the world stage?

● (1450)

Hon. Leona Aglukkaq (Minister of Health, Minister of the Canadian Northern Economic Development Agency and Minister for the Arctic Council, CPC): Mr. Speaker, our government is pleased to have contributed to the Northern Dimension Partnership in Public Health and Social Well-being. In 2011, I informed the organization that Canada would no longer work with the partnership as an official member. We are always looking at ways to make sure hard-earned tax dollars achieve results for Canadians. Our government will continue to focus and prioritize its efforts to address northern health issues through other existing networks like the Arctic Council.

[Translation]

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Mr. Speaker, the Conservatives continue to turn a blind eye to the challenges facing northern communities. It is incredible.

By backing out of the partnership in public health and social well-being, which consists of 11 countries, the Conservatives are denying northern communities an important resource to fight the spread of tuberculosis, alcohol and drug addiction, high rates of diabetes, and malnutrition.

Why are the Conservatives refusing to co-operate with the other governments so that we can work together to tackle the health problems facing northern communities?

*Oral Questions***FISHERIES AND OCEANS***[English]*

Hon. Leona Aglukkaq (Minister of Health, Minister of the Canadian Northern Economic Development Agency and Minister for the Arctic Council, CPC): Mr. Speaker, unlike the previous governments that have made cuts, we have made significant investments in northern health care, northern infrastructure, research like TB, pathways to health equity research, Nutrition North Canada. We have made a number of investments in Canada's north and that party continues to vote against those investments.

* * *

ETHICS

Mr. Scott Andrews (Avalon, Lib.): Mr. Speaker, disgraced former MP Peter Penashue claims he held up funding projects for Newfoundland. That is very interesting, because Premier Dunderdale and a senior Conservative MP were asked about the claim, and neither had any idea what Peter was talking about.

My question is for the Prime Minister. Could he help poor old Peter out and inform the House exactly what projects were held up or was Peter just making it up?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, Peter Penashue has delivered for Labrador. He helped deliver funding for the Trans-Labrador Highway, the thousands of jobs that will result for the entire area as a result of the Muskrat Falls project. He has helped scrap the long gun registry, defended the seal hunt. This is a solid track record of delivering for his constituents and now he will have an opportunity to defend that record of achievement in front of them.

* * *

NATIONAL DEFENCE

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, funny how a byelection in Labrador can bring out the imaginary Conservative promises. In 2005, the member for Central Nova promised a rapid reaction battalion and UAV squadron for Goose Bay if his party won. Eight years, three elections and a defence plan and there is still nothing. The words "Goose" and "Bay" do not even appear in the Conservative government's defence strategy.

Where are the promised jobs for Goose Bay? Why would anyone in Labrador believe the Conservatives this time?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I do not know where the member has been if she has missed the investments that have been made in Goose Bay. In fact, we have invested \$22.5 million in infrastructure and remediation at the base. We have committed another \$29 million to similar projects taking place. We have extended the runway at Goose Bay. We have Canadian Forces members there who are serving their country proudly.

What we do know, what we can count on consistently from that member and her party is to oppose all of these improvements for the men and women in uniform.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, the Conservatives' disregard for fisheries science, in fact many people would call it their contempt for fisheries science, has reached new heights. They have gutted fish habitat protection. They have slashed funding to departments. Now they are cutting access to scientific resources by closing seven world-class fisheries libraries across the country. Experts are calling the move a disaster and a national tragedy.

Will the minister stop this reckless plan to continue dismantling fisheries science in the country?

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans and for the Asia-Pacific Gateway, CPC): Mr. Speaker, in fact, we continue to spend about \$200 million a year on fisheries science. Since 2006, we have added an additional about \$150 million for specific projects.

With respect to the libraries, our government is committed to reducing waste and duplication. The fact is that most people want to get the resources by digital means, and that is what we are doing.

● (1455)

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, not only is the minister cutting fisheries science resources, he is withholding reports with crucial information on the status of Fraser River salmon. Without it, the department cannot implement wild salmon policy to protect B.C. sockeye, even though reports show that some salmon populations are threatened with extinction.

Will the minister immediately commit to releasing these reports and implementing the wild salmon policy, and when will the Conservatives finally act on Justice Cohen's recommendations?

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans and for the Asia-Pacific Gateway, CPC): Mr. Speaker, I can assure the member and all members of the House that our government recognizes the cultural and economic importance of salmon to British Columbia. That is why we commissioned the Cohen inquiry in 2009 and we have made a number of significant investments to support the development of Canadian fisheries, including in B.C.

In fact, I thought he would rise and thank our government for the measures announced in economic action plan 2013 to dedicate all funds collected through the sale of the salmon conservation stamp to the Pacific Salmon Foundation. I know British Columbians are very pleased.

*Oral Questions***VETERANS AFFAIRS**

Mr. Bryan Hayes (Sault Ste. Marie, CPC): Mr. Speaker, while the New Democrats are busy trying to rewrite Canadian military history, our government remains focused on highlighting and celebrating the incredible achievements made by Canadian veterans. I am sure many Canadians recognize images of the Lancaster bomber and recall stories of great Canadian pilots who flew so bravely during impossible missions over Germany throughout the Second World War.

With the 75th anniversary of World War II just a few years from now, would the Minister of Veterans Affairs please update the House on any new efforts to recognize and pay respects to our great pilots?

[Translation]

Hon. Steven Blaney (Minister of Veterans Affairs and Minister for La Francophonie, CPC): Mr. Speaker, I would like to thank the member for Sault Ste. Marie for his question as well as for his work on the Standing Committee on Veterans Affairs.

[English]

Today, the Minister of National Defence and I announced a new Canadian Bomber Command honour, which pays tribute to those Canadians who fought for peace, freedom and democracy through their service in Bomber Command. Over 50,000 Canadians served with the Royal Canadian Air Force in Bomber Command operations, and close to 10,000 made the ultimate sacrifice. I invite all members to pay tribute and to never forget.

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CANADIAN FOOD INSPECTION AGENCY

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, if the health and safety of Canadians is truly a priority for the government, we could not tell from the cuts being experienced by the Canadian Food Inspection Agency. Food safety is a life and death matter, yet a 15% cut in spending and a 14% cut in staffing will affect programs that focus on food safety and the front line.

After two major food safety crises, will the minister finally stop cutting the CFIA, or is he waiting for a third catastrophe to complete his major outbreak hat trick?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, of course food safety for Canadians is the top priority of the Canadian Food Inspection Agency. As a government, since 2006, we have increased its budgetary capacity by some 20% and we continue to add to its capacity in the front line of food inspection. We continue to do that, despite the opposition members constantly voting down those budgetary proposals. That is unfortunate.

* * *

[Translation]

OFFICIAL LANGUAGES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, in his preliminary report, the official languages commissioner said that the Minister of Foreign Affairs' business cards violate the Official Languages Act. At the same time, the Minister of International Cooperation is telling his employees to write in English only. What

is more, he is accusing his employees of doctoring the emails they received.

When will the Prime Minister of Canada tell his ministers, once and for all, that they need to respect the Official Languages Act? Canada has had an Official Languages Act for 43 years, yet they are not even—

The Speaker: The hon. Minister of International Cooperation.

[English]

Hon. Julian Fantino (Minister of International Cooperation, CPC): Mr. Speaker, those assertions are absurd indeed. We value and appreciate full well and we communicate in both official languages. This is the reality. We do that.

The hon. member opposite should realize full well that we are respectful of the duality of languages and we in fact also encourage the hon. member to stick to the facts and not the rumours or false innuendoes.

* * *

● (1500)

CANADA REVENUE AGENCY

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, recent media coverage has shed light on potential abuse of tax havens by some who try to cheat the Canadian tax system. Those who seek to avoid paying their fair share of taxes are taking money away from programs and services on which hard-working Canadians depend.

Would the Minister of National Revenue update the House on the government's proposal and efforts to combat tax evasion?

Hon. Gail Shea (Minister of National Revenue and Minister for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, our government has long recognized that this is a serious issue. Since 2006, the number of audit positions in the CRA's international audit program has increased by almost 40% and nearly doubled in the CRA's aggressive tax planning program. This increase, along with the new measures announced in the economic action plan 2013, will give CRA an unprecedented ability to combat tax cheats and improve the integrity of Canada's tax system.

* * *

[Translation]

HEALTH

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, we just learned from a press conference that nickel dust in Limoilou has been coming from a single source: the port of Quebec City.

Since last November, I have been asking the Minister of Transport about this, but he refuses to take it seriously. More importantly, he is shirking his responsibilities in this matter. To justify his failure to act, he said that we were simply fearmongering. Meanwhile, people were being affected by nickel dust contamination. He should apologize.

When did the minister learn that it was his responsibility?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities, Minister of the Economic Development Agency of Canada for the Regions of Quebec, Minister of Intergovernmental Affairs and President of the Queen's Privy Council for Canada, CPC): Mr. Speaker, it seems to me that my colleague across the floor still does not know how the system works. This is what I understand.

He does not seem to understand that Canadian ports have a board of directors. The NDP wants to manage everything in Canada and centralize everything to increase carbon taxes. That is what it wants to do.

We, however, will respect how the system works. Obviously we are aware of the situation. We know this is having an impact on the population. However, we will respect the people responsible for taking care of this: the board of directors of the Port of Québec. It will do what needs to be done. The Port of Québec will decide.

* * *

1982 REPATRIATION OF THE CONSTITUTION

Mr. Jean-François Fortin (Haute-Gaspésie—La Mitis—Matapédia, BQ): Mr. Speaker, in 1982, Ottawa referred to a Supreme Court ruling in order to force a constitution on Quebec that it still refuses to sign to this day.

Last week we learned that the chief justice at the time provided the governments of Canada and Great Britain with privileged information about the court's deliberations.

This is a serious move that undermines the legitimacy of the Supreme Court's ruling and, accordingly, the legitimacy of forcing the Constitution on Quebec.

Will the Prime Minister show some statesmanship on such an important issue for Quebec and promise to release unredacted copies of all the documents that can shed light on these events?

Hon. Maxime Bernier (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, unlike my colleague from the Bloc Québécois, we are not interested in rehashing old constitutional squabbles. That is clear.

I would like my colleague to know that the Supreme Court of Canada is currently trying to determine what happened in 1982 under the Trudeau Liberal government.

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, justice in a democracy requires the separation of powers between the judiciary, the executive and the legislative branch. A judge must not speak to any of the parties during the deliberations.

The revelations about Chief Justice Laskin's indiscretions shake the basic trust that people should have in the courts. This is so serious that the Supreme Court indicated that it would investigate the matter.

Routine Proceedings

We must also shed light on the Privy Council's role in this scandal.

Will the Prime Minister accept how serious these revelations are and launch an independent public inquiry to determine what really happened and ensure that such a thing never happens again—

● (1505)

The Speaker: The hon. Minister of State for Small Business and Tourism.

Hon. Maxime Bernier (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, the Supreme Court said that it was looking into what happened in 1982. These issues involve a former Supreme Court justice who has since died and who was on the bench under the former Trudeau Liberal government.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw the attention of hon. members to the presence in the gallery of the Hon. Danny Soucy, Minister of Post-Secondary Education, Training and Labour for the Province of New Brunswick.

* * *

REHTAEH PARSONS

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, there have been consultations among the parties, and I would like to thank them for agreeing to rise to observe a moment of silence in honour of a constituent of mine, Rehtaeh Parsons, who recently passed away. I would add anyone else who has succumbed to victimization.

I thank all members of this House for accepting this opportunity to show that respect.

The Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

[A moment of silence observed]

ROUTINE PROCEEDINGS

[English]

CHIEF ELECTORAL OFFICER

The Speaker: I have the honour to lay upon the table the report of the Chief Electoral Officer of Canada on the administration of the Toronto—Danforth byelection held on March 19, 2012, and the Calgary Centre, Durham and Victoria byelections held on November 26, 2012.

This document is deemed to be referred to the Standing Committee on Procedure and House Affairs.

Routine Proceedings

[Translation]

CANADIAN HUMAN RIGHTS TRIBUNAL

The Speaker: I have the honour to lay upon the table the 2012 annual report of the Canadian Human Rights Tribunal.

[English]

Pursuant to Standing Order 108(3)(e) this document is deemed to have been permanently referred to the Standing Committee on Justice and Human Rights.

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FEDERAL ELECTORAL BOUNDARIES COMMISSION

The Speaker: It is my duty, pursuant to Section 23(2) of the Electoral Boundaries Readjustment Act, to lay upon the table the report of the Federal Electoral Boundaries Commission for the Province of Newfoundland and Labrador, with an addendum dated March 12, 2013, which disposes of the objections raised by members of the House of Commons.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 180 petitions.

* * *

● (1510)

PETITIONS

SEX SELECTION

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, I am pleased to rise today to present another petition on behalf of the citizens of the Medicine Hat constituency urging that the House of Commons and all members of Parliament condemn sex selection gendecide.

SEARCH AND RESCUE

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise to present two petitions.

The petitioners urge the government to save the Kitsilano Coast Guard station. The petitioners say that the recent decision by the federal government to close the Kitsilano station is a grave mistake and that it will undoubtedly cost the lives of those in peril on the shores and waters near Vancouver Harbour.

The petitioners are urging the Government of Canada to rescind the decision and reinstate funding to maintain the Coast Guard station at Kitsilano.

SHARK FINNING

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, my second petition is with regard to banning the importation of shark fins. The petitioners say that measures must be taken to stop the global practice of shark finning and to ensure the responsible conservation and management of sharks. They call upon the Government of Canada to immediately legislate a ban on the importation of shark fins to Canada.

PUBLIC SAFETY

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, I have a petition from almost 500 people from my riding who ask the government to take note of expensive crime and punishment policies, which are being abandoned south of the border in the United States; to take note of the government's reliance on double-bunking, which creates a high-stress environment and makes work dangerous for staff and correctional officers; to take note of inadequate rehabilitation programs and the spending of dollars on increased numbers of prisoners without tracking outcomes, such as recidivism, and without spending on the root causes of crime.

The petitioners are calling on the government to adopt rational criminal justice policies and best practices, to not rely on double-bunking at correctional institutions to reduce costs and to increase public safety.

HEALTH OF ANIMALS AND MEAT INSPECTION

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I have three petitions. The first, signed by hundreds of Canadians from Alberta, Ontario, Quebec and British Columbia, is offering support for my Bill C-322, An Act to amend the Health of Animals Act and the Meat Inspection Act (slaughter of horses for human consumption) thus prohibiting the importation or exportation of horses for slaughter for human consumption as well as horsemeat products for human consumption.

ANIMAL WELFARE

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I have well over 600 names on a petition dealing with animal cruelty. The petitioners call upon the House of Commons to work with the provinces to ensure that federal and provincial laws are constructed and enforced to ensure that those responsible for abusing, neglecting, torturing or otherwise harming animals are held appropriately accountable.

HUMAN TRAFFICKING

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, the third one is in support of Bill C-452, dealing with human trafficking, which includes crimes committed within Canada and in foreign countries. The petitioners call upon the House of Commons to support Bill C-452, An Act to amend the Criminal Code (exploitation and trafficking in persons).

Routine Proceedings

[Translation]

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, I am very proud to table a petition calling on all members to support Bill C-452, An Act to amend the Criminal Code (exploitation and trafficking in persons), which I introduced recently and which is currently being examined by the Standing Committee on Justice and Human Rights.

More than 100 people signed this petition, which calls for members to support the bill because sexual exploitation and trafficking in persons are serious crimes. The petition urges all members to ensure that this bill is read, amended and studied in committee as quickly as possible, before it returns to the House for third reading.

• (1515)

[English]

Hon. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, I have with me a certified petition signed by 65 residents from my riding calling on the government to support Bill C-452, An Act to amend the Criminal Code (exploitation and trafficking in persons) in combatting human trafficking and sexual exploitation.

CHIEF FIREARMS OFFICERS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I have a petition from petitioners who object to the patchwork of rules drafted and enforced by provincial and territorial chief firearms officers across the country. They are asking to replace the inconsistent chief firearms offices with a single civilian agency that is service-oriented.

EXPERIMENTAL LAKES AREA

Mr. Bruce Hyer (Thunder Bay—Superior North, Ind.): Mr. Speaker, despite the fact that the Experimental Lakes Area funding has run out and it is now closed, petitions continue to roll into my office asking that the government reconsider and reverse the poorly thought out decision to close the Experimental Lakes Area and continue to provide staff and financial support for this important Canadian institution.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I too have a petition today, signed by residents of the Winnipeg area, calling upon the government to reverse its decision and keep the tragically now shuttered and closed Experimental Lakes Area open.

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I also have two petitions from residents of Vancouver calling upon the government to recognize that since 1972 there has been a federal-provincial ban on supertankers or oil tankers of any kind travelling up the northern coast of British Columbia. These petitioners call for a permanent ban on oil tankers on the British Columbia coastline.

ASSISTED SUICIDE

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the last petition was put together and is presented through a group called Dying with Dignity. This organization has members within my riding. Particularly, these petitions are signed by residents of Salt Spring Island. In light of a British Columbia Supreme Court case relating to doctor-assisted suicide, the petitioners call upon the government to accept what the court has said rather than appeal it.

The petitioners also call upon the House of Commons to respect the will of Canadians and enact new legislation to provide clear guidelines to physicians providing competent, fully informed and terminally ill patients with the right to make their own end-of-life decisions.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, the following questions will be answered today: Nos. 1168, 1171, 1178, 1182, 1184, 1191, 1192, 1193, 1196, 1205 and 1206.

[Text]

Question No. 1168—**Ms. Elizabeth May:**

With regard to the 1400-plus page report commissioned prior to Budget 2012 by Public-Private Partnerships Canada from the consulting firm Deloitte and Touche concerning the relevance and applicability of private delivery of prison design, construction, financing, operation and maintenance to the federal correctional system, and given that the government stated in Budget 2012 that it had no intention of building new prisons: (a) does the government or any of its departments plan to privatize new or existing correctional facilities in any aspect of their design, construction, financing, operation, maintenance or services going forward and, if so, (i) which aspects have been considered for privatization, (ii) what, if any, agreements or contracts have they entered into or do they plan to enter into with the private sector, (iii) which corporations, non-profit sector agencies, and other service providers are involved; and (b) how many Exchange of Service Agreements has Correctional Service Canada entered into with other jurisdictions for (i) sentences of two years plus a day, (ii) two years minus a day, (iii) do these agreements involve the privatization of any aspect of correctional and accommodation services and, if so, what is the nature of the privatization and which jurisdictions and third-party suppliers are involved?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, with regard to (a), CSC operates 57 federal correctional institutions across Canada ranging from minimum to maximum security, 16 community correctional centres and 84 parole offices. None of these facilities are operated by the private sector. Budget 2012 was clear: the government has not built a single new prison since 2006 and has no intention of building any new prisons.

The government is committed to the idea that the work of guarding inmates should be performed by employees of the Government of Canada. CSC currently uses some privatized services for the delivery of specialized, non-correctional programs and services, e.g., medical professionals and educational services, which are provided through contracts with the private sector. In addition, CSC does contract, or enter into agreements, with not-for-profit organizations and communities, which operate community residential facilities, also known as halfway houses, or healing lodges, or which provide a service to CSC.

Routine Proceedings

With regard to (a)(i) and (a)(iii), CSC had previously engaged in discussions with Public-Private Partnerships Canada, or PPP Canada, but has no plans to pursue the use of PPP.

With regard to (a)(ii), no agreements or contracts have been entered into.

With regard to (b)(i) and (b)(ii), court-imposed sentences of two years or more are administered within the federal correctional system, while sentences of less than two years are administered through the provincial/territorial correctional systems. However, Section 16 of the Corrections and Conditional Release Act provides for the Minister of Public Safety, with the approval of the Governor in Council, to enter into an exchange of services agreement, ESA, with the government of a province for the confinement of federal offenders in provincial correctional facilities or hospitals and the confinement of provincial offenders in federal penitentiaries.

CSC currently has bilateral ESAs with all 13 provincial/territorial jurisdictions.

With regard to (b)(iii), these agreements do not involve the privatization of any aspect of correctional and accommodation services.

Question No. 1171—Ms. Elizabeth May:

With regard to the response that the Minister of Public Safety gave to Q-471 (40th Parliament, 3rd session), indicating that Correctional Service Canada (CSC) would be submitting a long-term accommodation strategy and investment plan to Cabinet for consideration in March 2011, and given that the government stated in Budget 2012 that it had no intention of building new prisons: (a) how many regional complexes did CSC recommend building as part of this project plan, and how many units and prisoners did CSC recommend each complex house; (b) where did CSC recommend building these regional complexes as part of this project plan and what were the criteria for the selection of the proposed locations; (c) what were the total capital costs associated with designing, constructing, financing, operating, and maintaining these complexes per annum and over their projected life-cycle; (d) what was the date recommended by CSC to begin implementation of this project plan and when did CSC anticipate that these facilities would come online if their proposed timelines were followed; (e) does the government plan to move forward with this project plan and, if not, what are the grounds for rejecting this project plan?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, maintaining appropriate infrastructure that fits the needs of a first-class, modern correctional system is key to public safety.

On April 19, 2012, the government announced it will close operations at two sites: Kingston Penitentiary and the Regional Treatment Centre in Kingston, Ontario, and Leclerc Institution in Laval, Quebec. These are aging facilities with infrastructure that does not lend itself well to the challenges of managing the institutional routines of today's complex offender population. The decommissioning of this aging infrastructure will enable CSC to achieve cost savings while ensuring public safety.

Meanwhile, CSC has been working to add more than 2,700 beds to men's and women's facilities across Canada within existing institutions. These institutional expansions will provide a more effective, efficient and sustainable physical infrastructure.

Details on infrastructure renewal at the Correctional Service of Canada are available at <http://www.csc-scc.gc.ca/about-us/006-0008-eng.shtml>.

Budget 2012 was clear; the government has not built a single new prison since 2006 and has no intention of building any new prisons.

Question No. 1178—Hon. Wayne Easter:

With regard to the Prime Minister's announcement at 5:15 p.m. on Friday, December 7, 2012, what was the total cost of putting on this announcement including the costs of the (i) backdrops purchased, (ii) press releases, (iii) translation services, (iv) cost of hosting a lockup for members of the media?

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, with regard to the Prime Minister's announcement at 5:15 p.m. on Friday, December 7, 2012, the Privy Council Office, PCO, spent \$683.65 for the rental of a podium and lighting and \$250 for the rental of 20 flagpoles from PWGSC, for a total of \$933.65.

Question No. 1182—Mr. Sean Casey:

With regard to the Department of Foreign Affairs and International Trade (DFAIT): (a) who drafted the press release issued on September 22, 2012, under the title "Baird Receives Honourary 7th Degree Black Belt in Taekwondo"; (b) who approved or authorized the release of that press release by or on behalf of DFAIT; (c) what was the cost of distributing it via Marketwire; (d) was the press release transmitted or distributed by any other commercial means or services and, if so, (i) which means or services, (ii) at what costs; (e) who paid or will pay the costs of using Marketwire or any other means or service; (f) was the press release published to either the national or any regional DFAIT web sites and, if so, (i) which web sites, (ii) at what time was it published, (iii) was it later removed from the web sites, (iv) if it was removed, why was it removed and when was it removed; and (g) what was the total cost of translation?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, the Department of Foreign Affairs and International Trade has not issued any press releases entitled "Baird Receives Honourary 7th Degree Black Belt in Taekwondo." On September 22, 2012, a photo release was issued as part of an official visit to Canada by the Minister of Foreign Affairs and Trade of the Republic of Korea, South Korea, H.E. Kim Sung-hwan. Minister Kim's bilateral visit, which coincided with the 50th anniversary of Canada-South Korean diplomatic relations, marked the first by a South Korean foreign minister in five years.

In their meetings, the ministers discussed a variety of issues of mutual concern, including food security, human rights and the nuclear program in North Korea; Burma and the Association of Southeast Asian Nations; South Korea's support for Canada's entry to the East Asia Summit; the situation in the Middle East; economic cooperation; and negotiations toward a Free Trade Agreement between the two countries. They also signed the Joint Declaration on Enhancing the Strategic Dialogue and witnessed the signing of a memorandum of understanding to strengthen the two countries' collaboration on international development.

Minister Kim's highly successful bilateral visit paved the way for Canada to welcome Prime Minister Kim Hwang-sik of South Korea in December 2012, during which time it was announced that 2013 has been designated as the Year of Korea in Canada.

Routine Proceedings

The caption for the photo release was drafted by departmental communications strategists and approved by the minister's office, as is standard practice for all communications products involving the Minister of Foreign Affairs.

The photo release was not distributed via Marketwire, nor was it transmitted or distributed by any other commercial means. It was posted on the corporate DFAIT website as well as on the Flickr channel where, to date, it has received more than 6,660 views, the highest for any photo in 2012. The photo release was posted at 21:08, and has not been removed. No translation costs were incurred, as translation was undertaken by departmental officials.

Question No. 1184—**Ms. Judy Foote:**

With regard to the Community Development Fund and the Grand Bank Development Corporation (GBDC): (a) how much funding in total was allocated in 1991 to the GBDC under the Community Development Fund and was the funding received in a lump sum payment; (b) what organization administers the GBDC fund; (c) has the GBDC fund been exhausted and, if not, how much is left in this fund; (d) what is the annual operational cost of the GBDC; (e) what is the current status of the GBDC; (f) are there plans to change the GBDC status in the near future and, if so, (i) what are the details of any documentation stating the rationale for the change in status and, if not, (ii) will the GBDC be allowed to continue operating, in the interest of fulfilling its mandate, until such time as the initial funding on the Corporation's balance sheet reaches zero; (g) should the GBDC cease to operate, what will happen to the unspent fund originally allocated under the Community Development Fund and the revenues being generated by money it has invested since the fund was established; (h) what is the status of the Community Development Fund allocated to (i) Trepassay, (ii) Gaultois, (iii) Botwood, (iv) South Side St. John's; and (i) have any of those communities exhausted their funding and, if so, (i) were they permitted to continue their mandate until their funds were exhausted and, if not, (ii) was the unused portion of their funding given to another organization or agency to administer?

Hon. Gail Shea (Minister of National Revenue and Minister for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, insofar as the Atlantic Canada Opportunities Agency is concerned, with regard to the Community Development Fund, CDF, and the Grand Bank Development Corporation, GBDC, with regard to (a), during the 1990-91 fiscal year, the Government of Canada allocated \$6 million in funding as a lump sum through Employment and Immigration Canada, to be administered by the Burin Peninsula Community Business Development Corporation, CBDC, to establish a community development fund for the Town of Grand Bank. As part of the funding agreement, the CBDC worked with a subcommittee, which later became incorporated as the Grand Bank Development Corporation, GBDC.

With regard to (b), there is no GBDC fund. Rather, the CBDC administers the CDF. The CBDC and the GBDC are parties to a memorandum of understanding that outlines the roles and responsibilities of each organization and assists the CBDC in fulfilling the terms and conditions of the funding agreement of the CDF.

With regard to (c), there is no GBDC fund. In 1995-96, the amounts disbursed for the CDF were exhausted; the agency is not disclosing the amount available from the return on investment, as such information could be exempted should it be requested under the Access to Information Act.

With regard to (d), the annual operational cost of the GBDC could also be exempted should it be requested under the Access to Information Act.

With regard to (e), the GBDC is currently a party to two contribution agreements with the agency, both of which are in good standing.

With regard to (f), there are no plans to change the GBDC's status; with regard to (f)(ii), the agency has no information available.

With regard to (g), it is the responsibility of the CBDC to determine how it will fulfill the terms and conditions of the funding agreement related to the CDF.

With regard to (h), the agency has no information available. With regard to (i), the Agency has no information available.

Question No. 1191—**Mr. Malcolm Allen:**

With regard to amendments to the Canada Grains Act in Budget 2012: (a) what market impact studies were completed prior to making these amendments and what were the projected impacts; and (b) what were the projected impacts on farmers from these amendments?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, with regard to (a), the government undertook several initiatives over the past decade that assessed the impacts of amendments to the Canada Grains Act, CGA, including market impacts.

The CGA required that an independent and comprehensive review of the CGA and the Canadian Grain Commission, CGC, be undertaken in 2006 in response to concerns that the CGC had not kept up with grain industry needs and to deal with long-standing funding issues. Compas Inc., contracted by Agriculture and Agri-Food Canada, AAFC, completed this review and tabled its report in the House of Commons on September 18, 2006. Compas Inc. recommended that inward inspection become optional and that the CGC's inspection services be contracted out to reduce costs to the industry. Compas Inc. also recommended exploring alternative producer payment protection models that provide optimal security at optimal prices and clarity to producers.

The Standing Committee on Agriculture and Agri-Food, SCAAF, studied the Compas Inc. report and, in December 2006, tabled its own report outlining unanimous all-party recommendations. SCAAF recommended moving to optional inward inspection to reduce unnecessary regulations and costs. SCAAF also recommended that an alternative model for producer payment security be explored to reduce costs.

The government attempted to act on these recommendations on two occasions prior to budget 2012. Unfortunately, members of Parliament from the NDP, the Liberal Party and the Bloc Québécois colluded to prevent the passage of this legislation.

In 2010-12 the CGC consulted with producers and industry organizations regarding changes to its user fees, using consultation documents that included service descriptions and standards as well as proposed fees. Stakeholders responded that changes to the CGA were required before its user fees were updated.

Routine Proceedings

In 2011 the working group on marketing freedom, established to advise the minister on the Canadian Wheat Board, CWB, recommended that an updated CGA would complement the proposed changes to the CWB. These reforms would serve to transform the Canadian grain sector to a more competitive, market-oriented environment.

In 2012 the CGC asked for additional stakeholder feedback on possible changes to the CGA. Specifically, input was requested on the governance and mandate of the CGC, producer payment security, licensing, inspection and weighing, enforcement, and any other matter pertaining to the CGA. It was estimated that the elimination of CGC-provided inward inspection and weighing and the changes to producer payment protection would result in about \$20 million in savings in CGC costs per year. Stakeholders, including producers, continued to request that the CGA be modernized to reduce costs for the sector.

In 2012 the CGC conducted a cost-benefit analysis of the proposed user fee regulations for the CGC's updated services, based on changes to the CGA. This included an assessment of the costs and benefits of the elimination of CGC-provided inward inspection and weighing and registration and cancellation of elevator receipts. It was found that over a 15-year period, the net benefit of the changes to industry stakeholders, including producers, is a savings of \$87.54 million for the elimination of CGC inward inspection and weighing and registration and cancellation of elevator receipts.

Officials from the CGC and AAFC appeared at SCAAF on November 6, 2012, to discuss these changes. Members of Parliament provided valuable feedback at that time. It should be noted that the committee and both Houses of Parliament agreed with the government's approach and passed this legislation without amendment.

With regard to (b), the studies and consultations indicated that producers ultimately pay for any CGC services since the costs of these services are passed through grain companies on to farmers. Therefore, the impact of the projected net benefit of \$87.54 million over a 15-year period for the elimination of CGC inward inspection and weighing and registration and cancellation of elevator receipts will ultimately benefit producers.

Question No. 1192—**Mr. Malcolm Allen:**

With regard to the publication of draft updates to the sections of the Health of Animals Regulations concerning the transportation of farm animals within Canada: (a) will the Minister of Agriculture and Agri-Food provide a clear timeline for the publication of the proposed regulatory changes in the Canada Gazette; (b) will the Minister of Agriculture and Agri-Food make the current draft of proposed regulatory changes available to members of the Standing Committee on Agriculture and Agri-Food; and (c) will the Canadian Food Inspection Agency make submissions received during the initial public consultation period on this file, held in 2006, available to members of the Standing Committee on Agriculture and Agri-Food?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, with regard to (a), the CFIA continues to consider options for moving forward with these regulations and will need to conduct additional consultations prior to publishing regulations in Canada Gazette. Currently there are no draft regulations that are ready to be published.

With regard to (b), the issue of amending the Health of Animals Regulations to address humane transportation of animals is sensitive and complex. The CFIA must ensure that due diligence is exercised with respect to consulting Canadians on any regulatory proposal. These consultations are continuing, and only after they are completed will a regulatory proposal be prepared.

With regard to (c), the submissions made during the 2006 comment period may no longer be relevant to the current context for these regulations. If it is deemed that the submissions are relevant, they will be released at the appropriate time.

Question No. 1193—**Mr. Peter Julian:**

With respect to domestic production, consumption, export, and import of oil: (a) has the government assessed the economic impact of increasing Canada's refining capacity on (i) the domestic added value, (ii) employment, (iii) international trade, (iv) internal trade, (v) consumer retail prices of gasoline and diesel fuel; (b) if yes, (i) what are the areas surveyed, (ii) which conclusion did they come to on this matter, (iii) what data was used to support this conclusion; (c) what external research, consultations, or reports were referenced to support these conclusions; (d) what internal research, consultations, or reports were referenced to support these conclusions; and (e) has the government conducted, or is it conducting specific studies, on the impact of a potential West-East pipeline on (i) job creation, (ii) domestic value-added, (iii) balance of trade, (iv) the number of jobs created in Canada, (v) what the effect of a rise of oil crude prices resulting from a West-East pipeline would be on the prices of retail gas paid by consumers in Western Canada, consumers in Central Canada and consumers in Eastern Canada?

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, with regard to (a), (b), (c) and (d), Natural Resources Canada, NRCan, has not done a formal study or report on the economic impact of increasing Canada's refining capacity. However, we keep developments in the refining sector under constant observation. In fact, NRCan has recently appeared before both parliamentary and Senate committees to provide insight on these matters. Canada has the second-highest refining capacity per capita among G8 countries; however, at 85% capacity utilization, it is currently experiencing significant overcapacity. This overcapacity is the result of a decline in North American demand for refined petroleum products.

In Canada we have a market-based approach that relies on market forces to signal when and where new refining capacity should be built.

Routine Proceedings

With regard to (e), the Government of Canada supports the construction of a west-to-east pipeline and notes that the private sector has brought forward two possible projects. Given Canada's market-based approach to energy policy, NRCan believes that the industry is best placed to determine how to move crude oil to markets, whether it be by rail, pipeline, ship or other mode of transport. All proposals for such pipelines are required to submit a detailed application to the National Energy Board, NEB, the independent federal regulator, which will then conduct a comprehensive regulatory review that could include public hearings and the submission of evidence on issues relating to but not limited to socio-economics, environment and public safety. Through this review process, concerns and questions regarding the economic impacts of a west-east pipeline would be addressed.

NRCan has extensive expertise and knowledge regarding the development of crude oil pipelines, oil markets, and the economics surrounding the development of oil and gas pipeline infrastructure in Canada. NRCan is able to support policy decisions concerning the development of energy infrastructure in Canada through the analysis and synthesis of information from many credible sources, including, but not limited to, internal reports and studies, publicly available reports and studies, academics, industry experts, non-governmental organizations and other governments.

NRCan continuously analyzes retail gasoline prices across Canada and publishes extensive information on gasoline prices and the factors that influence gasoline prices. This material is publicly available at www.fueelfocus.nrcan.gc.ca. The Fuel Focus report is published every two weeks, while gasoline price information is updated daily.

Question No. 1196—**Hon. Scott Brison:**

With regard to National Defence, how many Canadian Forces Reserve officers at the General, Colonel or Lieutenant-Colonel ranks would, as of February 13, 2013, qualify for an appointment under section 165.22 of the National Defence Act, as amended by Bill C-15 in the current session of Parliament?

Hon. Peter MacKay (Minister of National Defence, CPC):

Mr. Speaker, clause 41 of Bill C-15, which is being debated before the current session of Parliament, would amend Section 165.22 of the National Defence Act so that it would read:

There is a Reserve Force Military Judges Panel to which the Governor in Council may name any officer of the reserve force who has been an officer for at least 10 years and who

- (a) is a barrister or advocate of at least 10 years' standing at the bar of a province;
- (b) has been a military judge;
- (c) has presided at a Standing Court Martial or a Special General Court Martial; or
- (d) has been a judge advocate at a court martial."

As of 27 February 2013, there were 15 Canadian Armed Forces Reserve legal officers at the General, Colonel or Lieutenant-Colonel rank who met these requirements.

Question No. 1205—**Mr. Rodger Cuzner:**

With regard to telecommunications, what is the location and owner of any cellular telephone tower which has been newly-approved, or which has been relocated from a previously-approved location to another, anywhere in Newfoundland and Labrador, since January 2, 2012?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, this information is not available at the level of detail requested.

Question No. 1206—**Mr. Rodger Cuzner:**

With regard to National Defence real property: (a) what are the financial terms of any agreement by which Nalcor, or contractors working on behalf of or under the auspices of Nalcor, will occupy residential quarters at 5 Wing Goose Bay; (b) what buildings at 5 Wing Goose Bay are subject to any such agreement; and (c) what are the file numbers of any such agreement or contract?

Hon. Peter MacKay (Minister of National Defence, CPC):

Mr. Speaker, with regard to (a), Nalcor is to pay \$9,866 per day, to be paid every seven days. The authority for the lease or licence of federal real property is found under the Federal Real Property and Federal Immovables Act, and the agreement follows the policy and procedures for provision of services by the Department of National Defence and the Canadian Armed Forces to non-defence agencies found in the Provision of Services manual, as well as the Treasury Board policy on management of real property.

With regard to (b), the buildings subject to the agreement are Barrack Block buildings 476 and 479.

With regard to (c), the file number of the agreement is 1001-1 (W Comd) 13 February 2013.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, if a revised response to Question No. 1159, originally tabled on March 20, 2013, as well as Questions Nos. 1172 to 1177, 1179 to 1181, 1187 to 1190, 1194, 1195, and 1197 to 1204 could be made orders for returns, these returns would be tabled immediately.

The Speaker: Is it the pleasure of the House that the aforementioned questions be made orders for return and that they be tabled immediately?

Some hon. members: Agreed.

[Text]

Question No. 1159—**Ms. Marjolaine Boutin-Sweet:**

With regard to consultant contracts awarded by Public Works and Government Services Canada between January 1, 2006, and December 31, 2012, broken down by date, what are the dates, amounts and contract file numbers awarded to (i) Roche Consulting Group, (ii) Louisbourg Construction, (iii) Garnier Construction, (iv) Simard-Beaudry Construction, (v) Catcan Entreprises, (vi) CIMA+, (vii) Dessau?

(Return tabled)

Question No. 1172—**Mr. Scott Simms:**

With respect to the Marine Atlantic, Inc. ferry operation between North Sydney, Nova Scotia, and Port aux Basques, Newfoundland and Labrador, how many sailings have taken place since 2008, broken down by (i) full date and departure time of the sailing, (ii) ship used, (iii) manifest totals, (iv) seasonal totals for each season?

(Return tabled)

*Routine Proceedings***Question No. 1173—Mr. Sean Casey:**

With respect to staffing at the Canada Revenue Agency, what is the number of personnel, sorted by job title and broken down by year, working on aggressive international tax planning for the years 2003-2013 inclusive?

(Return tabled)

Question No. 1174—Mr. Sean Casey:

With respect to staffing cuts at Canada Revenue Agency (CRA): (a) how many positions at CRA have been cut as part of the government's plan to eliminate 19,200 jobs from the federal public service as of February 1, 2013, broken down by the (i) number of actual positions cut, (ii) number of full-time equivalent (FTE) positions cut, (iii) divisions where these cuts have been made, including the total number of positions and FTEs cut from each division, (iv) locations of these cuts across the country; (b) are 3,008 FTE positions still the estimated number of cuts to be made at CRA as part of the plan mentioned in (a); (c) in which divisions are the 3,008 FTE positions, or revised target number, anticipated to take place; (d) are any auditors in the Aggressive International Tax Planning (AITP) division to be cut as part of the estimate in (b); (e) how many auditor positions at CRA have been cut as of February 1, 2013; (f) how many auditor positions have been cut from the AITP division as of February 1, 2013; (g) how many auditors were working in AITP before cutbacks, if any, took place; (h) how many auditors are currently working in AITP; and (i) how many auditors were working in AITP, broken down by fiscal year, for each of the past five years, including the current fiscal year?

(Return tabled)

Question No. 1175—Mr. Sean Casey:

With respect to advertising for the Canada Revenue Agency (CRA) for the years 2003-2013 inclusive: (a) what was the advertising budget, broken down by year; (b) how many different advertising campaigns were created or used, broken down by year; (c) how many different advertisements were produced or used, broken down by year; (d) what was the total cost (design, production, airtime, printing, etc.) for the advertising campaigns in (b); (e) what was the total cost (production, airtime, printing, etc.) for the advertisements in (c); (f) what was the cost to produce the television, radio, print, or online spots, broken down individually by advertisement; (g) what companies produced the advertisements, broken down individually by advertisement; (h) what was the cost of television airtime for the advertisements, broken down individually by advertisement; (i) what television channels were the advertisements aired on; (j) what was the cost of online airtime for the advertisements, broken down individually by advertisement; (k) what online platforms were the advertisements aired on, broken down by free media (i.e. posting to YouTube) and fee media (i.e. online commercials); (l) what was the cost of ad space in newspapers and other print publications, broken down individually by advertisement; and (m) what programs or divisions of CRA were responsible for (i) overseeing/coordinating production of the advertisements, (ii) financing the production of the advertisements, (iii) financing the purchase of airtime both on television and online, and print space in newspapers and other print publications?

(Return tabled)

Question No. 1176—Hon. Irwin Cotler:

With regard to federal properties: (a) what is the address or location, and description, of each building, facility, or other real estate property owned or leased by a department, agency or Crown corporation in Iqaluit, Nunavut; and (b) for the leased properties, what is the start date, end date and file number of the lease?

(Return tabled)

Question No. 1177—Mr. Andrew Cash:

With regard to the Canadian Museum of Civilization: (a) how many employees, permanent and contractual, were assigned for the purposes of research, including but not limited to the Research Division, broken down by (i) year since 2005-2006, (ii) position, (iii) academic field (anthropology, ethnology, archeology, etc.), (iv) division; (b) for the next five years, what is the projected number of permanent employees who will be assigned to research in all museum divisions, broken down by (i) year, (ii) position, (iii) academic field (anthropology, ethnology, archeology, etc.), (iv) division; (c) how many meetings were held to discuss aspects of the change of name and mandate of the museum between museum officials and (i) the Minister of Canadian Heritage, (ii) the office of the Minister of Canadian Heritage, (iii) the Department of Canadian Heritage, (iv) museum employees; (d) since 2007-2008,

broken down by year, how many informal meetings and telephone calls were held between museum officials and (i) the Minister of Canadian Heritage, (ii) the office of the Minister of Canadian Heritage (iii) the Department of Canadian Heritage; (e) what is the total number of visits to the museum made by (i) the Minister of Canadian Heritage, (ii) the office of the Minister of Canadian Heritage, (iii) the Department of Canadian Heritage; (f) for all exhibits since 2006, broken down by exhibit, what was the (i) total number of visitors, (ii) percentage of local visitors, (iii) percentage of visitors from outside Canada, (iv) total amount of revenues, (v) projected budget at the beginning of the planning stages, (vi) total expenses; (g) since 2008-2009, (i) what were the annual revenues of the museum per year, (ii) what are the projected annual revenues of the museum per year for next five years, (iii) do these projections take into account the change of name and mandate; (h) what is the projected number of visitors to the museum per year (not including the Canadian War Museum), for the next five years; (i) which groups (including but not limited to associations, professional associations, groups representing First Nations) and experts (including but not limited to historians, archeologists, academics) were consulted (i) prior to the Minister's announcement of the change of name and mandate on October 16, 2012, and (ii) since the announcement of October 16, 2012; (j) regarding the consultations held between November 9, 2012, and January 31, 2013, (i) what were the total costs, (ii) how many members of the public (other than museum employees) attended each consultation; (k) regarding the funding of 25 million dollars that will "come from within the existing budget for Canadian Heritage", according to an October 16, 2012 press release from the Department of Canadian Heritage, (i) from which programs of the Department of Canadian Heritage has funding been diverted towards this funding, (ii) what was the funding for these programs since 2008-2009, (iii) which programs' funding will be restored to 2011-2012 levels following the museum investment; (l) regarding costs related to changing the name of the museum (including but not limited to changes to signage, logotypes, and rebranding), (i) what is the current earmarked budget, (ii) what are the projected total costs over the next five years; (m) what is the total cost of promotional materials (including but not limited to bookmarks, temporary signage, websites and paper materials) referring to the Canadian Museum of History or the change of name and mandate, or using such terms as "History Museum" and "Museum of History"; (n) what is the total cost of advertising by the museum, broken down by year and types of advertising, including but not limited to billboards, print, radio, television and online advertising, since 2006-2007; (o) for each occasion in which external legal services were provided to the museum in the last three years (i) which firms or individuals provided legal services, including but not limited to counsel or representation, to the museum, (ii) when, (iii) for what period of time, (iv) what was the nature of these services, (v) what was the purpose of these services, (vi) what were the total costs per occasion when these services were provided to the museum; and (p) for each project, exhibition or display created for or by the museum since 2005-2006 that were not displayed on museum premises, (i) what was the subject matter, (ii) where have these been displayed, (iii) what are the total costs for each, (iv) how many employees were assigned to each, at all stages (including but not limited to design, construction, and installation) (v) what were the starting and ending dates of work on each, (vi) what were the starting and ending dates of viewing or display?

(Return tabled)

Question No. 1179—Hon. Wayne Easter:

With regard to military procurement: (a) how many Canadian Forces members or employees are assigned to procurement by the Royal Canadian Navy, the Canadian Army, and the Royal Canadian Air Force, and by each of the Department of National Defence, Public Works and Government Services Canada, Industry Canada, the Economic Development Agency of Canada for Quebec Regions, the Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, the Federal Economic Development Agency for Southern Ontario, FedNor, the Canadian Northern Economic Development Agency, the Secretariat of the Treasury Board, the Treasury Board, or any other department or agency, specifying which; (b) for each of the foregoing branches, departments or agencies, what is the total labour cost in respect of such employment; and (c) in relation to each of the military procurement programs found on the Industry Canada web page entitled "List of Procurements and their IRB Managers", which is published at ic.gc.ca/eic/site/042.nsf/eng/h_00017.html, (i) how many Canadian Forces members or employees are assigned to each project, and from which branch of the armed forces or department or agency of government, (ii) what is or has been the annual budget of each program since their starting date, (iii) has any program ever been cancelled, suspended, or postponed and, if so, which and when and for each, when was it re-commenced and what was the reason for any such cancellation, suspension, or postponement, (iv) which programs have requested additional funds from Treasury Board, and for each, when was the request made, and what was the additional amount requested, (v) what is the value of each program?

Routine Proceedings

(Return tabled)

Question No. 1180—Hon. Wayne Easter:

With regard to the Canada Summer Jobs program, what was the total budget for the program in each federal electoral district in each calendar year since 2005 inclusive, and what is the total budget for the program in each federal electoral district for the summer of 2013?

(Return tabled)

Question No. 1181—Hon. Lawrence MacAulay:

With regard to the Canada Revenue Agency, for every year since 2006, how many charities have been audited and what is the name of each charity?

(Return tabled)

Question No. 1187—Hon. Carolyn Bennett:

With regard to First Nations policing: (a) which First Nations policing agreements will expire on March 31, 2013 or March 31, 2014, broken down by (i) community, (ii) type of agreement, (iii) population served by the agreement, (iv) number of officers funded by the agreement; (b) of these agreements that will expire on March 31, 2013 or March 31, 2014, which ones does the government plan to renew and what are the terms for each renewed agreement; (c) are any existing agreements being extended on a short-term basis only and, if so, why; (d) of those First Nations and Inuit communities with policing agreements in place, which ones have been consulted in the last 28 months about the status of their agreement, (i) where did these consultations take place, (ii) when were they held, (iii) with whom, (iv) if no such consultations were held, why not and are there currently plans to hold consultations with First Nations and Inuit communities about the status of their agreement; (e) why are most First Nation Police Services operating on short term agreements or on one or two year extensions; (f) does the government have plans to replace year-to-year agreements with longer term agreements of a five year duration or more; (g) why does the government approve extensions and funding for many First Nations Police Service agreements a short time before they expire; (h) does the government have plans to expand this program to additional First Nations and Inuit communities currently without a policing service agreement, (i) if so, which communities, (ii) if not, why not; (i) will federal funding levels for the First Nations Policing Program change overall after March 31, 2013 and if so, by how much, broken down by agreement; (j) how many communities served by a policing agreement have Community Consultative Groups in place and which communities are they, broken down by community; (k) for those communities without Community Consultative Groups in place, what is the reason for why these groups have not been put in place, broken down by community; (l) how does the Aboriginal Policing Division monitor or evaluate the performance of existing agreements in achieving program objectives and what are the findings of all monitoring and evaluation activities, broken down by community; (m) for those communities with Community Tripartite Agreements, how many officers are assigned to each community and how many of those assignments are actively filled, broken down by community; (n) for those communities with Community Tripartite Agreements, how much time do officers tasked to the community spend in the particular community, broken down by (i) agreement, (ii) year, (iii) number of officers assigned to the community; (o) how many First Nations Policing Services have received funding under the Police Officer Recruitment fund, broken down by First Nations Police Service, and by year; (p) is the government currently developing policy options to guide the future direction of the First Nations Policing Program as a result of the 2009-2010 Evaluation of the First Nations Policing Program, (i) if so, does the government plan to release these policy options in a report, (ii) if so, when, (iii) if not, why not; and (q) why is there currently no legislated funding for First Nations policing as an essential service and does the government currently have plans to develop legislation to fund First Nations policing as an essential service?

(Return tabled)

Question No. 1188—Hon. Carolyn Bennett:

With regard to funding for First Nations students for each year from 2006-2013, broken down by year, how much of this funding: (a) went to students attending schools off reserve; (b) went towards the internal operations of Aboriginal Affairs and Northern Development Canada; (c) went towards project-based funding; and (d) is discretionary funding?

(Return tabled)

Question No. 1189—Hon. Carolyn Bennett:

With regard to the Government of Canada Aboriginal Portal: (a) what was the cost of running and maintaining this portal each year, from 2006 to 2012; (b) how many people used the Portal each year between 2006 and 2012, broken down by sub-sites accessed through the Portal; (c) what services provided by, or facilitated by, the Portal are no longer available to the public since the Portal closed on February 12, 2013; and (d) what studies did the government undertake on the impact of closing the Portal and (i) what were the findings of these studies, (ii) what stakeholders were consulted by the government regarding closing the Portal, (iii) what were the comments and feedback provided by these stakeholders?

(Return tabled)

Question No. 1190—Hon. Carolyn Bennett:

With regard to government travel, how many visits to First Nation reserves have each of the following cabinet members made between 2006 and 2013, broken down by year and by reserve: (a) the Prime Minister; (b) the Minister of Public Safety; (c) the Minister of Justice; (d) the Minister of Human Resources and Skills Development; (e) the Minister of Finance; (f) the Minister of Canadian Heritage; (g) the Minister of the Environment; (h) the Minister of Aboriginal Affairs and Northern Development; (i) the Minister of Natural Resources; (j) the Minister of Intergovernmental Affairs; and (k) the Minister of Health?

(Return tabled)

Question No. 1194—Ms. Judy Foote:

With regard to Marine Atlantic Incorporated (MAI): (a) in each year since 2005 until present, (i) how many total employees did MAI employ, (ii) how many ferry crew positions were assigned, (iii) how many dockside positions were assigned, (iv) how many front desk/customer service personnel were assigned, (v) how many management positions were assigned; (b) for each year since 2005 until present and for each employee listed in each year, (i) from where was the position located, (ii) has the position been relocated, (iii) what was the rationale for position relocation, (iv) did the employee deal directly with customers, (v) was the position considered management, (vi) what was the salary or hourly wage, (vii) was the position on a ferry or on the shore; (c) how have federal budgetary cuts affected MAI's employment levels; (d) what was the actual cost recovery compared to the projected cost recovery for each year since 2005; (e) was there any consultation before raising fares by four percent effective April 1, 2013, and, if so, what were the results of the consultation; (g) how many ferry trips have been cancelled or rescheduled in each year since 2005; and (h) following a ferry cancellation or rescheduling, when services resume, how many times have the standby vessels been used to assist in transporting backlog passengers and vehicles?

(Return tabled)

Question No. 1195—Hon. Scott Brison:

With regard to the Canadian Forces and its grievance system: (a) what is the total number of grievances submitted by Regular Force personnel during each of the following years: 2008, 2009, 2010, 2011 and 2012; (b) what is the total number of grievances referred to the Chief of Defence Staff in his capacity as the Final Authority during each of the following years: 2008, 2009, 2010, 2011 and 2012; (c) at the end of each of fiscal years 2008, 2009, 2010, 2011 and 2012, what was the total number of grievances which have yet to be adjudicated by the Chief of Defence Staff in his capacity as the Final Authority; and (d) of all the grievances which were awaiting adjudication from the Chief of the Defence Staff in his capacity as the Final Authority as of February 15, 2013, what was the (i) rank of the grievor, (ii) subject of the grievance, (iii) date of the original grievance, (iv) date of the decisions reached by the Initial Authority, (v) date on which the grievance was elevated to the Final Authority by the Grievor?

(Return tabled)

Question No. 1197—Hon. Scott Brison:

With regard to the office of the Judge Advocate General (JAG), what was the number of JAG officers serving at the end of each of fiscal years 2008, 2009, 2010, 2011 and 2012 in each of the following ranks: Major-General, Brigadier-General, Colonel, Lieutenant-Colonel, major and captain, and what were the salary costs for each year?

Standing Order 52

(Return tabled)

Question No. 1198—**Hon. Scott Brison:**

With regard to suicides in the Canadian Forces: (a) for each of fiscal years 2008, 2009, 2010, 2011 and 2012, what was the number of suicides of Regular Forces members, and for each instance, what was the rank, age at death, location and was a Board of Inquiry convened; and (b) for each Board of Inquiry convened in the suicide death of a Canadian Forces (Regular) member, what was the date of death and on what date did the Chief of the Defence Staff approve the findings and recommendations of the said Board?

(Return tabled)

Question No. 1199—**Hon. Geoff Regan:**

With regard to Judge Advocate General (JAG) officers, for each of fiscal years 2008, 2009, 2010, 2011 and 2012, how many JAG officers attended post-graduate training, and what was the rank of each officer, the name and location of the educational institution attended, and the cost of tuition paid by the Crown?

(Return tabled)

Question No. 1200—**Hon. Geoff Regan:**

With regard to military costs, for each of fiscal years 2008, 2009, 2010, 2011 and 2012, what were the total costs for salaries, operations and maintenance for the (i) Office of the Judge Advocate General, (ii) Office of the Chief Military Judge, (iii) Office of the Director Military Prosecutions, (iv) Office of the Defence Counsel Services, (v) Office of the Deputy Judge Advocate General-Military Justice?

(Return tabled)

Question No. 1201—**Hon. Geoff Regan:**

With regard to the Department of National Defence (DND) and Canadian Forces (CF) Public Affairs Branch, for fiscal years 2008, 2009, 2010, 2011 and 2012: (a) how many DND executives, by classification and level, and DND civilian employees were employed within DND and the CF in public affairs or related functions; (b) what was the amount paid in (i) salaries, (ii) bonuses, (iii) allowances to these civilian employees; and (c) how many CF Regular Force members, broken down by rank, were serving in the Public Affairs Branch and what amount was paid to these CF members in (i) salaries, (ii) bonuses, (iii) allowances?

(Return tabled)

Question No. 1202—**Hon. Mark Eyking:**

With regard to the Military Families Fund, broken down by fiscal year for fiscal years 2008, 2009, 2010, 2011 and 2012, what was (i) the total amount received in donations from the general public, (ii) the expenditures charged to the fund, (iii) the amount paid out in benefits?

(Return tabled)

Question No. 1203—**Hon. Mark Eyking:**

With regard to the Canadian Military Journal for fiscal years 2008, 2009, 2010, 2011 and 2012: (a) what were the detailed costs for producing the Canadian Military Journal, broken down by (i) salaries, (ii) postage, (iii) printing costs, (iv) translation, (v) other costs; and (b) what were the revenues received in (i) subscription fees and advertising, (ii) the number of copies printed?

(Return tabled)

Question No. 1204—**Hon. Mark Eyking:**

With regard to the Royal Military College (RMC), for fiscal years 2008, 2009, 2010, 2011 and 2012: (a) what were the numbers of graduates and undergraduates; (b) what were the profiles of officer cadets who entered the RMC, broken down by (i) gender, (ii) first official language, (ii) province of origin; (c) what were the profiles of RMC officer cadets who graduated and are commissioned, broken down by (i) gender, (ii) first official language; and (d) what is the number of RMC undergraduates who have been exempted or otherwise unable to attain the established standard for bilingualism in each of the two official language groupings?

(Return tabled)

[English]

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

The Speaker: Is that agreed?**Some hon. members:** Agreed.

* * *

[Translation]

REQUEST FOR EMERGENCY DEBATE

THE 1982 REPATRIATION OF THE CONSTITUTION

The Speaker: The Chair has notice of a request for an emergency debate on the hon. member for Haute-Gaspésie—La Mitis—Matane—Matapédia. I will hear him now.

Mr. Jean-François Fortin (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, I rise today to speak about a specific and important matter requiring urgent attention. Under Standing Order 52, I ask that, today, you grant my request for an emergency debate. Here are the facts.

For the first time in history, the Supreme Court has decided to launch an internal review after allegations that Laskin violated the fundamental rights and rules regarding the separation of powers between the executive, legislative and judicial branches of government. The Supreme Court has confirmed that this is a serious situation. Yet, having the Supreme Court investigate itself will not demonstrate that we have an open and transparent justice system.

With regard to the information contained in the book *La bataille de Londres*, which was published last week, historian Frédéric Bastien stated—with evidence to support his statement—that former Supreme Court chief justice Bora Laskin provided information to Canadian and British government officials during Supreme Court deliberations on the legality of the plan to repatriate the Constitution.

What is more, another Supreme Court justice at that time, Willard Estey, also secretly exchanged information with London on the same topic in the fall of 1980. By so doing, these judges ignored the separation of powers.

The very operation of our democratic institutions is based on this fundamental principle of the separation of powers between the executive, legislative and judicial branches of government. These judges violated this rule by violating the confidentiality of the deliberations and by submitting themselves to the will of the executive branch.

The information contained in *La bataille de Londres* raises serious concerns that alone are enough to justify a public inquiry. Patrick Taillon, a law professor at Laval University, Benoît Pelletier, an expert on constitutional law and law professor at the University of Ottawa, and Henri Brun, a constitutional expert, have all come to the same conclusion.

Mr. Bastien and some analysts confirm that, by definition, this violation of the separation of powers between the judiciary and the executive constitutes a *coup d'état*. "When a person violates a constitutional rule in the name of constitutional change, that is a *coup d'état*," Mr. Bastien said.

John Ford, who was the British high commissioner in Ottawa at the time, also described the situation as "a real attempt at a *coup d'état* in order to change the balance of powers within Confederation". This quote is taken from correspondence between Ford and the British foreign affairs minister at the time, which Mr. Bastien obtained from the Foreign Office.

In light of this new information, I ask for an emergency debate on this issue, which calls into question the integrity and independence of the Supreme Court, as well as the separation of powers between the executive, legislative and judicial branches of government, which form the very basis of democracy.

Mr. Speaker, I thank you for the attention that you will give to this request, which is fundamental to the trust that Canadians must have in the separation of powers.

● (1520)

The Speaker: I would like to thank the hon. member for raising this issue, which is very important to many members. However, I do not think that it complies with the Standing Orders regarding emergency debates.

* * *

[English]

PRIVILEGE

S. O. 31

The Speaker: The Chair has notice that the member for Wellington—Halton Hills will be rising on the question of privilege raised by the member for Langley.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I appreciate being allowed to speak to this question of privilege. It is the first opportunity I have had to speak to the point raised by the member for Langley, so I would like to add my thoughts for your consideration.

Speaking in the House of Commons is a fundamental right of members of this place. That is the most important starting point for all of us in this chamber. It is fundamental to what this chamber is all about. The real question in front of you, Mr. Speaker, on this question of privilege is really this: who gets to decide who speaks on the floor of this House? Is it the parliamentary party House leaders, the parliamentary party whips or is it you, the Speaker, who ultimately has the power of recognition? That really is the heart of the fundamental question that the member for Langley raised. It is the question as to whether or not you, as Speaker, still have the power of recognition over members' statements. The most important point to make in the context of this question of privilege is that the fundamental right of all members in this place is speech, the ability to use words to articulate points of view in this place, whether the members are independent members of Parliament not recognized as a parliamentary party, or whether they are members of Parliament who are part of recognized parliamentary parties.

Privilege

House of Commons Procedure and Practice, also affectionately known as "O'Brien and Bosc", states:

By far, the most important right accorded to Members of the House is the exercise of freedom of speech in parliamentary proceedings. It has been described as...a fundamental right without which they would be hampered in the performance of their duties. It permits them to speak in the House without inhibition, to refer to any matter or express any opinion as they see fit, to say what they feel needs to be said in the furtherance of the national interest and the aspirations of their constituents.

It is the reason why members in this House enjoy immunity from libel and slander laws. It is the reason why it is a breach of a member's privilege to prevent a member from physically getting to this House to speak on the floor. It is a reason why all these privileges exist. It is for us to be able to speak freely on this floor of the people's place, the House of Commons. Speaking is what we do here. In a democracy, we do not solve our debates or disagreements through the tip of a sword or through violence. We solve them through words: words of praise, words of caution, words of criticism. That is why this question of privilege is so important. We settle debates in a democracy through words, and the ability of members to express those words on this floor is the heart of the matter.

Party whips and party House leaders for decades have served a coordinating and scheduling function as to who gets to speak on the floor of this House of Commons. They have played for decades the role of coordination and scheduling in terms of who gets to speak during debates and who gets to speak during other parts of Parliament's life. For example, during debate, the party's House leaders and the party whips coordinate among the three recognized parliamentary parties as to who is going to speak when during the debate, which members, and which rotation. However, if a member of a recognized parliamentary party caucus were to rise at the very end of that list of members that had been coordinated by the three recognized parliamentary parties, a member who had not yet spoken to the bill and who was not on the list that had been prepared by the respective parliamentary House leaders, you, Mr. Speaker, would recognize him or her, even if the party whip or the party House leader sent you a note in the chamber and said, "Do not recognize this member". Why? Because it is a fundamental right for a member to rise in his or her spot to speak to the chamber.

● (1525)

Unfortunately, over the decades the coordinating and scheduling function of party House leaders and party whips has shifted to that of a command and control function.

I want to draw everyone's attention in the chamber to what has happened to question period over the last 30 years. Before the 1980s, any member of the House could pose a question of the government. After the leader's round was finished, any member of the chamber had the fundamental right to rise in his or her place and ask a question of the government, both opposition and government members. Therefore, six or seven members would pop up at once, like we do in questions and comments, to ask questions of the government.

Privilege

After the introduction of television in 1977, a significant change to question period was introduced by Speaker Sauvé. According to Mr. Marleau, the former clerk of the House, in the interests of making things more orderly, the speaker decided to request lists of members from the respective parliamentary parties in order to better organize question period. This was done to assist the speaker in scheduling and coordinating which members were going to ask what questions during the 45 minutes of oral questions. It was not intended to serve as a stripping away of the power of recognition of the speaker to recognize or not recognize members during question period. It was not intended to give command and control over who got to ask questions during question period in the chamber, but over the last 30 or so years, that is precisely what has happened.

Today in the chamber, members of Parliament cannot ask questions of the government to hold it to account. They no longer have that fundamental right, whether they sit on that side of the aisle or on this side of the aisle. The only people who get to ask questions in the chamber during oral questions are those who are given approval by the House leader or party whips, who create these lists that are submitted to you, Mr. Speaker, before 2:15 p.m. on Monday through Thursday and before 11:15 on Friday.

Despite Speaker Jerome's ruling of April 14, 1975, that it is a right of members to put questions to the government during question period, today members of the House of Commons no longer have that right to ask questions of the government and to hold it to account.

That shift from the early 1980s to the present during question period from a coordinating and scheduling function on the part of the House leaders and party whips for you, to one of command and control over who gets to ask and answer questions in this place is instructive of the question in front of us today as to what we should do with members' statements. That shift has eroded the basic principle on which modern Canadian political institutions are based. That is the basic concept of responsible government, the idea that the executive branch of government is accountable back to the legislature and that members in the House have to play that fundamental role, including members in the government caucus.

This shift from scheduling and coordinating to command and control has stripped members of the right to ask questions during question period and is now threatening to do the same during members' statements. It has also eroded the power to hold the government to account, the fundamental concept of responsible government. It is something that our forebears felt important enough that a monument to Louis-Hippolyte Lafontaine and Robert Baldwin, figures in Canadian history in building these institutions, was erected behind Centre Block overlooking the Ottawa River, proclaiming responsible government in Canada.

It is something that the rebellions of 1837 were all about, the idea that Crown prerogative was not unfettered and unchecked and that ultimately, the executive branch was accountable to the legislature.

• (1530)

In short, the idea that the executive is accountable to members of a legislature is a fundamental underpinning of modern political institutions in Canada, and the shift that has happened in question period and is starting to happen in members' statements is eroding

this very fundamental principle. This shift, Mr. Speaker, has also eroded your power of recognition, a corollary of which is your power of non-recognition.

Some in the chamber have argued that parties have the right to discipline members and that parties have the right to curtail members if they say something the party has not approved of, and I agree with that principle. I agree that parliamentary parties, parliamentary leadership, has the right to discipline members for saying things either in the chamber or outside the chamber of which they do not approve. That discipline could involve removing a member of a parliamentary committee. That discipline could involve removing a member as chair of a committee. That discipline could involve removing a member from his or her duties associated with Parliament. However, that discipline should take place after the fact of speaking in the chamber and, most important, that discipline cannot include preventing a member from speaking in the chamber.

It is clear to me that there exists a case of privilege. I ask that you, Mr. Speaker, see it also and that you take over the scheduling of S. O. 31 members' statements from the party whips and party house leaders, restore your powers of recognition during members' statements and strengthen the House of Commons.

• (1535)

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Mr. Speaker, I rise today as a member of Parliament for Glengarry—Prescott—Russell and I am pleased that you have recognized me as such regarding this matter before you concerning member statements, also known as S. O. 31s, and the rights of members of Parliament, a matter which is of interest and which affects each member in the House.

As an elected member of Parliament, I greatly value our right to freedom of speech in the House. It is a right that is strongly protected and defended by the rules governing this place. O'Brien and Bosc on page 59 states that:

The rights accorded to the House and its Members to allow them to perform their parliamentary functions unimpeded are referred to as privileges or immunities.

Also, on page 89 it states:

By far, the most important right accorded to Members of the House is the exercise of freedom of speech in parliamentary proceedings.

It goes on to say:

[...] a fundamental right without which they would be hampered in the performance of their duties. It permits them to speak in the House without inhibition, to refer to any matter or express any opinion as they see fit, to say what they feel needs to be said in the furtherance of the national interest and the aspirations of their constituents.

It is evident that members have certain privileges and immunities to allow the maximum use of this freedom of speech. Some members have risen to indicate to you, Mr. Speaker, that there have been occasions where they have been denied the opportunity to raise certain subject matters in their S. O. 31 statements. It is clear that the House considers it extremely important for an MP to have freedom of speech to the fullest extent possible and that this fullest extent would naturally extend to the freedom to raise a subject matter on which to speak, as one cannot utilize the freedom of speech privileges and immunities established in the House if one cannot rise to speak in the first place. I believe this highlights the importance of the S. O. 31 issue presently before you.

Privilege

S. O. 31s are one of the only opportunities that a member of Parliament has to speak to a matter that is not constrained by a debate already before the House. For example, when debate is on a particular bill or motion, an MP cannot raise a completely unrelated matter. I know you are as generous as possible, Mr. Speaker, in allowing latitude in terms of an MP's remarks in debate, but if the matter raised by the MP is not germane to the debate, he or she would be ruled out of order. In other words, when an MP rises to speak in the House, his or her comments must be relevant to the matter in front of the House at that time except when giving an S. O. 31.

The S. O. 31 offers a unique opportunity to an MP to speak on any matter and, as a result, MP privileges in this regard must be protected. Allow me to provide a concrete and relevant example of what I mean.

Last Thursday, March 28, the procedure and House affairs committee tabled a report in this place that rendered Motion No. 408 non-votable, a most surprising and disappointing determination. As the House knows, Motion No. 408 reads as follows:

That the House condemn discrimination against females occurring through sex-selective pregnancy termination.

Mr. Speaker, as you know, there are clear criteria that have been established by the committee on procedure and House affairs by which bills and motions may be determined to be votable or non-votable. When Motion No. 408 is reviewed with respect to these criteria, one readily arrives at the conclusion that Motion No. 408 is votable and should have been deemed so.

Motion No. 408 being a motion and not a bill is an expression of condemnation, the type of which the House has expressed many times on a wide variety of issues. By inviting the House to condemn discrimination against females, Motion No. 408 is within the federal jurisdiction and it does not violate the Constitution Acts. An independent analyst, whose responsibility it is to research and be knowledgeable in these matters, was clear that Motion No. 408 did not concern questions that were substantially the same as ones already voted on by the House of Commons during this current session of Parliament. As the member for Langley pointed out, no other piece of government or private member's business has called on Parliament to condemn discrimination against women and girls occurring through sex-selective pregnancy termination.

Last, I would point out that there is widespread support for a motion such as Motion No. 408, and I think we saw this when the CBC televised its program on the airways.

Motion No. 408 is the first motion of its kind. It clearly meets the criteria for votability and it is therefore votable, and herein lies the problem and the importance of freedom of speech for S. O. 31s. In short, I do not support the determination that Motion No. 408 is non-votable. It is important to note as well that this determination of non-votability infringes on my right to vote on a matter before the House that should be votable. In fact, the right to vote on a matter is the natural extension of the right to freedom of speech.

● (1540)

In one sense, voting for or against a motion or bill is the final word in a debate. It is a decisive action upon a matter before the House, an action that is deliberately taken once all is said and done, so to speak.

Motion No. 408 should be votable and I believe many Canadians and members in this place know it should indeed be votable.

As I mentioned, the determination of non-votability infringes upon the natural conclusion of freedom of speech, that of being able to vote on a matter. Because of this, it is my hope that the member for Langley will appeal this determination of Motion No. 408 being non-votable to the House so MPs may reflect upon their rights and privileges and correct what has taken place.

The matter I have just spoken to relates to S. O. 31s, in that I am now receiving correspondence from constituents asking my view on this matter. Do I agree or disagree with the determination of non-votability? Do I defend this decision? Have I spoken publicly on this? This is indeed the challenge. If I were not to speak on this matter, it would be reasonable for my constituents to assume that I support the finding of non-votability, when this is clearly not the case. This would apply to my colleagues in all parties if they too disagreed with Motion No. 408 being declared non-votable and were prevented from saying so in this place.

Today I am fortunate to participate in the question of privilege raised by the member for Langley, but if there were no relevant question of privilege before the House, the only other opportunity to raise such a matter would be in an S. O. 31 statement. For this reason, a member of Parliament must have maximum freedom of speech in speaking to an issue such as this, but more important, being able to raise it in the first place. I say this because it is conceivable that, if a member were prevented from being able to speak about Motion No. 408 itself, it is equally conceivable that they could also be prevented from speaking about their views on the non-votability of Motion No. 408.

It would indeed be an infringement on the rights and privileges of a member of Parliament if members were not able to rise to clarify their position on such important matters, or to give voice to the concerns of their constituents.

Lastly, it is possible for the current S. O. 31 convention to change and I would suggest that it would be possible for you to manage S. O. 31s in the same way as you do petitions, Mr. Speaker. When the time comes to table petitions, it is you, Mr. Speaker, who recognizes MPs.

As Speaker, I have noted you very capably find the appropriate balance by rotating between members of different parties. I also note there is no pre-screening of petitions before they are tabled. A member simply rises and when recognized, tables a petition, and it can be on any subject.

I conclude by stating that I support the question of privilege raised by the member for Langley and that members must be afforded the greatest opportunity in latitude in being able to raise important matters and fully represent those Canadians they have been elected to represent.

Business of Supply

The Speaker: I thank both members for Glengarry—Prescott—Russell and Wellington—Halton Hills for their comments on this question currently before the Chair.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—BUDGET 2013

The House resumed consideration of the motion.

Mr. Mark Adler (York Centre, CPC): Mr. Speaker, I am delighted to have this opportunity to address the NDP's high-tax agenda. It is shameful that the NDP, which has voted against every single tax cut we have introduced since 2006, would question our government's record on keeping taxes low with today's motion.

Moreover, to suggest the NDP, if given the opportunity, is not planning to raise taxes on Canadians or Canadian families is simply preposterous. It is and it will, starting with a \$21 billion carbon tax. In contrast, our Conservative government has a proven track record of success when it comes to supporting families, individuals and small and medium-sized businesses. One aspect of this support is our government's commitment to keep taxes low. We strongly believe that lower taxes for families, individuals and businesses fuel job creation, economic growth and long-term prosperity. Small and medium-sized businesses are vital to Canada's economic success. When businesses pay less tax, they can grow and create more high-quality jobs for Canadians, the kinds of jobs necessary to compete in the 21st century economy.

Furthermore, our Conservative government believes in leaving more money in the pockets of hard-working Canadian families. By doing this, the government gives Canadian families more flexibility in making the choices that are right for them. Indeed, since 2006, we have cut taxes more than 150 times, reducing the overall tax burden to its lowest level in a half century. This is no exaggeration. We have cut taxes in every way government collects them. This includes personal taxes, consumption taxes, business taxes, excise taxes and much more, making Canada a magnet for new jobs.

Since the NDP does not seem to realize this and seems to have forgotten that it voted against all of those tax reductions, I will take a few moments to highlight some of these measures. Since 2006, we cut the lowest personal income tax rate to 15%; we increased the amount Canadians can earn without paying tax; we reduced the GST from 7% to 6% to 5%, putting an estimated \$1,000 back in the pockets of an average family; we introduced and enhanced the working income tax benefit; and we introduced the tax-free savings account, the most important personal savings vehicle since RRSPs. The list goes on and on.

Now the NDP might be asking, "You have cut taxes, but are tax cuts good for Canadian families?" Interestingly enough, the leader of the NDP does not really believe tax cuts are all that important to Canadians. In fact, back in 2007, after we cut the GST to 5%, he said, "I don't think the average Canadian is going to see that much of a change". The leader of the NDP could not have been more wrong. Canadian families like low taxes, not high NDP taxes. The NDP

should take note of the measures I have just described, as well as the other tax-reduction measures our government has introduced. Indeed, the leader of the NDP might be interested to know that as a result of these measures, a typical family of four is saving over \$3,200 in taxes each year. Not only that, but this has helped remove more than one million low-income Canadians from the tax rolls. I am sure those one million Canadians notice a change.

I am sure Canadian seniors noticed a change. Indeed, since 2007, over \$2.7 billion in annual tax relief has been provided to seniors and pensioners. These include introducing pension income splitting, increasing the age credit amount by \$2,000, doubling the pension income credit to \$2,000, increasing the amount the GIS recipients can earn through employment without any reduction in GIS benefits, increasing the age limit for RRSPs to RRIF conversion to 71 from 69, introducing the largest GIS increase in more than 25 years, and much more.

Overall, we have removed more than 380,000 seniors from the tax rolls. In fact, a single senior can earn at least \$19,892 and a senior couple at least \$39,784 before paying any federal income tax. That is a proven record behind which I am happy to stand.

● (1545)

I would much rather take that record to Canadians than try to justify imposing a \$21 billion carbon tax that would raise the price of everything Canadians buy, everything from gas to hydro to groceries.

I will never understand why the NDP's answer to everything is tax, tax, tax. On this side of the House, we believe in low taxes and keeping more money in the pockets of hard-working Canadians and their families.

One way to keep taxes low is ensuring that all corporations and Canadians pay their fair share of taxes. That is why our government has been diligent both at home and abroad to ensure everyone pays their fair share of taxes and to crack down on those few who attempt to game the system or break the rules.

Since 2006, and including measures proposed in economic action plan 2013, our government has introduced more than 75 measures to improve the integrity of our tax system. The tax loopholes we are closing would amount to over \$2.5 billion in 2013-14 and more than \$2.6 billion in 2014-15. Not only would this help keep Canada's tax rates competitive and low but it would keep Canada's tax system fair and equitable.

Business of Supply

To be clear, we would be closing tax loopholes that a select few are exploiting to avoid paying taxes. Why would the NDP stand up for tax cheats? Loopholes do not serve an economic purpose. They do not grow our economy and they do not put people back to work. Why would the NDP stand up for tax cheats? By closing loopholes and putting an end to this type of exploitation, we can keep taxes low for Canadian families, seniors and businesses. Why does the NDP stand up for tax cheats?

Our government uses a variety of tools to identify and combat international tax evasion and aggressive tax avoidance. Economic action plan 2013 proposes a number of measures to enhance the CRA's ability to track down international tax cheats. Specifically, our government announced the stop international tax evasion program, a program that would allow CRA to pay individuals who have knowledge of major international tax non-compliance.

In addition, Canada has one of the most extensive tax treaty networks in the world, with 90 tax treaties and 16 tax information exchange agreements now in force, 3 other TIEAs signed and another 11 TIEAs under active negotiation. Through these agreements our government would make sure that everyone, whether at home or abroad, pays their fair share. That is the bottom line, and it is the right thing to do.

Unfortunately, the flaws with the NDP motion do not stop there.

In tabling the motion, the NDP has demonstrated a clear lack of understanding around how tariffs actually work, as well as the action our government has taken to reduce tariffs and expand our pro-trade agenda.

Let me begin by highlighting our government's record on tariff reduction.

Since 2009, our government has eliminated close to 1,900 tariffs and concluded 6 free trade agreements. Not only is this providing \$590 million in annual tariff relief for Canadian consumers and businesses, but this action made Canada the first G20 country to become a tariff-free zone for manufacturers.

However our tariff reductions do not stop there.

Economic action plan would build on our government's strong record of reducing tariffs for consumers and retailers by announcing the elimination of tariffs on baby clothing, hockey gear and most sports and exercise equipment. Overall this would translate into \$76 million in savings, a move welcomed by the president and CEO of the Retail Council of Canada who referred to these changes as "a win-win-win for consumers". That is what I call real action.

Switching gears for a moment, I would be remiss if I did not take this time to clear the air on the issue of iPods and MP3 players, an issue the NDP clearly does not seem to understand. To be absolutely clear, there is no iPod tax; there never was and there certainly never will be under this government. Let me say it again: MP3 players, iPods and devices of this sort would continue to come into Canada duty-free. That is the way it was before economic action plan 2013, and that is the way it would continue to be after economic action plan 2013.

● (1550)

Instead of spreading lies, the New Democrats should do their homework and be honest with the Canadian people. Unfortunately, we have seen this before with the NDP, always eager to cast allegations of hypocrisy and lies without checking the facts. Well I have checked the facts, and the simple fact is that the opposition parties are the only ones pushing for an iPod tax. This just shows their lack of understanding of how tariffs work, including the general preferential tariff.

Allow me to dedicate some of the time I have left to enlighten my NDP colleagues on how the GPT operates. With respect to the GPT, let me be clear. This is a foreign aid program that was introduced in the 1970s to help the world's developing countries. At its foundation, this program was designed to help developing countries increase their exports. I do not think anyone in this House would deny that the world is very different today from 40 years ago. It is for that reason that many of the countries initially part of this program no longer need preferential access to Canada's market to grow their economies. For example, countries like Brazil, Russia, India and China have developed substantially over the past 40 years and today boast economies that are highly competitive.

I should note that this does not mean we are getting rid of this program. The GPT will provide incentives for Canadians to import from more than 100 countries remaining as beneficiaries of the program.

What does this mean? It means more support for the poorest countries and more incentives for other countries to sign free trade agreements with Canada; so in addition to the creation of jobs, this highlights yet another reason why our government has pursued an aggressive free trade agenda. I ask that the New Democrats listen to the Canadian Manufacturers and Exporters association on a recent edition of CTV's *Question Period*, when it stated:

This government eliminated tariffs on all inputs used by manufacturers, all machinery and equipment items we need to import.... This is a government that in general has been getting rid of tariffs, but we had to update the general preferential tariff. I mean it's 39 years since we updated it. It was meant to help developing countries...we were giving them preferential tariffs while their per capita GDP is higher than Canada's. The solution is what the government is doing, trying to negotiate free trade agreements with countries around the world so that we not only drop our tariffs but they drop their tariffs as well.... we're pushing the government to negotiate trade agreements that provide reciprocal benefits to both Canada and our trading partner.

I should note that since 2006 our government has implemented six free trade agreements with nine countries, free trade that the NDP has opposed. Why is the NDP ideologically opposed to free trade? Is it because it expands markets for Canadian business and creates more jobs for Canadians, or is it because it provides consumers with cheaper goods? As a matter of fact, these trade agreements have resulted in the elimination of some \$63 million in annual tariffs on imports from these countries.

Business of Supply

Given this, can members imagine what benefits we could realize through a free trade agreement between Canada and Europe? In fact, it is estimated that such an agreement would eliminate an additional \$750 million in annual tariffs on imports from the EU. However, again the NDP is opposed. Indeed, the NDP's Canada–U.S. border critic backed the Canadian Auto Workers union's call to end trade negotiations altogether with the European Union. Once more, we have proof positive that the New Democrats have no interest in creating more jobs for Canadians or reducing the cost of goods for Canadian families.

It is very clear that keeping taxes low is a central element of Canada's economic action plan. Economic action plan 2013 is the next chapter in our government's long-term plan to strengthen the Canadian economy in an uncertain world and create jobs and growth while keeping taxes low for families and businesses, all while balancing the budget by 2015, and nothing shrinks deficits faster than a growing economy. To be clear, we will take no advice from the brothers and sisters in the NDP who believe we can tax our way to prosperity. In fact, they should think again.

Just this past weekend, the New Democrats had Joe Stiglitz, an economist from the U.S., speak at their convention. This is the same Joe Stiglitz who said that Greece in 2010 was having a “short-term liquidity” problem, claiming that Greece would not ever be in default.

● (1555)

At the same time, he was an adviser to the Greek government.

We will certainly not follow in the footsteps of socialist economies that crumbled under the weight of their own debt. Bloated government and imposing new taxes on Canadians and job-creating businesses is simply not the answer.

The measures our government has introduced since 2006 are not driven by politics. Our government remains focused on what matters most to Canadians: jobs, growth and long-term prosperity. That is the bottom line.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, I listened very attentively to the member's comments. However, the crux of the matter is that consumers will be paying more for bicycles, baby carriages, school supplies, household goods, wigs, housewares, iPods and MP3 players, and the list goes on. There are at least 1,300 items on the list.

What is interesting is that the minister would not have even had to raise all of these taxes on Canadians if he had watched his own spending. I will give an example.

It was not easy to come up with these numbers because everything is somewhat hidden with the current government. However, the total that I have with respect to the G8 legacy fund money that the minister spent in his own riding of Parry Sound—Muskoka is \$45,758,945. That is how much taxpayers' money he spent on his own riding. I will outline all of that spending for everybody in the House and those watching on television later today. It should be a good time, and I ask everyone to listen in.

My question to the member is this: when did he finally decide that it was okay for the President of the Treasury Board to spend \$45 million of taxpayers' money in his own riding?

● (1600)

Mr. Mark Adler: Mr. Speaker, the member talked about the general preferential tariff. There are so many falsehoods in his remarks that I do not even know where to begin, but let me start by saying that the current regime of general preferential tariffs that Canada has in place was negotiated in 1972, which was a very different year and time from 2013. The countries of India, China and Brazil were developing economies at that time. The GPT is a foreign aid program. As those countries have now developed, the Canadian taxpayer should not be subsidizing the manufactured goods of China, India and Brazil for import into Canada.

For example, the United States renegotiates its general preferential tariff agreements every two years. It is about time that we tackled that here in Parliament and under this government, so that Canadian taxpayers will pay less for goods and services and not more, as would be the case if the NDP were in power.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I heard quite an exaggeration of reality from the member when he referred to the government and the overall debt as if the Conservatives knew how to manage the debt or cared about it. At the end of the day, what we will find is that they had a handsome surplus, and they converted that billion dollars of surplus into record billions of dollars of deficit. I thought that was the whopper of the year.

That said, does the member not recognize that most people in Canada would recognize that tariffs are another form of tax? Government revenues will be going up because the government chose to put a tariff on 1,300-plus items. Does he not recognize that as a form of tax? Would he at least offer some acknowledgement of that fact?

Mr. Mark Adler: Mr. Speaker, let me begin by saying that in the 1990s, during booming economic times, when the unemployment level never fell below 7.2% during that decade when the Liberals were in power, they chose to balance the budget on the backs of Canada's seniors, students and children by gutting our social programs and moving them to the responsibility of the provinces and gutting the employment insurance program.

We have no lessons to learn from the Liberal Party. In fact, in 2005, when we proposed \$1,200—that is \$100 a month—for child care, it was the Liberal Party that said, “Don't give people \$25 a week to blow on beer and popcorn”.

● (1605)

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, the member has brought the discussion around the GPT to a very interesting point. Maybe the member would like to comment that the NDP wants to continue foreign aid to China in order to boost its economy while simultaneously proposing a very real domestic tax, a carbon tax, that would hurt Canadians trying to purchase goods and services. Maybe he would like to comment on that circumstance.

Business of Supply

Mr. Mark Adler: Mr. Speaker, the NDP had the opportunity to vote with us to lower 150 taxes. The NDP chose not to. In fact, the NDP wants to increase our taxes, starting with a \$21 billion carbon tax and then imposing a \$34 billion increase in taxes for families and small businesses. New Democrats are tax-fighters all right, but they are fighting for higher taxes.

[Translation]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I have the privilege of working with the member for York Centre on the Standing Committee on Finance. We have had some differences of opinion on his overly literal interpretation of the works of Adam Smith. I would just like to mention in passing to him that man never hung around with dinosaurs.

Mr. Mike Moffatt, professor of business, economics and public policy at Western University's Richard Ivey School of Business, told *The Globe and Mail* that these tariff increases could be a regressive tax.

That is important. Would my colleague like to comment on that?

[English]

Mr. Mark Adler: Mr. Speaker, it is clear that taxes are regressive, and that is why we are lowering them. That is why I would invite the NDP to support every measure we have proposed in the House to lower taxes.

Canadians know better what to do with their hard-earned income than the cadre of New Democratic socialists who think that they know better what people should be doing with their hard-earned money. No; we on this side believe people who work for their money should keep more of it.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I would like to return to the point that the hon. member for York Centre raised in his speech, which was that the government in no way has raised any taxes at all.

Well, by most definitions, tariffs are taxes, and so are payroll taxes. There has been a very steep increase year on year of employment insurance, which has to be paid by both the worker and by the employer. These are increased taxes.

Mr. Mark Adler: Mr. Speaker, I do not know if that was a question or a comment, but once again, our government is committed to lowering taxes. We are achieving jobs, growth and long-term prosperity through lowering taxes.

On the other hand, the NDP and the Liberals argue in favour of higher taxes. That is something we on this side oppose. That is something that Canadians oppose. We remain focused on what is important to Canadians—jobs, growth and long-term prosperity—and achieving it through lower taxes, not higher taxes.

Mr. Matthew Kellway (Beaches—East York, NDP): Mr. Speaker, I will be sharing my time with the member for Portneuf—Jacques-Cartier this afternoon.

I want to thank the member for Victoria for putting forward this motion for debate today for a couple of reasons.

First, the motion goes to the heart of what we as the official opposition are meant to be doing in the House, which is holding the government to account for the promises that it made to Canadians

and identifying promises gone unfulfilled or breaches of promises made. This is a government with such little respect for Canadians and for the truth that there is no shortage of these.

In this instance, I am talking about the Prime Minister's promise not to raise taxes and his breach of that promise, a breach repeated by his finance minister while tabling the budget and, in turn, by his parliamentary secretary. Budget 2013 contains almost \$8 billion of tax increases on nearly 1,300 types of goods, from hospital parking to bicycles to baby strollers to coffee makers to other goods and services, including MP3 players and iPods.

Second, the motion invites us to talk about what could be done, about what would be possible if only we had a government with some sense of policy innovation or creativity, if only we had a government with an eye to the future of this country, or if only we had a government that was sufficiently humble to look at what other governments are doing around the world as those governments turn their eyes to the future.

I want to take a look this afternoon at just one of the almost 1,300 consumer products that are going to become more expensive because of the tax increases in this budget. That product is the bike.

It is estimated that the cost to Canadians as a result of the government increasing the tariff on bicycles from 8% to 13% will be in the range of \$5 million to \$6 million annually. It is, in fact, a \$5 million to \$6 million disincentive to a healthy, active, environmentally friendly form of transportation at precisely the time when cities across this country—including, if not especially, my own city of Toronto—are struggling enormously with the very costly and frustrating combination of traffic congestion and underfunded, and consequently overcrowded, public transit.

When we as a country are struggling with a high and growing rate of obesity and chronic diseases related to obesity and the world is hurtling toward a radically different future owing to greenhouse gas emissions and the consequent climate change—a problem the government refuses to even acknowledge, much less address—enter the bicycle, the modest bike, as at least part of the solution to these issues.

I have spoken many times in the House about the economic implications of traffic congestion in Toronto. As of 2006, Toronto's traffic congestion was estimated to cost the economy about \$6 billion per year in lost productivity. The Toronto Region Board of Trade has further reported that this cost will increase to \$15 billion by 2030 in the absence of some significant change. The members of the Toronto Region Board of Trade identify the issue as their greatest concern. It is a problem that ought to be addressed, and quickly.

Business of Supply

With respect to the issue of health, Toronto Public Health's 2012 report, entitled "Road to Health: Improving Walking and Cycling in Toronto", advises that 70% of Torontonians commute by car. Toronto Public Health further advises that about 55% of all trips in Toronto are less than seven kilometres and are therefore conducive to cycling. We know that physical activity aids in preventing or ameliorating a number of conditions, including obesity, cardiovascular disease, type 2 diabetes and cancer. Collectively, improved health leads to lower health care costs, and Toronto Public Health estimates that savings in direct medical costs arising from citizens engaging in active forms of transit such as walking and cycling would provide a further economic benefit of \$110 million to \$160 million each year in Toronto alone.

The environmental impact of Toronto's traffic congestion is huge. For every litre of gas burned, approximately 2.4 kilograms of carbon dioxide are released into the atmosphere. That adds up quickly in a city of nearly three million people stuck in traffic.

• (1610)

Data from the C40 Cities Climate Leadership Group shows that Toronto emits 29.1 million tonnes annually of CO₂ alone. Of that amount, 35% comes from transportation. It is by no means just a Toronto problem. Countries and cities around the world are confronting the same challenges and making their own unfortunate contributions to climate change.

However, countries around the world are also recognizing that within the simple, modest bicycle is embedded great opportunities to mitigate these challenges. In part, the response has been one of investing in cycling infrastructure. Denmark is a prime example. In April 2012, Denmark opened its new bicycle superhighway to facilitate commutes between Copenhagen and its outer suburbs. The first of 26 such planned routes, it aims to encourage more and more citizens to choose cycling over other methods of travel.

The city of London, England, is on a similar path. About his revolutionary cycling plan for the city, London's mayor said "Cycling will be treated not as a niche...but what it is: an integral part of the transport network". London's transport commissioner adds "this is about so much more than routes for cyclists. It is about the huge health and economic benefits that cycling can bring".

It is in part at least, with an eye to the economic benefits, that a number of countries have implemented plans to make cycling, in fact, less expensive. That is the opposite of what the government is doing with budget 2013.

In 2009, for example, Ireland initiated a national cycle to work program. This program provides a way for employers and employees to receive tax breaks for getting out of cars and onto bikes as their means for commuting to work. Under the program, the benefit, that is the bicycle itself, is not subject to a benefit in kind taxation. Employees can save up to 52% of the cost of the bike, while employers save about 11% in pay related social insurance contributions.

The United Kingdom, Germany, Denmark and cities in other countries have similar and similarly named programs to incent cycling as a form of commuting.

A study done by the Irish Bicycle Business Association called the scheme in Ireland a "massive success" measured against a number of different criteria, including benefits to local economies and, importantly, net revenue benefit to the government. This was mainly through increases in sales tax revenues from increased bike sales, safety accessories sales and servicing and income tax revenues from job creation.

I noted in a recent column by Lisa Rochon, the architecture critic for *The Globe and Mail*, about the values of young people living in Toronto, Vancouver and Calgary, that the issue of bike lanes was identified as one of a number of urban features of great importance to the millennial generation. It is reflective of a new way that they want to live in, own and experience their urban environment.

That all of this escapes the Conservative government is reflective of a government that is a poor economic manager, one that fails to understand or care about cities and how they work and one that is deaf to voices young and old alike who want to talk about the future, what the future looks like and what we need to do now to preserve a healthy and prosperous one for coming generations.

Some might say that I have made too much of the bicycle here today. It is, after all, just one of about 1,300 consumer goods that would be made more expensive to Canadians under budget 2013. However, the modest bike represents opportunities for economic growth and productivity, along with healthier living, healthier cities and a healthier planet.

• (1615)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, could my colleague comment on what I believe is an important issue? When we put in tariffs, there is another significant impact in terms of increasing the price gap between American retailers versus Canadian retailers. Many Canadians, especially those who live along the border, will travel to the United States because they believe the price is so much cheaper there. Their belief is true in many different ways.

Many of the tariffs that are being put into place will in fact increase that price gap. Could he comment on that?

Mr. Matthew Kellway: Mr. Speaker, I grew up in Kingston, Ontario, home of his colleague, the member for Kingston and the Islands. Crossing the border was a daily fact of life for folks in Kingston shopping because of the price gap, even back when I was much younger.

In Toronto the American border is not far away. In fact, it is not far away from the vast majority of Canadians.

Doug Porter, the Bank of Montreal chief economist, had this to say about the tax increases in budget 2013 about which we have been talking:

One wonders if this doesn't potentially lead to even more of a problem on the price gap. I have to wonder if this isn't taking from one hand and piling on to the other... aggravating cross-border shopping.

Business of Supply

• (1620)

Hon. Steven Fletcher (Minister of State (Transport), CPC): Mr. Speaker, why does the member support providing aid to countries that build aircraft carriers and have nuclear weapons rather than countries that need it. Also, in one fell swoop is also attacking Canadian manufacturers?

Russia, India and China are all nuclear powers and all have nuclear aircraft carriers. Brazil just got one as well. The hon. member is supporting countries that are advanced enough for nuclear weaponry, but he will not support manufacturing here. Why will he not support the funds for the Detroit-Windsor bridge?

Mr. Matthew Kellway: There was a whole bunch of questions in there, Mr. Speaker, but all of them in fact outline the hypocrisy of the government.

The minister is championing protectionist measures now. That is the party that trumpets itself as the great free traders as its members stand and advertise all the free trade agreements, never mind the huge trade deficit they have created for the government. Now they are suggesting that we should be erecting tariff barriers to trade.

I do not know if the Conservatives know whether they are coming or going, sucking or blowing, but it is not good economic management, that much is for sure, and they are not keeping their promises to Canadians.

On the issue of the countries affected by the GPT, the government caucus has continually raised 4 of 72 countries that are subject to those preferential tariffs. What they do not mention are the other 68 countries. I would like to hear members of the government stand and defend how preferential tariffs should not continue to apply to the other 68 countries.

[*Translation*]

Ms. Éleine Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Speaker, today, I am proud to join my NDP colleagues in denouncing the hidden tax hikes that the Conservatives are trying to impose on Canadians in their new budget.

I would first like to congratulate the hon. member for Victoria for moving the motion today, because the issue at hand is of the utmost importance to the families in my riding of Portneuf—Jacques-Cartier, but also to families across the country.

It has already been mentioned on a number of occasions in the House that, once again, this government has broken its promises to Canadians. The Prime Minister and the Minister of Finance had promised that Canadians would not have to pay any new taxes under a Conservative government. Just recently, the Minister of State for Finance challenged us to find tax increases in his budget. People took on the challenge and looked at the budget. Their findings were very troubling.

The Conservatives' budget 2013 is actually filled with tax and tariff hikes on more than 1,200 types of product, which will hit Canadian families right in their wallets. We are talking about bicycles, baby strollers, shoes, clothes, coffee makers, plastic school supplies, iPods, hospital parking and so on. It is all fair game.

Because of this government's misguided economic decisions, Canadians will have to take on an additional tax burden of nearly

\$8 billion over the next five years. Eight billion dollars. Once again, we are confronted with the Conservatives' bad faith and hypocrisy when it comes to the economy. However, does this really come as a surprise to us?

Since the beginning of this debate, the beginning of their mandate in fact, the Conservatives have been trying to confuse Canadians and obscure the facts. Unable to defend their record and justify their bad decisions, they prefer to spend millions of dollars of public money to spread their propaganda and demonize the opposition parties.

As I was listening to the Conservatives' presentations this afternoon, I felt I was back in a McCarthy-era hearing or in the middle of a witch hunt for communists worthy of the 1950s. Their rhetoric was incredibly demagogic, but they were not able to justify why they were going after Canadian families in this way. It is easy to blame the opposition parties for all the wrongs and accuse them of not wanting to co-operate with the government.

How can we support the decisions of a government that brings in those types of measures, which directly and negatively affect our Canadian families?

The Conservatives spent all day accusing the NDP of wanting a carbon tax. This accusation is refuted almost daily in newspapers across the country. I find it rather ironic to hear a number of Conservative members talking about freedom of speech and the right to speak and asking that these be upheld in the House. They rise every chance they get to spout half-truths or facts made up right in the Prime Minister's Office, without even thinking twice about it.

That is what we have seen in the House again today. They want their freedom of expression, but as soon as they have it, they are not prepared to use it properly and intelligently to clearly explain the truth to Canadians.

They are going to bring in taxes on nearly all goods that Canadian families consider necessities. They would have us believe that Canada's general preferential tariff for developing countries is a program that financed foreign companies, but Canadians are not stupid. They know the truth and know that this government would rather put its friends' interests ahead of the interests of Canadians.

Since the Conservatives won a majority, it has become increasingly clear to Canadians that they cannot trust this government. In 2010, the Minister of Industry and the Minister of Heritage proudly declared:

During this fragile economic recovery, the last thing Canadian families and consumers need is a massive new tax on iPods.

What do we have in the Conservatives' latest budget? Ironically, there is a bona fide iPod tax. The Conservatives claim that we are twisting the truth. Editorials have analyzed this situation. Mr. Moffatt's name comes up often in the House.

I urge the Conservatives to go read the research. It is very enlightening and may help them understand what this government is truly doing to Canadians. The facts are clear. In a long list of tariff increases imposed by the Conservatives, there is a new 5% tax on MP3 players and iPods imported to Canada.

Business of Supply

●(1625)

The exemption that currently exists under law, that applies to certain imported products and that could have prevented this unfortunate situation, does not really apply to this type of product.

Eligibility for this exemption is prohibitively expensive, and applying for the exemption requires the importer to obtain a signed certificate from every user, therefore every consumer. This certificate has to indicate their name, address, occupation, and even what they use the merchandise for.

For a party that constantly boasts about wanting to cut red tape for our Canadian businesses, it seems rather absurd to want to subject importers to such an administrative burden just so that they can keep telling Canadians that there is no tax on iPods. That is not true.

Sony Canada, to name just one company, has already warned Canadian consumers that they can expect the price of this type of device to go up by 5% to 6%, because this so-called exemption is not realistically applicable in this situation. This is just one example of tariff increases in disguise in the Conservatives' recent budget. Unfortunately, there are many more.

These tax increases will affect the wallets of thousands of Canadians and will also have a major impact on Canadian businesses, which will have a harder time competing with their U.S. competitors, as the cross-border price gap continues to widen.

A number of my colleagues who live in border regions across the country are already seeing this happen, and the changes have not even come into effect yet. We can only imagine the repercussions that these new tariff barriers will have on the Canadian economy when they actually come into force. That is when we might see some very unfortunate consequences for a number of regions in this country.

Another troubling aspect of budget 2013 is without question the application of GST and HST on parking lots that were previously exempt, such as school and hospital parking lots. This is an example of a tax that did not exist before and will be applied as a result of this Conservative government and its 2013-14 budget.

We hear them say that they are keeping their promises and that they are not increasing taxes, but the example we are providing here is very clear. They are eliminating an exemption simply to apply a new tax.

One of the factors restricting access to health care services in our country is certainly the expenses related to a hospital visit, particularly parking costs. We do not yet know how much revenue the government hopes to take in with this new tax, but we do know that it will directly affect thousands of vulnerable Canadians and families that are facing hard times.

Last week, in my riding of Portneuf—Jacques-Cartier, I had the opportunity to meet the families representing the latest Leucan shaved head challenge. I met the parents of two children in my riding who fought cancer and overcame it. These parents were courageous enough to devote their time and energy to helping other families facing the same challenges they faced. We had the chance to speak at length. They told me of their journey, filled with obstacles. It required perseverance and caused a lot stress within the family. As

you can well imagine, they spent countless hours at the hospital to ensure that their children received the care they needed. Just imagine the cost of these numerous trips to the hospital. Then add the rising costs of parking and the wigs given to those fighting cancer. These taxes will directly affect those families and people going through extremely difficult situations.

This is not the first time the Conservatives have broken their promises to Canadians, and if nothing changes, it will not be the last. We need to do better for Canadian families, and that is what the NDP is trying to do.

Instead of raising the taxes of honest Canadians who are working hard and paying their fair share into the system, it is time this government stopped breaking its promises and reversed its bad decision to stick Canadian families with nearly \$8 billion in new taxes. It is unacceptable that the government is so proud of its unwavering support for big business and big oil, providing them with excessive tax breaks while forcing these tariffs on Canadians.

●(1630)

The Acting Speaker (Mr. Barry Devolin): Before moving on to questions and comments, 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 Edmonton—Strathcona, Public Works and Government Services; the hon. member for Laurier—Sainte-Marie, International Cooperation; and the hon. member for Scarborough—Rouge River, Citizenship and Immigration.

The hon. member for Beauport—Limoilou for questions and comments.

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I would like to thank the hon. member for Portneuf—Jacques-Cartier for her heartfelt speech on this important issue.

I had the opportunity to ask one of my Conservative colleagues a question about the regressive nature of the hike in customs charges that will be imposed by the Conservative budget. Clearly, my Conservative colleague just does not get it. For the benefit of all my colleagues—who should be listening to the interpretation in order to ensure that they understand correctly—a regressive tax is one that hits those with low incomes much harder than it does those with higher incomes.

That means the middle class, as well as small and medium-sized businesses, will be hit particularly hard by the changes to the tariffs, as established. I would like my colleague to comment and give her opinion on this situation.

Ms. Éline Michaud: Mr. Speaker, I would like to thank the hon. member for Beauport—Limoilou for this important question because it is extremely important that everyone understand the regressive tax issue.

Business of Supply

A 15% hike on a specific product will have much more of an impact on low-income households than it will on wealthier ones. Tariff hikes—even small ones—will make it much harder to get these necessary consumer products. Perhaps a 3% hike does not mean much and will not make a very big difference to the monthly budgets of the wealthy, but such is not the case for middle-class families with lower incomes.

The Conservatives often tell us that they have already proposed a number of measures to help families. Yet what they propose 99% of the time are tax credits that do not help low-income families because they are not eligible for them. On top of being unable to benefit from the help that the Conservatives are trying to give, as minimal as it may be, families will now have to spend even more to continue to accomplish their daily tasks and meet their needs. That is completely unacceptable.

• (1635)

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is important that we are clear that every year the government coffers are going to be enhanced by \$300 million because of this new tax increase. That is really and truly what it is. Some might argue it is indirect. Some might argue that it is not a tax increase; that being the Conservatives. However, at the end of the day, government revenues are going to be increasing by \$300 million because the government has made the decision to put a tariff increase on 1,300-plus items.

My question for the member is, does she not recognize, as we do, and I believe she does, that this tariff increase is another way of grabbing revenue, another way of having an increase in taxes? Would she not agree?

[*Translation*]

Ms. Éloise Michaud: Mr. Speaker, I thank my hon. colleague for the question.

Indeed, the NDP has been talking about this from the beginning. If you read the motion, that is exactly what it says. We are talking about a tax hike. I said so in my speech. Parking at hospitals and schools was tax-exempt. However, the government is introducing a new tax. As for tariff increases, they are another form of hidden taxes. Just because it is not specifically called a tax does not mean that is not what it is, considering the very real impact of these measures.

There are other ways the government could go about increasing revenues to replenish its coffers. Since the NDP became the official opposition, we have been working hard on the whole issue of tax havens. We are asking the government once again to do something to recover the money that is being hidden outside the country, money that should be used for the benefit of honest Canadians who pay into our system.

The government could also cut back drastically on the tax breaks it gives the oil companies and big banks, which do not need them. There are ways of finding money. The government could have reviewed the F-35 contract a lot sooner and saved loads of money there.

There are many things the government could be doing differently in this country to replenish its coffers and guarantee Canadians the

services they need, without digging directly into their pockets in such a hypocritical matter, as it is doing right now.

[*English*]

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, our thoughts and prayers are with the people of Boston right now and all those who travelled there to take part in today's Boston marathon. As law enforcement works to determine responsibility for this terrible tragedy, we extend our support to the men and women in emergency services who are working tirelessly to help those in need. Our thoughts and prayers are with our American friends and their families at this time.

I appreciate this time to speak to the opposition motion and speak against the high tax agenda of the NDP. Let us be clear from the start. The NDP supports higher taxes on Canadians. It has opposed our low tax agenda. The facts also show in no uncertain terms that the economic action plan 2013 and our low tax agenda are the right steps in building on our record of creating jobs, growth, and long-term prosperity while keeping taxes low for families and businesses and balancing the budget by 2015.

Let us look at the facts. Unlike the tax-and-spend NDP opposition, we do not believe Canadians should pay more taxes. Since coming to office in 2006 our Conservative government has taken action that leaves more money in the pockets of Canadians. Today a typical family is receiving more than \$3,200 in extra tax savings.

How did we accomplish this? Rather than listening to the NDP who would hike taxes on businesses and entrepreneurs by \$10 billion a year and impose a new carbon tax, we did it with real actions.

For example, we fulfilled our commitment to reduce the GST to 5% from 7%, benefiting all Canadians, even those who do not earn enough to pay personal income tax. At the same time we have maintained the GST credit level, translating into more than \$1.1 billion in GST credit benefits annually for low- and modest-income Canadians.

We have increased the amount that all Canadians can earn without paying federal income tax. We have reduced the lowest personal income tax rate to 15% from 16% and increased the amount of income that individuals can earn before facing higher tax rates by increasing the upper limit of the two lowest personal income tax brackets.

We have introduced the tax-free savings account, the TFSA, a flexible, registered, general purpose savings vehicle that allows Canadians to earn tax-free investment income to more easily meet their lifetime savings needs.

We have provided further support to students and their families by exempting scholarship income from taxation, introducing the textbook tax credit, and making registered education savings plans more responsive to changing needs.

Business of Supply

Our government has introduced the public transit tax credit to encourage public transit use and the volunteer firefighters tax credit to better support communities.

We introduced the universal child care benefit, which provides \$100 per month to families for each child under the age of six.

We introduced and enhanced the working income tax benefit, lowering the welfare wall and strengthening work incentives for low-income Canadians already working while encouraging other low-income Canadians to enter the workforce.

Our government has increased the amount of income that families can earn before the national child benefit supplement is fully phased out and before the Canada child tax base benefit begins to be phased out.

We introduced the tradesperson's tools deduction, which allows tradespersons to deduct from their income part of the costs of the tools they must acquire as a condition of employment, benefiting more than 25,000 tradespersons in 2010 alone.

We brought in the apprenticeship job creation tax credit to encourage employers to hire new apprentices in eligible trades by providing a tax credit of 10% of the wages payable to eligible apprentices in the first two years of their apprenticeship program, benefiting more than 10,000 businesses in 2010.

● (1640)

Canadians at all income levels are benefiting from these tax reductions, with low- and middle-income Canadians receiving proportionately greater relief. Overall, personal income taxes are now 11% lower with the tax relief provided by the government, and more than one million low-income Canadians have been removed from the tax rolls.

In total, our government will have provided almost \$160 billion in tax relief for Canadian families and individuals in just six short years. Our government has introduced more than 150 tax relief measures since 2006, bringing the overall federal tax burden to its lowest point in 50 years.

What do these 150 measures have in common besides helping to keep more money in the pockets of Canadians? The NDP voted against every single one of them. Each and every time our Conservative government moved to lower taxes, the NDP stood in this Parliament and voted no. This is all on the public record. This is a fact. The NDP is a party of high taxes, taking more and more money from the pockets of Canadians. Our Conservative government is the party of low taxes, keeping money in the pockets of Canadians.

Economic action plan 2013 builds on this unprecedented record of tax savings for Canadians with measures that will provide \$76 million in annual tariff relief on baby clothing and sports and athletic equipment to reduce the gap in retail prices Canadian consumers pay compared to those in the U.S.

Economic action plan 2013 also promotes adoption by enhancing the adoption expense tax credit to better recognize the cost of adopting a child. It expands tax relief for home care services to better meet the health care needs of Canadians.

These tax reductions help individuals and families, with greater flexibility to make the choices that are right for them. They help build a solid foundation for future economic growth, more jobs and higher living standards for Canadians. I would encourage the NDP to stop opposing these measures and support economic action plan 2013 so that we can continue putting money back into the pockets of Canadian families.

While the opposition wants to raise taxes and kill jobs, our government is also focused on lowering taxes for Canadian manufacturers and businesses. These lower taxes will help them succeed in the global economy and will provide support to the individuals, families and communities that depend on them. These broad-based tax reductions are supporting investment and growth by delivering more than \$60 billion in tax relief to job-creating businesses over a six-year period, ending in 2013-14.

Our government has reduced the business tax rate, eliminated the federal capital tax and provided an incentive for provinces to eliminate their own general capital taxes. The last provincial general capital tax was eliminated in 2012.

We are leaving more money in the hands of entrepreneurs and businesses so that they can grow and hire more Canadians, unlike the NDP, which would simply want to hike taxes by \$10 billion a year. Canada now has an overall tax rate on new business investment that is the lowest in the G7 and is below the average of the member countries of the Organisation for Economic Co-operation and Development.

We have increased the capital tax allowance rate for manufacturing and processing buildings and have introduced a temporary accelerated capital tax allowance for manufacturing or processing machinery and equipment.

We have expanded the scope of the accelerated capital cost allowance for clean energy generation and conservation equipment so that a broader range of applications and technologies qualify for this measure. We have extended this temporary incentive until 2020.

We have eliminated more than 1,800 tariffs on imported machinery, equipment and manufacturing inputs, thus providing \$450 million in annual tariff savings and making Canada the first tariff-free zone for industrial manufacturers in the G20. These steps have established an international tax advantage that has allowed Canadian businesses to create jobs and drive economic growth.

Business of Supply

•(1645)

KPMG is one of the largest professional services companies in the world and one of the big four auditors. KPMG recently released a study, “Competitive Alternatives 2012”, which concluded that Canada's total business tax costs—corporate income tax, capital tax, sales tax, property tax and wage-based taxes—are more than 40% lower than those in the United States.

Economic action plan 2013 builds on our internationally recognized tax advantage with a range of tax measures to help manufacturers and businesses succeed in a global economy.

It is a shame that the NDP is voting against measures aimed at helping manufacturers, something that is critical to southern Ontario. These include \$1.4 billion in tax relief for Canada's manufacturing and processing sector over the 2014-15 to 2017-18 period through a two-year extension of the temporary accelerated capital cost allowance for new investment in machinery and equipment.

In the words of the Canadian Manufacturers and Exporters, I quote at length:

[Economic action plan 2013] sends an important signal.... It positions manufacturing and exporting at the heart of Canada's Economic Action Plan by focusing on practical steps that will enhance competitiveness, productivity, innovation, and business growth.

[...] This is very good news for companies creating jobs in Canada.... The budget recognizes the importance of manufacturing and exporting for each and every Canadian, as an anchor of high-value, high-paying jobs in all parts of the country and across all sectors of the economy.

[...] This budget will make a real difference in helping our manufacturers and exporters compete and win in global markets.

Too bad the NDP is voting against our manufacturers. Additionally, our plan also offers \$225 million to expand and extend the temporary hiring credit for small businesses for one year in recognition of the important role small businesses play as job creators in the Canadian economy. Again, the NDP is, shockingly, opposed to helping our small businesses.

There is more. We are also increasing support for small business owners, farmers and fishermen by increasing the lifetime capital gains exemption to \$800,000 in 2014 and indexing the new limit to inflation, at a cost of \$110 million over five years.

While we are lowering taxes, we are also cracking down on tax cheats and those who try to exploit tax loopholes. To help keep taxes low and improve the integrity of the tax system, economic action plan 2013 proposes a number of measures to close tax loopholes, address aggressive tax planning, clarify tax rules, combat international tax evasion and aggressive tax avoidance and improve tax fairness.

Since 2006, our government has already moved aggressively to close over 75 tax loopholes. The loopholes we are closing amounts to billions annually. Shamefully, the NDP has voted against every single attempt by our government to close loopholes since 2006.

Canada's resilient economic performance in an uncertain world is the clearest evidence needed to demonstrate the effectiveness of our plan, which is continuing to deliver results for Canadians. Since we introduced the economic action plan to respond to the global

recession, Canada has recovered more than all of the output and all of the jobs lost during the recession.

Employment has increased by nearly 900,000 since July 2009 and is now more than 465,000 above its pre-recession peak, the strongest job growth among G7 countries. More than 90% of all jobs created since July 2009 have been full-time positions. Close to 80% are in the private sector, and more than two-thirds are in the high-wage industries.

Real GDP is now significantly above pre-recession levels, the best performance in the G7. Canada has weathered the economic storm well, and the world has noticed.

•(1650)

Both the IMF and the OECD expect Canada to be among the strongest-growing economies in the G7 over this year and next. For the sixth year in a row, the World Economic Forum rated Canada's banking system as the world's soundest. The three credit rating agencies—Moody's, Fitch and Standard & Poor's—have reaffirmed their top ratings for Canada, and it is expected that Canada will maintain its AAA rating in the year ahead.

Our government also understands that Canada cannot rest on this record of success. We cannot afford to become complacent. While the Canadian economy continues to grow and create jobs, the challenges confronting us remain significant. The global economy remains fragile. The United States, our largest trading partner, is struggling with massive debt and modest economic growth. The euro area remains in recession. At the same time, global competition from emerging markets is intensifying.

In an uncertain global economic environment, the most important contribution the government can make to bolster confidence and growth is to maintain a sound fiscal position. Responsible fiscal management assures the sustainability of public services and low tax rates for future generations, while providing room to manoeuvre in the event of an adverse development across our borders.

Our government is committed to returning to balanced budgets by 2015 and will focus on what it can control in order to achieve this result. Such a commitment explains why, alone among the G7 countries, Canada continues to receive the highest possible credit ratings and a stable outlook from all the major credit rating agencies. Among global investors, Canada has a well-earned reputation for building an internationally competitive tax regime and for responsible fiscal, economic and financial sector management.

In conclusion, today's NDP motion, which attacks economic action plan 2013, is shameful when we consider Canada's record of achievement and the actions we have taken to lower taxes for Canadians. I would therefore encourage hon. members to not only reject the NDP's high-tax agenda but to support the timely passage of economic action plan 2013 so that it can continue to deliver tax relief for Canadians.

Business of Supply

•(1655)

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I would like to thank my colleague for his speech.

I would like to reiterate that the motion moved by my colleague from Victoria asks the House to condemn the tax hikes introduced by the government in Budget 2013. In the last election, the Conservatives promised not to raise Canadians' taxes. They are doing quite the opposite. In fact, the tax hike on more than 1,200 types of goods will have a huge impact on consumers' budgets, especially families' budgets. These tax hikes will also hurt Canadian businesses, which will find it even more difficult to compete with their American competitors.

With all this information, how can my colleague claim that his government wants to ensure tax fairness across the country?

[*English*]

Mr. Dave Van Kesteren: Mr. Speaker, of course, we are referring to general preferential tariffs. Those tariffs were put in place to assist nations in the world that needed to bolster their economies, nations that did not have the same advantages we did. They were put in place in the 1970s. They have become obsolete, quite frankly. We are talking about countries that no longer have third-world status. We are talking about countries such as China. China is an aggressive trading partner. China has the means and ways to produce and manufacture goods that compete with our manufacturing. India is another example. There is also Brazil and Korea. Korea has an amazing growth rate.

The end result is that these countries are no longer in the same position, and as such, removing these tariffs was the right thing to do so that we could rectify a situation that has become somewhat obsolete.

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I will begin by saying I join with the hon. member for Chatham-Kent—Essex in expressing concern for the victims of the bombing, and I appreciate him bringing that before the House.

The hon. member began his remarks by saying, “Let us look at the facts”, and in the course of his remarks, made reference to the issue of tax credits for children. In that context, I ask him a question about a misstatement of fact made earlier in this debate by the member for York Centre in the matter of tax credits.

The member for York Centre said that the Liberals in 2005, in critiquing the Conservative plan at the time to give families of young children \$1,200 a year for child care, had said, “Do not give people \$25 a week to blow on beer”. The person who made that statement at the time was an aide to the Prime Minister, who then publicly apologized, and for the record, the Prime Minister at the time, Paul Martin, said, with respect to the Conservative plan, and I think the House needs to have that on the record, “They are going to use that money in a way that I am sure is responsible. Let there be no doubt about that.”

Since the debate that took place at the time was about the issue of tax credits for children, I have put on the record what the response of the Prime Minister and my government was at the time, but the proposal that we put forward at the time was for a comprehensive,

early learning and child care agreement, which had secured unanimous agreement among the provinces for that purpose.

Does the hon. member not think that a comprehensive federal-provincial-territorial agreement that would provide for early learning and child care, and which at the time would have provided for 250,000 spaces for child care by 2009, which we never got, would be a better proposal—

•(1700)

The Acting Speaker (Mr. Barry Devolin): Order, please. The hon. member for Chatham—Kent Essex.

Mr. Dave Van Kesteren: Mr. Speaker, I thank the hon. member across the way for clarifying that. He is correct. The statement was made. We make statements in the heat of passion, especially in elections, and rightfully so. He did say that his leader at that time apologized for those remarks.

As to the plan that the Liberal Party had proposed, we have provided for young families an alternative plan, and that is for parents to be able to stay home or to make their choices in home care. This plan has been enormously successful. Our people and the people of Canada have taken hold of this, and we have found that this is a much better plan.

I would suggest to the member that although we may not always agree on which direction to go, we certainly have acted, much as he has corrected us, we also correct him too, and we have put in place a plan as well. I think our plan is moving along quite well and is doing quite well.

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, for weeks now, for anybody listening in on the debate in the House, the NDP members have consistently been whining that the federal government has a revenue problem, which means it does not take in enough taxes.

They have not left the debate there. They have gone further to propose many ways of rectifying that problem, including a \$21-billion carbon tax that would raise the price of gasoline nearly 20¢ a litre, an increase of \$9 billion to \$10 billion in higher taxes on businesses that earned one dollar more than a small business. They have opposed tax relief 150 times, including in the budget in principle, a measure to help Canadian parents adopt Canadian children.

Can the member for Chatham-Kent—Essex, who has been doing a phenomenal job for his constituents, comment on what the corporate income tax cuts of this government, the accelerated capital cost, other measures, tax measures, and lower tax measures are doing for manufacturers, especially the food processing sector in his riding and across southwestern Ontario?

Mr. Dave Van Kesteren: Mr. Speaker, it is very good to share boundaries with the member for Essex, and we work together on the very things he is talking about. We both know how important it is for our manufacturers to have an advantage, and the best advantage that we can provide them as a government is to lower those costs that we can do something about. Those costs directly are taxes.

Business of Supply

In my riding, as well as in the hon. member's riding, we know the importance of the food processing business. We know how competitive the United States has been and other countries are also competing. If we could continue to lower our corporate taxes, if we could continue to help our corporations with those measures, they would be able to compete. We have seen that. We have witnessed that. That is the direction we have taken as a government. That is the direction we will continue to use.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, like my colleague, I would like to say that our thoughts and prayers are with the victims of the Boston tragedy.

Getting back to the issue at hand, I do not know if the member in question realizes how ironic his comments are. He is boasting about the tax credits in budget 2013 and calling them tax reductions that will benefit certain classes of citizens. However, he makes no mention of the elimination of tax credits which, according to the gospel of the Conservative government, do not represent tax hikes.

The motion before us condemns the tax hikes, estimated at \$8 billion over five years, contained in budget 2013.

I would like to ask a question about one particular tax increase that affects labour-sponsored venture capital corporations. Almost \$355 million a year will be taken from small investors over the next five years. The elimination of this tax credit has been criticized by Canada's Venture Capital & Private Equity Association and by the Fédération des chambres de commerce du Québec.

Why is the government refusing to call the elimination of this tax credit a tax hike? Why is the government not listening to Quebec's business people in particular and Canada's Venture Capital & Private Equity Association, which have condemned these tax increases?

• (1705)

[*English*]

Mr. Dave Van Kesteren: Mr. Speaker, I would like to read a couple of quotes.

The first is from the Canadian Institute of Chartered Accountants:

There are no significant personal or corporate tax increases but the government is taking action to preserve its tax base. The budget looks to close tax loopholes, address aggressive tax planning, clarify tax rules, reduce international tax avoidance and tax evasion and improve tax fairness....We support efforts to maintain the integrity of the tax base.

The hon. member is an economist. The second quote is from Mr. Jack Mintz, who is an economist of great respect. He said that in economic action plan 2013, "The federal government has avoided raising personal and corporate income tax rates, choosing instead to eliminate a number of base-narrowing tax incentives.

That is from the experts, and I think he should read them, as well.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, I rise to speak on this opposition day motion which is a very important one.

The core of the matter is what we see in budget 2013 is the Conservatives are raising taxes even though they promised Canadians that they would not.

I have a quote here from the Prime Minister who said, "As long as I will be prime minister...there will be no new taxes." I assume that leadership conventions are not finished yet, and that there will be one on the other side of the House sometime before 2015, if he is in fact true to his word.

The Conservatives promised that there would not be any new taxes, but of course they are increasing taxes on a whole host of things. I will be mentioning some of them. There is even a new tax, HST on parking at municipal parking lots and at hospitals. People who go to visit a loved one or who go to the hospital for some service will now be paying HST on parking services. The list goes on. There are really two reasons, and I do not know if they have been touched upon during the debate today. The first question is, "Why are the Conservatives raising taxes?"

I will be sharing my time with the member for Newton—North Delta.

Why are the Conservatives raising taxes when they are cutting everywhere else? One would think that the Conservatives would not have to raise taxes because the cuts are so deep. I will use one example here. According to FedNor's website, \$23.6 million less.

Last year, the Conservatives announced they were getting rid of some initiatives, including the LIC grant program. That used to provide up to \$5,000 for non-profits, including municipalities. I know that one of our communities, Atikokan in my riding, took advantage of that grant to update their website to help promote business and their community.

Those things have all disappeared. The first question is, "Why are the Conservatives raising taxes when they are already making these cuts everywhere else?"

It also says on that site that there is a drop in funding for community economic development programs which are the core funding mechanisms for FedNor initiatives. Also, 20 people are going to lose their jobs. Why are the Conservatives raising taxes when they are cutting? This is just one example of a program that is being cut.

We have heard the Conservatives talking today and saying that they are not raising taxes, they are just making things more expensive for Canadians to buy. We have all heard the rhetoric from the government the last two and a half years, about that sort of thing. They call them taxes, so I do not know why they will not be honest with Canadians and tell them that these are in fact taxes when they raise the prices.

Business of Supply

There is one thing that has not been talked about today, and I have been listening intently. For those of us who have a number of border communities, I have three border crossings in my riding, out-shopping is a big problem, particularly for small and medium-sized businesses in the riding. If these things become more expensive, and I am going to talk about “these things” in a minute, that will simply promote crossing the border to shop. It is counterintuitive to raise these taxes, particularly on the things that I am going to talk about. I will use one example, bicycles. We import about \$125 million in bicycles every year from 72 different countries. Now the tariff will increase from 7.5% to 13%. It will cost Canadian cyclists between \$5 million and \$6 million a year. That is what the tariff or tax on bicycles is going to cost Canadian consumers.

For the second reason, I am going to counterpoint what I have just said. As I talk about the examples in this budget, I am going to counterpoint with actual examples of really inappropriate spending by the government.

• (1710)

I just need to take one area, and I am going to talk about the G8 legacy fund. The G8 legacy fund was \$1.2 billion all together, and a significant portion of that was used by the President of the Treasury Board, the minister for the Treasury Board, to spend some money in his riding. I will talk about some of that spending right now, and then you, Mr. Speaker, can tell me whether this was really appropriate.

Let us begin with the famous gazebo. With some sidewalk upgrades, some landscaping and the gazebo, that came in at \$745,000. By the way, if people watching or MPs would like to go and see this, it is at 15 Humphrey Drive in the township of Seguin. It is there, and people can see what \$745,000 bought them. The point I am making is that if one does not cut and one spends money appropriately, one does not need to raise taxes.

Let us take another one, baby carriages. Nearly 90% of all baby carriages come from these countries with tariffs, so there would be a 3% tariff hike. That is a tax, and that 3% hike would cost Canadian consumers about \$1 million annually. However, the President of the Treasury Board of course thought it was okay to pay for some signage in Muskoka Lakes and some sidewalks, decorative street lights, benches, waste receptacles and flower pots to a tune of \$1,060,000. I am not sure that was really G8 legacy fund money. That money could have certainly counterbalanced the money the Conservatives need to bring in now by raising taxes.

Turning to school supplies, 61% of imported plastic school supplies are from these nations that now have new tariffs on them. There was a tariff before of 3% and now it is 6.5%. So these school supplies are now going to cost Canadian consumers \$1.3 million a year. That is counterbalanced of course with some street lighting upgrades and new outdoor furniture for the town of Gravenhurst during the G8 legacy fund spending. That was \$1,200,000. Is that appropriate spending?

Some other costs to consumers include wigs. Let us say that for perhaps medical reasons, people may need to buy wigs. Those wigs would now cost Canadian consumers \$4.6 million more.

Plastic tableware and houseware—I guess plastic spoons and forks—would have a tariff or tax on them that would cost \$11

million. However, the taxes would be raised because in the township of Burk's Falls there were some sidewalks and one electronic sign and public washrooms that cost \$150,000. The town of Parry Sound got new sidewalks and trees, a welcome sign and some landscaping and a fountain too, at a cost of \$1,321,750.

These figures I am giving members were not easy to find. It took us a long time to find these figures, and I am passing them on to everyone in this House and everybody who is watching on television because if we spend taxpayers' money appropriately we do not need to raise taxes, as the Conservatives would in this budget.

Let me talk about the iPod tax and that on MP3 players. The Canada Border Services Agency has written to at least one importer to indicate that the iPod touch 8GB would be subject to end-user verification in order to get a tariff exemption. Sony has said it is way more trouble than it is worth. So we would see those things increase.

I will give the grand total of the spending on the G8 legacy fund. I itemized a couple of things, but the grand total is \$45,758,945, money spent inappropriately. This is one of the reasons that the government has to raise taxes, to make up for the shortfall.

• (1715)

Hon. Steven Fletcher (Minister of State (Transport), CPC): Mr. Speaker, I listened to the member's comments, and he seems to be missing the big picture. The big picture is that trade creates wealth and jobs. Why is his party against all the free trade agreements? Why is his party against building a bridge between Detroit and Windsor that would help increase the flow of traffic, increase trade and create tens of thousands of jobs? Why is his party against the science of the Keystone XL project?

When it comes to anything economic, the NDP has no credibility. I would like to ask the member why not just give up?

Mr. John Rafferty: Mr. Speaker, he was speaking about credibility. I will not make any comment about it.

However let me just ask the member and the members of his government why they are against music and musicians. Why is there a new tax on pianos? We do not make pianos in our country anymore. Why would the Conservatives raise taxes on pianos? We are not protecting any Canadian industry, but they raised taxes on pianos to make it harder for families to have their kids take piano lessons. It just does not make any sense.

Business of Supply

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I would like to thank the member for Thunder Bay—Rainy River for enlightening us on a lot of misspending from that side of the House.

As far as I am concerned, a tax is a tax. Obviously, the Conservatives do not believe that. I would like the hon. member to tell me his impression of why the Conservatives do not believe that a tax and a tariff are the same thing.

• (1720)

Mr. John Rafferty: Mr. Speaker, it is a question of convenience for the Conservatives. If we raise tariffs in the country, it will cost Canadians more for those goods, and as far as I am concerned, that is a tax. It is a tax when the goods come across the border. It is an increase in price. We are talking about millions and millions of dollars, particularly right to the end of 2018.

There really is no difference. Taxes increase the costs to consumers. Tariffs increase the cost to consumers. In fact, if we look at it that way, the tariff would increase the cost of that piano I was just talking about, and then there would be even more tax on that piano because the price of that piano would be even higher. Canadians get hit all the way around with this big increase, in this budget.

[Translation]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I thank my colleague for his speech. As I said, Beauport—Limoilou has many low-income families and individuals.

Since we are specifically talking about problems that affect low-income individuals, I would like to know whether my colleague is as concerned as I am about his own constituents.

[English]

Mr. John Rafferty: Mr. Speaker, one of the things we know on this side of the House is that if we want to make this a fairer Canada, we have to make the gap smaller between the richest and the poorest in our country. That is what we should be working toward. However, what is happening now with the budget, and with what the Conservatives have been doing since 2006, is that they have made that gap wider, meaning poorer families in my riding, just as in the member's riding and right across Canada, are the ones who suffer when the governments increase tariffs and taxes.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, I want to start today by acknowledging the amazing work that is being done by my colleague from Victoria on this file. He has been very diligent and has done his research, along with my other colleagues. I am so proud of the fact that he has put this motion forward.

We can start talking about credibility when we look at the wording of the motion. The motion asks the House to condemn the tax hikes introduced by the government in budget 2013 on hospital parking, bicycles, baby strollers, coffee makers, iPads and other goods and services, which break the promise the government made to Canadians during the last election. I am sure every member in the House would agree with that.

I have sat in the House today and heard the word “credibility” over and over again. Let me just throw out a few quotes here. In 2008, Stephen Harper promised Canadians—

The Acting Speaker (Mr. Barry Devolin): Order, please.

Ms. Jinny Jogindera Sims: Sorry, that was my mistake, Mr. Speaker. The Prime Minister promised Canadians that “As long as I will be prime minister...there will be no new taxes”. The last time I looked, he is still Prime Minister. Talk about credibility.

In November 2012, Jim Flaherty promised Canadians—

The Acting Speaker (Mr. Barry Devolin): Order. I would remind all hon. members to be more careful.

Ms. Jinny Jogindera Sims: I am sorry, Mr. Speaker.

Our Minister of Finance promised Canadians that there would be no tax increases in budget 2013. In his budget speech he said he would not raise taxes.

If we are going to talk about credibility, here are direct quotes from the Prime Minister and a minister of the Crown being absolutely categorical. I want to give them the benefit of the doubt. Being a teacher, I always want to see the best, to see the intentions. I thought we should take a look at the dictionary. The *Oxford Dictionary* is well renowned. It is used in schools and universities. I am sure many members of Parliament have this particular dictionary sitting on their bookshelves as well. This is the definition of a tax taken directly from the *Oxford Dictionary*:

a compulsory contribution to state revenue, levied by the government on workers' income and business profits, or added to the cost of some goods, services, and transactions

That seems fairly clear.

Then there is the definition of a tariff, “a tax or duty to be paid”. They are interchangeable, absolutely.

It is very clear that what Canadians would experience as a result of this budget are tax increases, which many colleagues across the aisle have said that the government is not going to do.

Let us talk about credibility and let us take a look at some of that. It is very distressing when we have this kind of thing happening. It is difficult for the public.

As I looked at all of this, I began to think surely so many of my colleagues across the way could not possibly have missed these tax increases. It is not that they are hidden in the budget; they are right there. The only thing is that we have to read to the end of the budget book because they are not at the beginning; they are a little bit later on. I hope all of my colleagues will revisit the budget book, which is quite thick.

Here is a quote from Aaron Wherry:

“I know the only way that we could ever get the NDP to support this budget is if we had tax increases in it,” Mr. Menzies continued, “but no one will find tax increases in this.” Mr. Menzies seemed to here to put his hope in the possibility—

• (1725)

The Acting Speaker (Mr. Barry Devolin): Order, please. This is the third time in five minutes that the member has read a direct quote in which she names a member. I believe she was referring to the Minister of State for Finance.

Ms. Jinny Jogindera Sims: My apology, Mr. Speaker. I just realized I cannot even read it when it is quotation marks. I was reading a direct quote.

Business of Supply

The Acting Speaker (Mr. Barry Devolin): I would remind all hon. members that they cannot do indirectly what they cannot do directly. If this rule could be circumvented by quotes, it would be done routinely. I would urge the member to be careful in what she says.

• (1730)

Ms. Jinny Jogindera Sims: It states:

[He] seemed to here to put his hope in the possibility that no one—including perhaps the Prime Minister—will bother reading as far as page 325 of the budget book. But there they might find Annex 2: Tax Measures. And there they will find several numbers that are not identified as cuts, but, in fact, the precise opposite.

That is a quote from Aaron Wherry.

Once again, when we talk about accountability, it is right there, and when we talk about credibility, it is there for people to see.

What we are looking at in this budget are taxes, which is what they are, on a huge number of goods. They have been listed over and over again by a number of my colleagues, so I will not go through every one of them. Basically, what we are looking at is absolutely astounding because we are not talking about pennies or hundreds or thousands of dollars. We are talking about taxes to the tune of billions of dollars, \$7.8 billion over the next five years. That is what Canadians are going to be experiencing in the way of tax increases. To me, nobody, not even my colleagues across the way, can argue that they are not tax increases, whatever name they want to give them.

That again raises the question of credibility. When we look at the budget, the process of modernizing Canada's general preferential tariff regime for developing countries is being done at the same time as the Conservatives keep saying there are no tax increases. However, going back to the dictionary definition, these are taxes. There is no other way to look at them.

Looking at the detailed examples, bicycles have been explained enough times, but let us look at baby carriages. Ninety per cent of baby carriages are made overseas. This is going to hit low-income and middle-class people the hardest because when people have babies, they need baby carriages, and these taxes are very regressive.

Let us look at school supplies. Single parents and low-income families are already telling me they are stretched to the limit in having to pay additional school fees and picking up the cost of supplies. What we are looking at are huge increases, from 3% to 6.5%. We are looking at almost double the taxation.

Another cost that absolutely has touched my heart is the tax on wigs. Those who suffer from alopecia cannot get wigs covered. They definitely cannot get them covered in my province of British Columbia. Now we have a tax on wigs. It breaks my heart to see that. I have a granddaughter who suffers from alopecia. I know the pain and agony that families go through and this is definitely an additional burden on families. When one thinks about it, it is very mean-spirited.

Let us put out there that my friends across the aisle do not understand tariffs being duties or taxes. How do they justify taxing credit unions? They have taken away funding from credit unions, which means it is going to cost credit unions more at the very time they are giving huge tax breaks to their big bank friends.

Let me talk about the last one, which is paid parking. What does this have to do with tariffs on imported goods? This is about people going to see their loved ones in the hospital. It was bad enough there were parking costs, but now there are going to be taxes collected on it. This is a tax on the sick and their families and it is unacceptable. As for credibility, I look across the aisle and say, "Look in the mirror".

Mr. Dan Albas (Okanagan—Coquihalla, CPC): Mr. Speaker, certainly, this is a topic that I am very engaged on and I am glad to ask a question of the member.

In her speech she referenced some changes to the preferential tariff of \$330 million. This is an area on which the government has been transparent. There is a preferential tariff that is given to certain countries, such as Brazil, Russia, India and China. Some of the places where we have seen the most economic development and growth are among many of the nations there.

I would like to ask the member to clarify her party's position. From my understanding, the NDP always seemed to support tariffs to encourage local manufacturing, meaning within Canada.

Second to that, by allowing this preferential rate, when would the member look at removing it?

Lastly, it seems that this government has always said that if we can have free trade agreements with many of these countries, we would have them.

That is the old fashioned way of taking away these tariffs.

Ms. Jinny Jogindera Sims: Mr. Speaker, it always amazes me that my colleagues across the way never want to address the fundamental issue that is being debated here, and that being that the Prime Minister, ministers of the Crown and other members across the way said categorically that there would be no tax increases under their watch. They also said that there were no tax increases in this budget. They can try to redirect any which way they want, but at the end of the day there are taxes in this budget that will increase cross-border shopping, which will hurt communities closest to the border.

• (1735)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the member's passion when speaking to an issue, whether it is here or at the immigration committee.

When we talk about the increase in taxes, it is important that we make note of just how much we are talking about, which is hundreds of millions of dollars that will be generated through the 1,300-plus tariffs that will be increased.

Could the member expand on the kind of dollars we are talking about, the fact that it is a direct tax and that the consumers who will be predominantly hurt the most are likely to be the middle class or those who are striving to become part of the middle class?

Ms. Jinny Jogindera Sims: Mr. Speaker, I want to stress that these kinds of tax breaks are going to affect the middle class, the working class and those who are already living well below the liveable wage. When we see the items that are to be taxed, it will affect everyone.

Business of Supply

However, let me go over the kind of numbers we are talking about, which is \$7.8 billion over the next five years. Then if we look at the actual increase, in 2013-14 it is \$500 million and it increases to \$2.3 billion annually by 2017-18. Therefore, out of this what we are looking at is a total of \$7.8 billion of tax burden on maybe the most vulnerable, the working class and the middle class who are already struggling to make ends meet. How can this not be a tax increase?

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, my colleague made a couple of mistakes in her speech. As a former school teacher she should know better. She used the words “credibility” and “Conservative” in the same sentence. From what I have been hearing from that side of the House today, the Conservatives have no credibility. Therefore, I would ask the member to please refrain from using those two words in the same sentence.

We have 1,200 items in the budget that were raised with so-called tariffs, taxes, or members can call them what they want. It is quite obvious that there is no credibility on that side of the House.

However, what the member touched on that really upset me is paying taxes on parking at hospitals. Could she explain that?

Ms. Jinny Jogindera Sims: Mr. Speaker, I can remember when hospitals first started to charge for parking and I thought it was outrageous. Many times when people are going to hospital, they are trying to rush in and do not always have the coins in their pocket, et cetera. It was an extra burden on families which were struggling. However, now we have taxes on that parking.

We can give tax breaks to some of the wealthiest corporations in the country, but we are now going to charge taxes to people who are going to the hospital to see—

The Acting Speaker (Mr. Bruce Stanton): Order, please. Resuming debate, the hon. member for Markham—Unionville.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I am pleased to rise today to join in the chorus of condemnation of the Conservative government's attempt to hide a \$330 million tax hike.

It is a bit weird, however, that we have the NDP, which is traditionally protectionist, pushing for lower tariffs and we have the Conservatives, who are traditionally non-protectionist, pushing for higher tariffs. We Liberals are the only consistent ones because we traditionally push for lower tariffs, which is what in fact we are doing today.

[*Translation*]

In general, if you meet someone and ask him whether he thinks tariffs are a good thing and he says yes, you are probably talking to a New Democrat. If he says no, you are probably talking to a Conservative or a Liberal.

[*English*]

Therefore, the NDP seems to find itself in a situation of some confusion, relative to its normal state of mind. Nevertheless, we agree with the NDP fully on this motion.

The decision by the Conservative government represents a massive broken promise and will have negative implications for

middle-class Canadian families, Canadian retailers and even some of the world's poorest countries.

I was surprised to read about these tariff increases in budget 2013, as I clearly remember reading in the Conservatives' 2011 platform, in bold text no less, that they would “not raise taxes on Canadian consumers”. That is exactly what they have done here, a massive \$330 million tax on consumers.

With all due respect to the sanctity of the House, I would make the general proposition that from a normal or intellectual point of view, this debate is totally ridiculous because everybody knows, as stated by our new Liberal leader in question period, the dictionary definition of a tariff is a tax on imports. Everybody knows the Conservatives have raised tariffs by \$300 million, so they have raised taxes. That is clear and it is logical. I do not see any argument against it. If a tariff is a tax on imports, if imports go up \$330 million, that is a tax hike.

Now it is true the Conservatives cut some tariffs, but by a much smaller amount. Therefore, net tariff revenue has gone up, ergo, a tax increase.

This ridiculous argument that if it is the tariffs on China and India that go up, then it is not a tariff increase is stupid. A tariff is a tariff.

The market does not care whether it is a justified tariff or an unjustified tariff. If the tariff goes up, the cost of the good and the price of the good goes up and it is a tax. It does not matter whether members will argue that China and India no longer deserve these low tariffs. It still is the case that if those tariffs go up, prices go up, and that is a tax hike.

Mr. Speaker, I hope you will not mind if I mention a bit late that I would like to share half of my with the member for Winnipeg North.

That is the first case. This tariff hike is a tax hike. Any normal person would agree with that.

A second example is these EI premium tax hikes that the Conservatives keep doing. They have had three increases in EI, coming to nearly \$2 billion per year. Is that not a tax hike? If it is, how dare they say in the budget that they will not have any tax hikes. It is a tax hike. An employment insurance premium is a direct tax on jobs. Any increase in EI premiums is a tax hike, not just any old tax, but a tax on jobs, to the tune of close to \$2 billion a year. That is the second case where they were wrong.

I suppose the Conservatives could muddle around and say the word “tax” is not there. It is employment insurance premium, so we will not call it a tax hike. That is just fiddling with words. EI premium is a tax, it is a tax on jobs and it has to be counted as such.

Business of Supply

However, if they can pretend that a tariff increase is not a tax hike or an EI premium increase is not a tax hike, they certainly cannot pretend that an increase in the income tax rate is not a tax hike.

• (1740)

That is what the Conservatives did in 2006. They increased the income tax rate by half of a percentage point. This was published by CRA. It was a done deal. They tried to claim that they were lowering the tax rate by a half point.

[*Translation*]

What I am trying to say is that the Conservatives have increased taxes at least three times, whether we are talking about income tax or taxes related to employment insurance benefits or tariffs. Each time they denied what was obvious, but in each instance they increased taxes.

[*English*]

Why do the Conservatives play this game, which from an intellectual point of view appears to be ridiculous and evidently wrong? I think the only reason is that when we add the political element, they think they can get away with it. We all know that what they are saying is wrong. However, when they say repeatedly, again and again, that they are not raising taxes, even though it is evident that they are, the Conservatives hope that the public will not notice and that they can carry this message, even though it is untruthful, through to the public.

That is why we have motions like this today. It is to try to get the information out to the public that the Conservatives are doing what we all know they are doing, which is raising taxes. That is why, among other reasons, the Liberal Party is pleased to support this NDP motion in an attempt to help educate the public as to what the government is in fact doing, as opposed to what it says it is doing.

These taxes make it extremely hard for middle-class Canadian families to make ends meet. This is a tax directly on the items Canadians need to make their households run properly. It is a tax on bicycles, blankets, wigs, coffee makers, paint brushes, kitchen knives and iPods. Yes, the dreaded iPod tax is here, thanks to the Conservative government. This is the best part: the only way to avoid the iPod tax is to join the iPod registry. Does that sound like the gun registry? My goodness.

Some of these tax increases demonstrate a heartless disregard for Canadians. I have mentioned the tax on wigs. What group makes the greatest use of wigs? It is actually Canadians undergoing chemotherapy. I cannot believe that the Conservative government would willingly attack Canadian cancer patients like this.

What we are seeing is the end product of a hastily made policy done on the back of an envelope to meet an artificial deficit reduction deadline. In its 2011 platform, the government set an unrealistic deadline to eliminate the deficit. Now the Conservatives are scrambling to make it happen by doing calculations on the backs of envelopes and raising taxes on middle-class families when they said that they would not.

The government should understand that the Canadian tariff regime is a complex machine with many moving parts. To do something at the snap of a finger on the back of an envelope will obviously have

unintended consequences, such as the example of chemotherapy. I do not think that the Conservatives deliberately set out to attack people on chemotherapy, but they did not think things through. That is one of the unintended consequences of this very bad legislation.

I will end with one last point. I am not sure if this is an intended or unintended consequence. There are negative effects on the least developed, poorest countries in the world. When those countries import inputs for the manufacture of clothing, for example, from countries that are now seeing higher tariffs, such as India and China, Canada, when it imports things from these least developed countries, will have to impose higher tariffs, which will impose a burden not only on Canadian consumers but also on the residents of these least developed countries.

In conclusion, from the point of view of government honesty, to deny that it is raising taxes is a travesty. Indeed, these measures have negative effects for Canadian consumers, for people living close to the border and for some of the poorest countries in the world.

• (1745)

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I thank the hon. member for his comments on the Conservatives' efforts to raise taxes that are really going to hurt the average Canadian family. We have heard about taxes on school supplies, bicycles, shoes, iPads, iPods and hospital parking. I want to talk about the latter.

A few years ago, we had a family member who had a sudden illness and was in the hospital for about six weeks. Every family hopes to avoid something like that, but sometimes family members are in hospital for weeks or sometimes months. I know we were at the hospital every single day, and boy, the parking adds up. For an average family, paying that every single day as an unexpected charge can really hit a family hard at a time when they are already down with a family illness.

Could the hon. member comment on why the Conservative government would possibly hit Canadians while they are trying to deal with a family emergency like a major illness?

Hon. John McCallum: Mr. Speaker, the short answer is because they are Conservatives. The longer answer is that I said earlier that I did not accuse them of deliberately going after people taking chemotherapy. I do not think Conservatives would that, nor would any other party in the House, but I think they knew what they were doing in imposing higher parking charges on people visiting loved ones in hospitals over an extended period of time, and I agree with the hon. member that it is not an appropriate action for people in such conditions. Savings should be found in other ways that do not bear down in such an unfair and strong manner on a select group of vulnerable Canadians.

Business of Supply

● (1750)

Mr. Dan Albas (Okanagan—Coquihalla, CPC): Mr. Speaker, first I would like to ask the hon. member a question on preferential tariffs.

Preferential tariffs were given in 1974, the last time the program was reviewed, specifically to aid developing countries. I mentioned Brazil, Russia, India and China. It is in many of these countries that we see the most economic growth. When would the member support this policy being reviewed, if not now? Again, these tariffs have been around longer than I have.

Second, my understanding is that the Liberal Party has traditionally stood for free trade. If we do not have tariffs at some of these levels for some of these countries, there is no incentive for them to bargain and come to the table and enter into free trade agreements.

Finally, this government has reduced tariffs by over \$590 million, particularly around manufacturing equipment, because we see manufacturers producing right here in Canada. I would ask the member to please look at supporting those kinds of measures, because they are going to keep our economy growing.

Hon. John McCallum: Mr. Speaker, in this budget the tariff increases are \$330 million a year and the tariff decreases are \$76 million a year. I would remind the hon. member that 333 is bigger than 76, so it is a net increase in tariff revenue, which means a net increase in tax. The member's government said it would not have any increases in tax, and that is my basic point.

In terms of the member's other point, an increase in the tariff on goods from China, India or Brazil is an increase in the tariff as much as an increase on any other country in the world. It is equally a tax increase and would equally disadvantage Canadian consumers.

If the government thinks that low tariffs on China are a bad thing but does not want to hit Canadian consumers, it should raise the tariff on China and reduce the tariff on other countries so as to neutralize the negative effect on Canadian households. The Conservatives have deliberately created a strong negative effect on Canadian middle-class households. It is a tax hike, and that is wrong.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the opportunity that the member provided by agreeing to share his time.

It was just last week that a poll came out indicating that Canadians believe the Prime Minister is actually quite secretive and has failed to govern with high ethical standards. One only needs to reflect on some of the things that have been said today from the government benches to get a better understanding of why so many Canadians from coast to coast have this feeling that they just cannot trust the Conservatives, that there is a hidden message out there, and that the Prime Minister is not being straightforward with Canadians.

There is some irony there. The Leader of the Liberal Party gave a specific quote. He quoted a dictionary, the *Collins English Dictionary*. He stated that the dictionary said a tariff is "a tax levied by a government on imports". It is a tax.

If Canadians are asked what a tariff is at a breakfast nook or a Tim Hortons, or wherever it might be, or what it is when the government

increases a charge on a product coming into Canada, chances are they will appreciate that it is in fact a tax.

The government needs to concede that it is in fact bringing in tax increases, yet it is spending huge amounts of tax dollars—millions—on advertising its so-called action plan, which many, including myself, would argue is a dud. The government will spend millions of public dollars, tax dollars, telling Canadians that it is not increasing taxes, when in fact the government is increasing taxes and using tax dollars to try to convince Canadians that it is not increasing tax dollars. There is some irony in that.

We in the Liberal caucus recognize that a tax increase is a tax increase, and that is what this tariff is all about. It is going to generate in excess of a quarter of a billion dollars. The number of \$330-plus million is being used. We know for a fact that we are talking about at least a quarter of a billion dollars. That is a great deal of money.

Where is that money coming from? Who is going to be footing that bill? Who is going to be providing that additional revenue? It is going to be the middle class. It is going to be those individuals who aspire to be a part of the middle class. Those are the individuals who are going to have to pay for it.

We hear a lot about the iPods, and for good reason. At the end of the day, when we go back to the core of the question that the leader of the Liberal Party put to the Prime Minister today, what we are talking about includes tricycles, school supplies, and those little red wagons that quite often a child aspires to get, whether it is from the Canadian Tire department store or from the many other retail outlets across our land. These are relatively young parents who are trying to get the financial means to provide for their children in a productive fashion.

Many would argue that the middle class is a very important group of people, and the government is ignoring that group. It is ignoring this group because it believes it can take them for granted. On the one hand the government says it is not increasing taxes, but on the other hand it is using tariffs to garner \$300 million plus, and that is going to have an impact on the middle class. There is going to be a tax increase through this budget 2013.

● (1755)

There has always been a price gap. I have raised this today in the form of questions to both government and New Democrats in regard to recognizing the importance of the price gap between the United States and Canada.

Our population in good part lives along that border. With regard to consumers and retailers, I can speak from Manitoba's perspective, but I believe retailers across this land recognize that one of the greatest frustrations they have is justifying to consumers in Canada why our prices are a little higher than those of the United States.

Business of Supply

In good part, the new tax the government will implement this year will increase the price gap between Canada and the United States. We have independent economists who have acknowledged that will happen, that we will see a larger price gap. We have met with many different small business people throughout this country who are concerned about the price gap. The government has turned a deaf ear to one of the most important economic engines in our country today, which is small business. Small businesses are concerned about the price gap.

The government has done very little to address this very important issue. I would pose the question, and I am surprised that the government has not provided impact studies that have been done so that we would know first-hand the degree to which these tax increases will impact Canadians, both for consumers and for the potential jobs that could be lost because of the increase in the price gap.

I suspect, as in the past on many of the economic measures taken by the government, that it has not done its homework. My colleague from Markham—Unionville indicated that he does not necessarily believe that the Conservative government saw the impact of the increased tariff on wigs. We would like to think not. However, the government has now been made aware that the greatest consumers for wigs today are individuals who are receiving chemotherapy or cancer treatment. There are a good number of reasons why individuals require wigs. How will the government respond, now that the issue has been brought to its attention? We will have to wait and see.

It bears repeating that the government has a responsibility to be more transparent and accountable for the actions it is taking. There are tax increases in the budget. The middle class and our consumers from coast to coast will have to pay more because of these tax increases that are being imposed upon them. Some Canadians will be affected more than others because of their need for many of the products on which the tariffs are being applied.

I heard the other day the spending on the promotion of the economic action plan, the one I referred to as the dud, will be literally in the millions of dollars this year, to tell Canadians that we are not having tax increases, which is just not true. There are significant tax increases.

I challenge members of the Conservative government to stand in their place and acknowledge the reality that the PMO follows the debates in the chamber, and if individuals mention the economic action plan in a positive way, they get a gold star. If they say there is a tax increase in our budget, they are in a lot of trouble from the PMO.

• (1800)

The Conservatives cannot accept or acknowledge the facts. If they do that, even if they are not true, they are going to be in the far back corners of the Conservative caucus. I suspect that is one of the greatest challenges they have today.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, I know that the hon. member was listening very closely to the previous speaker and the last question that came from the other side. There is a logic there that I would like the member to comment on.

He said that these tariffs are really punishment for those countries that are not negotiating very well with free trade, and an attempt to give them a little push to move forward. As a result of that, Canadians are paying higher prices for all sorts of things.

I wonder if the member would like to make a comment about the idea of using rising tariffs to force countries into trade agreements, with the end result that things cost more for Canadians.

Mr. Kevin Lamoureux: Mr. Speaker, I believe that the member for Markham—Unionville addressed the question. He did a wonderful job of explaining that there are different ways in which we can administer tariffs.

At the end of the day, we would have liked to see a balanced approach. There was no balanced approach dealing with tariffs from the government. There is no consistent pattern. What we saw was the reduction of 37 tariffs.

The Conservatives went out of their way to try to tell Canadians how wonderful they are, patting themselves on the back and saying “Look, we have reduced these tariffs”, as if they had reduced taxes. Well, with those 37, yes they did do that. On the other hand, 1,300 tariffs were actually increased. We did not see any government press releases talking about how they increased the taxes.

There is a balance that is required.

• (1805)

Ms. Joan Crockatt (Calgary Centre, CPC): Mr. Speaker, it is kind of remarkable and almost ludicrous to see that the Liberals are expressing concern over taxes when they have voted against most of the 150 tax cuts that the Conservatives have put into place.

I would like to bust their myths by asking them to address a few of the facts. First and foremost is one that the member for Markham—Unionville, a former revenue minister, should know well. That is that Canada has the lowest federal tax burden in 50 years, including when he was the revenue minister.

He talked about raising taxes on families, when the truth is that taxes have gone down \$3,200 on average for every Canadian family. If we include the universal child tax benefit, they have gone down \$5,600. Tariffs have been cut by \$590 million.

Will the Liberals come clean and admit that Canadian taxes have come down to the lowest level in 50 years, under this Conservative government?

Mr. Kevin Lamoureux: Mr. Speaker, the member is very selective in terms of what she chooses to comment on.

Earlier today, we had a Conservative member stand in his place, glowing and trying to give the impression that the Conservatives were the best thing when it came to deficits. I indicated then that the reality is quite different from what the Conservatives try to portray.

The example I used then was how the Conservatives inherited a huge multi-billion dollar surplus and they converted it into a multi-billion dollar deficit. We can find that during the 1990s, the Reform-Conservatives voted against things such as balanced budgets and tariffs that were being reduced back then.

Business of Supply

I suspect that government to government, Liberals versus Conservatives, we will find that the Liberal Party would have come ahead of the Conservative Party on many different policy fronts, especially anything to deal with the financial—

The Acting Speaker (Mr. Bruce Stanton): Order, please. We have time for a very short question.

Questions and comments, the hon. Parliamentary Secretary to the Minister of International Cooperation, a short question.

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I had the opportunity over the last two weekends to spend time with the chambers of commerce in my riding. Newmarket and Aurora each had their own exposition, chamber home show, and I had the opportunity to speak not only to hundreds of vendors at those chambers but to thousands of my constituents.

I would like to ask my colleague whether or not, with all of the great rapport we have had with our chambers and the great feedback we have had about the budget, he has spoken to his chambers of commerce.

Mr. Kevin Lamoureux: Mr. Speaker, I have done better than that. I have talked to many constituents, some of whom no doubt are members of chambers. There is a responsibility for us to talk not only to some of those stakeholders but also to constituents.

I would put it in the form of a question to the member. Has she talked to her constituents who are now going to have to pay more for school supplies as a direct result of this tax increase? Has she talked to individuals who are going to have to pay more for the 1,200 and whatever number of tariff increases? What do her constituents have to say about those tax increases that her government is imposing on Canadians?

[*Translation*]

The Acting Speaker (Mr. Bruce Stanton): Before we resume debate, I must inform the hon. member for Québec that she only has five minutes for her speech, since it is the end of the time allotted for today's business of supply.

The hon. member for Québec has the floor.

Ms. Annick Papillon (Québec, NDP): Mr. Speaker, I will just take a few seconds to congratulate the Rouyn-Noranda Huskies, who won the game against my Quebec Remparts. I must wear their colours proudly.

In the last election, the Conservatives made a commitment not to increase the tax burden on Canadians. In the weeks prior to the tabling of budget 2013, the Minister of Finance reaffirmed this commitment, promising Canadians that no new tax increases would be announced in the budget.

The truth is that Canadian consumers will pay roughly \$8 billion more over the next five years. Budget 2013 is full of new tax increases on virtually everything, from hospital parking to credit unions and labour-sponsored investment funds. The most significant increases come from a change to import duties. The tariff hikes will increase the prices of some 1,290 types of products. As a result, Canadian consumers will have to pay more for a whole range of products.

According to the Retail Council of Canada, the changes in the classification of emerging countries for customs tariffs will increase the prices of some products by up to 18% and will far outweigh any lower prices that Canadians may pay because of the elimination of taxes on sporting goods and baby items.

Eliminating customs fees on children's clothing and sports equipment will deprive the government of \$76 million. This was supposed to be a savings for Canadians, but it is not. Through this increase on products imported from these 72 countries, the government will receive \$333 million a year. As such, the Conservative government has chosen to tax Canadian families to the tune of \$257 million and that is just in this year's budget. It is therefore not \$76 million in savings.

To name a few examples, tariffs on bicycles, strollers, coffee makers, school supplies and even iPods will go up. By increasing tariffs on over 80% of every type of import from more than 70 countries, the government is taking money directly out of Canadian consumers' wallets.

Sony Canada has warned consumers that they can expect an increase of 5% to 6% in the cost of MP3 players and iPods. This new 5% tax on iPods clearly illustrates the Conservatives' hypocrisy when it comes to tax increases.

This is what the Conservative member for Parry Sound—Muskoka said on December 14, 2010: “During this fragile economic recovery, the last thing Canadian families and consumers need is a massive new tax on iPods.”

It seems that the Conservatives changed their minds again, that they are bad managers or compulsive liars. It is very hard to tell which, but there is no doubt that the iPod tariff will go up. In the end, Canadians will have to pay more for MP3 players and many other consumer products.

For a government that has been saying for years how important it is to simplify the tax code, these changes are beyond comprehension and illustrate that the Conservatives are making things up as they go along. What the Conservatives are saying to consumers is that if a child has the opportunity to play hockey, then his parents might get to save some money. However, if his parents buy him a bicycle, then they are out of luck and they will have to pay more. It is illogical and outrageous.

Douglas Porter, chief economist at the Bank of Montreal and an expert on price disparity between Canada and the United States, indicated that these changes could further increase the price differences between the two countries. This situation could further damage Canadian businesses, which will find it even more difficult to compete with their American counterparts. Meanwhile, this cross-border price gap continues to widen. The government should be supporting Canadian retailers instead of giving consumers yet another reason to buy abroad.

A study conducted by the Bank of Montreal last year found that retail prices in Canada are still approximately 14% higher than those in the United States. Instead of giving Canadian families a break, the government is piling it on and increasing tariffs.

Adjournment Proceedings

• (1810)

However, the economic situation of Canadian families is far from perfect. At the end of 2012, Canadian household consumer debt was nearly 6% higher than the previous year, according to a report released in February 2013. According to Statistics Canada's latest calculations—

The Acting Speaker (Mr. Bruce Stanton): The hon. member's time has expired.

The hon. member for Skeena—Bulkley Valley on a point of order.

• (1815)

[*English*]

Mr. Nathan Cullen: Mr. Speaker, there have been consultations among the parties and I hope that if you seek it, you would find unanimous consent for the following:

[*Translation*]

That this House condemn the attacks perpetrated during the 2013 Boston Marathon and express its deepest sympathies to the victims of this senseless violence and to their families.

[*English*]

The Acting Speaker (Mr. Bruce Stanton): Does the hon. member for Skeena—Bulkley Valley have the unanimous consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bruce Stanton): The question is on today's opposition motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bruce Stanton): All those in favour of the motion will please say *yea*.

Some hon. members: *Yea*.

The Acting Speaker (Mr. Bruce Stanton): All those opposed will please say *nay*.

Some hon. members: *Nay*.

The Acting Speaker (Mr. Bruce Stanton): In my opinion the *nays* have it.

And five or more members having risen:

[*Translation*]

Ms. Nicole Turmel (Hull—Aylmer, NDP): Mr. Speaker, I request that the division be deferred until tomorrow, at the end of the time provided for government orders.

[*English*]

The Acting Speaker (Mr. Bruce Stanton): Accordingly the vote stands deferred until tomorrow at the end of government orders.

Hon. Gordon O'Connor: Mr. Speaker, I ask that you see the clock at 6:30 p.m.

The Acting Speaker (Mr. Bruce Stanton): Is that agreed?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

PUBLIC WORKS AND GOVERNMENT SERVICES

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, last December I and my colleague, the hon. member for Louis-Hébert, put a number of questions to the Minister of Public Works and Government Services. Those questions had to do with the need for a more transparent and more accountable regime for government procurement. Both my colleague and I have been receiving successive calls from business sectors across this country about the way procurement is now being governed by the current government.

By way of example, last December we had raised the matter of the contract with SNC-Lavalin to manage 323 federal buildings for almost half a billion dollars a year. The contract allowed for significant subcontracting, and that appears to be the case on most occasions in contracting with this federal government. Increasingly, there are centralized one-person-only or one-corporation contracts and considerable subcontracting. That raises a lot of issues, which I will go into.

It had been revealed that a number of the subcontractors under the SNC-Lavalin contract had billed the government for outrageously overpriced costs, yet even though this is public money, we are advised that the subcontracts are considered private. This policy opens the door to potential abuse, as was discovered when the government finally contracted an audit: it found this abuse.

We called on the Minister of Public Works and Government Services to conduct an audit to ensure that taxpayers are getting their money's worth in terms of both building management and the awarding of subcontracts.

The minister's response was that contractual obligations were limited to the general contractor. She also limited her duty, apparently, to ensuring the lowest bid from the general contractor, but there was no obligation to ensure the same to be the case with the subcontractors, the presumption being that ensured savings would flow to the taxpayer if they simply took the lowest bid as the primary factor in issuing contracts.

There was no mention of any need to ensure lowest bid for the many subcontractors, yet an audit contracted by the Minister of Public Works and Government Services in 2011 reported numerous absurdly overpriced billings, including \$1,000 to install a doorbell and \$2,000 for two plants. The minister advised that all the recommendations by PricewaterhouseCoopers, the audit company, have been implemented, including increased oversight and monitoring of this contract, and ordered in late 2010 a reprocurement of the contract. Of note, the contract was again issued to SNC-Lavalin.

Adjournment Proceedings

Parties seeking subcontracts under the SNC-Lavalin half-billion-dollar per year federal building contract have continued to raise concerns. They relate to fairness, transparency and efficacy in the bidding process. The minister provided reassurances that the integrity of this contract is governed by a new integrity framework. She offered a briefing to me on the new, improved system. I am looking forward to finally receiving this briefing at the end of May.

In the interim, I have unfortunately continued to receive pleas from numerous Canadian business sectors, ranging from companies providing and servicing shredders to the government to companies relocating RCMP, military and federal workers. All of these companies have complained about the new one-size-fits-all contracting process. All have raised concerns about the centralization of contracts and reduced opportunities for local suppliers. All complain of the lack of transparency. All are concerned that there is no longer genuine consultation, and they are concerned about the RFPs.

● (1820)

[Translation]

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Public Works and Government Services, for Official Languages and for the Economic Development Agency for the Regions of Quebec, CPC): Mr. Speaker, I am pleased to respond to the hon. member for Edmonton—Strathcona. I am delighted that she asked to have an adjournment debate on this topic.

As part of enhancing the integrity of the real property and procurement process, Public Works and Government Services Canada is constantly reviewing and strengthening its measures to improve integrity.

In 2007, as part of the Federal Accountability Act and the federal accountability action plan, Public Works and Government Services Canada added a code of conduct for procurement to its RFP documents as well as measures to render suppliers ineligible to bid on procurement contracts if they have been convicted of fraud or if they have paid a contingency fee to a person to whom the Lobbying Act applies.

In 2010, Public Works and Government Services Canada added an offence to its list of measures regarding integrity, thereby rendering suppliers ineligible to bid on procurement contracts if they have been convicted of corruption, collusion, bid-rigging or any other anti-competitive activity.

In July 2012, Public Works and Government Services Canada implemented additional measures to strengthen the integrity of its real property and procurement operations. As a result of these measures, the department is strengthening due diligence, reducing the risk of fraud and improving its ability to manage risk.

Allow me to summarize. We have already put in place provisions allowing us to render ineligible bidders found guilty of one of the following offences: fraud against the government under the Criminal Code of Canada; fraud under the Financial Administration Act; corruption, collusion, bid-rigging or any other anti-competitive activity under the Competition Act; and the payment of contingency fees to a person to whom the Lobbying Act applies.

On July 11, 2012, Public Works and Government Services Canada extended the application of integrity provisions to its real property

transactions, such as leasing contracts, and added six additional offences that would render suppliers ineligible to do business with departments: money laundering, participation in the activities of criminal organizations, income and excise tax evasion, bribing a foreign public official and drug trafficking.

These measures went into effect when announced and apply to all future PWGSC solicitations and real property transactions, which include leasing agreements, letting of space and acquisition and disposal of Crown-owned assets.

These measures will also allow the department to terminate contracts and leases with companies or individuals that are convicted before the end of their contract or lease.

● (1825)

[English]

Ms. Linda Duncan: Mr. Speaker, I would like to thank the parliamentary secretary for his response. Regrettably, I have not had any response to these issues that Canadian businesses are raising with me. For example, I am told that the government is moving toward a one-size-fits-all for all contracting processes and limiting the opportunity for local businesses to be engaged in the supply of business and services to the Government of Canada.

For example, in the case of the relocation contract, it used to be the case where major contractors sat down with Public Works and Government Services, talked about what the needs were and then would go off and prepare their bids. Now it is divide and conquer. One comes in at a time and there is no genuine consultation. There is deep concern that the subcontractors who relocate people from small communities are going to miss out because of the way they are moving in the bidding.

I am wondering if the member could advise what new measures are in place to watchdog the subcontractors also, because that appears to have been the major problem determined by the auditors.

[Translation]

Mr. Jacques Gourde: Mr. Speaker, our government has brought in accountability measures to ensure the appropriate use of taxpayers' dollars. Those measures are designed to ensure that we do not deal with fraudulent businesses.

PWGSC can refuse bids from suppliers found guilty of the following offences: fraud against the government under the Criminal Code of Canada, fraud under the Financial Administration Act, corruption, collusion, bid rigging, any other anti-competitive activity under the Competition Act and the payment of contingency fees to individuals covered by the Lobbying Act.

Adjournment Proceedings

In addition, PWGSC added the following to the list of offences that prevent businesses and individuals found guilty of those offences from bidding on contracts. The added offences are money laundering, involvement in organized crime, tax evasion and non-payment of excise taxes, bribery of foreign public officials and, lastly, drug trafficking.

We are very proud of the efforts made by our department to ensure accountability and integrity in the way we do business.

INTERNATIONAL CO-OPERATION

Ms. Hélène Laverdière (Laurier-Sainte-Marie, NDP): In December of last year I asked the Minister of International Cooperation why the government had cut funding to the Centre for Excellence in Corporate Social Responsibility, one of the pillars of the government's Corporate Social Responsibility strategy launched in 2009.

The response from the minister at the time was that Canadians can be proud of the results that their tax dollars are achieving abroad. What is funny is that the minister made no reference to the Centre for Excellence in his response. The term "corporate social responsibility" seems to have been banished from the Conservatives' vocabulary.

Since I asked this question, we have learned that five civil society organizations—Amnesty International, KAIROS, Mennonite Central Committee Canada, MiningWatch and the United Steelworkers—have left the centre's executive committee due to the government's refusal to fund the centre.

[English]

The Centre for Excellence in Corporate Social Responsibility brought together mining companies, Canadian civil society groups and government representatives from Foreign Affairs and International Trade Canada, Natural Resources Canada and the Canadian International Development Agency. Frankly, it was the only working element of Canada's CSR policy.

The government has given no explanation for ending its support of the centre.

A multi-stakeholder approach is essential for dealing with the challenges inherent in developing a CSR policy. We need constructive engagement. We must encourage civil society to sit down with government and mining companies to develop a better policy based on international standards of transparency and accountability. We need all the actors at the table to advocate for responsible management of natural resources that would enable countries to derive and sustain social and economic benefits from their natural resources.

• (1830)

[Translation]

Just after announcing the end of funding for the centre, the government announced new funding to the tune of \$25 million dollars over five years for the creation of a Canadian International Institute for Extractive Industries and Development. The money is clearly there. It is just that this government does not seem to want constructive engagement and a multi-stakeholder approach.

The fact is, this situation is a travesty. The Canadian brand is suffering abroad. Canadian companies are facing lawsuits and challenges in the area of human rights and environmental impacts. A transparent process that stakeholders and the public find to be credible would help improve Canada's image and would also help businesses that comply with the strictest standards.

[English]

Canadians want our companies to be successful and responsible representatives of Canada, and Canadian companies want clear and consistent standards for international business. We should facilitate this through a stronger CSR strategy, not by cutting one of the only good tools we have.

With this in mind, I ask the government why it has turned away from any semblance of a commitment to a strong CSR strategy. Will it reverse its decision to cut funding to the Centre for Excellence in Corporate Social Responsibility and admit that it was a very bad decision?

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I would encourage my colleague to take a look at the Equator Principles, which are international standards that Canada signed onto when those Equator Principles were constructed. We have a counsellor and we are working very well within that framework.

I also would like to say that I did not see her at the PDAC convention in March, in Toronto, where every country in the world was there, asking for Canadian expertise. Every country in Africa had a kiosk at that convention because they are looking to Canadian expertise in our extractive industries to come and bring that expertise into their country to help them develop their resources.

I am very pleased to have the opportunity to speak about the good work that our extractive industries are doing globally and what part they can play in international development. We want to help bring millions of people out of poverty by achieving sustainable economic growth. We want to see families, communities and, ultimately, developing countries, sustain economies and set out on a plan of prosperity.

We are doing exactly that in ways that promote the best of Canadian values. It is our duty to explore all partnerships and all innovative ideas to meet this critical objective. Our government is proud to partner with organizations that share our commitment to responsible resource development. Development that respects those resources beneath the earth of a given country should benefit the people who live above the earth of that country, especially those most in need.

Canada has an expertise in natural resources and we are pleased to share our knowledge with developing countries that are asking us to do just that.

Amadou Koné, the ambassador of Burkina Faso, said, “Burkina Faso needs help training workers and building human resources; Canadian companies can assist with that.”

The Peruvian ambassador, José Antonio Bellina, advocates for a win-win situation through private sector partnerships for development.

Canada's resource sector leads the world in responsible mining practices. The reality is that oil, gas, and mining are increasingly important sources of economic growth, revenue, and employment in the developing world.

In 2011, exports of oil and minerals from Africa, Asia, and Central and South America were more than 10 times the value of international development assistance provided to developing countries in the same year. Trends show that this will only increase.

Canadians know that a responsibly managed extractive sector can be a force for positive change. This translates into jobs, social services, and improved livelihoods so people can lift themselves out of poverty.

Our government has achieved results in the area of private sector partnerships. Thanks to a partnership with World University Service of Canada and Rio Tinto, residents in Ghana will have better educational services, better water and sanitation. And thanks to a partnership between Plan Canada and IAMGOLD, 10,000 youth in Burkina Faso will be trained with real job skills.

Our government's work will be further bolstered by the new Canadian International Institute for Extractive Industries and Development which will harness Canadian and international expertise and best practices to provide developing countries with additional resource governance support.

Development is not about dependency. It is about helping those in need to get a leg-up so they can prosper.

• (1835)

[*Translation*]

Ms. Hélène Lavergère: Mr. Speaker, I must admit that I like to hear my hon. colleague talk about the importance of working with all of the partners. That is precisely one of this government's main problems.

It wants to work with the extractive industry but does not seem to do much with other private companies. It seems to focus exclusively on that sector.

Furthermore, there is no call for proposals for partnerships with Canadians. The government seems to be less inclined to work with civil society organizations. The list could be very long.

[*English*]

When I hear that all partnerships are important, I feel a bit in doubt that this is the policy followed by the government. As for the counsellor for CSR, unfortunately, the counsellor does not have the tools that person needs. Therefore, I think it is a very weak answer on the part of the government.

Ms. Lois Brown: Mr. Speaker, as I said, our government is committed to poverty alleviation and achieving results for those most

Adjournment Proceedings

in need. That is why we created the Canadian International Institute for Extractive Industries and Development. It will help developing countries manage and govern their natural resources responsibly and ensure that the benefits are maximized for the people and for long-term development.

Finally, if the hon. member does not agree with partnering with the private sector, I ask her to refer to the comments of her colleague, the member for Newton—North Delta, who said when she was a member of the foreign affairs committee:

It really shows how much of a difference we can make when we work together. Symbiosis occurs when you can get partnerships established.

CITIZENSHIP AND IMMIGRATION

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP):

Mr. Speaker, the Conservative cuts to the interim federal health program have left vulnerable newcomers in a very precarious and difficult position in Canada. The interim federal health program provided crucial temporary health benefits to refugees and asylum seekers until they became eligible for provincial health coverage.

The Conservative cuts deny access to health care for large numbers of refugees and claimants, threatening the health of refugees, many of whom face health concerns due to the fact that they have left everything they own to flee from situations of persecution, violence and torture in their home countries. These punitive and mean-spirited Conservative cuts categorize refugees into different groups, each of which receive different health care coverage. Refugees from so-called safe countries, a list that is created at the discretion of the minister, are cut off from even basic medical coverage, completely turning a blind eye to the refugees' individual experience and need for medical care.

Along with the New Democratic Party, medical experts, front-line health care workers and refugee support workers across the country have condemned these cuts, stating that they are unfair, unethical and inhumane.

Not only have the changes hurt some of the most vulnerable, but costs are being downloaded to the provinces and communities across the country. I raised this issue the previous time because these short-sighted cuts were actually impacting a volunteer-run clinic in my riding of Scarborough—Rouge River. The volunteer clinics, offered by the Muslim Welfare Centre, provide services to all in the community. They are feeling significantly overwhelmed because of the changes to the interim federal health program and because of these cuts. It does not make sense to me that the government believes that volunteer-run community clinics should pay for this misguided decision.

Adjournment Proceedings

Experts also state that these cuts will only end up costing Canadians more, as untreated conditions will lead to more expensive hospital care further down the road. Since these cuts have been implemented, we have all heard horrible stories of refugees denied proper health care, cancer patients whose treatments have been cut off, children with asthma unable to receive their medication and forced to wait until their next attack and be hospitalized. Refugees who are experiencing post-traumatic stress disorder have had their medications cut off, and what about the stories that have not been made public yet?

Since the Conservative cuts to the interim federal health program, refugees are suffering and the health of those seeking refuge in Canada has been jeopardized. Given that these Conservative cuts are demonstrably impacting refugees with legitimate health concerns, including vulnerable groups like children, pregnant women, cancer patients and the elderly, will the government reverse these mean-spirited cuts?

• (1840)

Mr. Rick Dykstra (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, the member for Scarborough—Rouge River is quite aware of the interim federal health fund. If not, I am happy to speak to the changes made by a prior government, the reasons those changes were made and the purpose of the interim federal health plan that still exists for those who come to this country seeking asylum.

The interim health fund actually began in 1957 to prepare those coming to this country, from an immigration perspective, to ensure that there was some form of health care for them as they transitioned and began their lives here in Canada. In the early seventies, the program was expanded when we began to take on our responsibility as a country for those in this world who were seeking asylum. They were fleeing their countries of origin because they may have been facing persecution or at the very least were in danger and were looking for an alternative place to call home. Canada was one of those countries that stepped up to the plate.

To this day, Canada resettles one in every 10 refugees in this world. When we think about that in terms of our size, in terms of the advancement we have made to assist these individuals and families who come to our country truly seeking refuge and who deserve to be designated refugees, we are more than doing our part.

Our doors have always been open. They continue to be open to immigrants and to genuine refugees, but Canadians have no tolerance for those who abuse the system and our generosity. The member lumps all those together in this file as if they are one group of individuals or families. That is simple not the case. We need to distinguish between refugees, asylum claimants and failed asylum claimants.

We have a system in which true refugees still receive interim federal health. They still receive assistance. It is on par with that of Canadians who do not have any type of additional assistance for health care, such as, for example, my mother, who is in her early seventies. She does not receive extended benefits. She does not have an extended pension. All those who fall under this category as refugees are at the very least able to receive the same services my mother enjoys. I do not know that all Canadians would actually see

that as wrong. I think they would see that as fair. I certainly see that as fair.

When we look at those who have taken advantage of this system, those bogus asylum seekers who came to this country for no reason other than to take advantage of our social services and health care, they chose to go back to their countries of origin the day before they had the opportunity to stand in front of the Immigration and Refugee Board. They took somewhere up to a thousand days, in some cases.

We think Canada is a place for those who seek refuge and deserve it. They will receive interim federal health. I think my colleague understands that those individuals who are not truly refugees should not be taking advantage of the system.

• (1845)

Ms. Rathika Sitsabaiesan: Mr. Speaker, these types of responses from the parliamentary secretary truly demonstrate why it is that the NDP stands alongside refugees and the newcomer community in this country. We listen to experts and those with first-hand experience when it comes to these issues. These cuts are unjust. They create a two-tiered health care system among refugee claimants.

The parliamentary secretary reminded us that Canada resettles one in 10 refugees in the world. Now we are creating a two-tiered health care system among them. Once again, those who seek asylum in Canada are not bogus queue-jumpers, as we heard, once again, from the Parliamentary Secretary to the Minister of Citizenship and Immigration and many members opposite. They are actually people who are seeking protection. Refugees are not coming to Canada to abuse our system. They are fleeing for their lives. This is why we have a refugee determination system in place. We need to ensure that it has the resources to make sound and timely decisions. In the meantime, refugee claimants and refugees may require temporary help. It is not fair for the government to say that all refugee claimants or asylum seekers are bogus claimants.

My question, once again, is whether the government will listen to health care professionals, physicians and everyone involved and restore the temporary health benefits for refugees and asylum seekers.

Mr. Rick Dykstra: Mr. Speaker, we have listened. We listened to Canadians and those across the country who know this system extremely well, Canadians who have heard what the arguments are on both sides of the table.

The member should listen to people in the country and in her constituency who do not think those who take advantage of our system deserve additional health care, not only the fact that they do not deserve it in the first place because they are not true refugees but who receive it over and above, including eyeglasses, dental and prescription drugs. That is an unfair system.

Canadians told this government it was an unfair system. They asked us to change the system. We did. We set in place a program. I am not sure why the member is referring to queue jumpers, which has little or nothing to do with this subject.

The fact is we have a system in place that is fair to those who deserve it and those who take advantage of it are no longer able to.

Adjournment Proceedings

[*Translation*]

The Acting Speaker (Mr. Bruce Stanton): The motion to adjourn the House is now deemed to have been adopted.

Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:49 p.m.)

CONTENTS

Monday, April 15, 2013

GOVERNMENT ORDERS

Business of Supply

Opposition Motion—Budget 2013

Mr. Rankin	15377
Motion	15377
Ms. Rempel	15378
Mr. Hsu	15379
Mr. Gravelle	15379
Mr. Caron	15379
Mrs. Glover	15380
Mr. Lamoureux	15381
Ms. Sitsabaiesan	15381
Mrs. Glover	15381
Mr. Côté	15384
Mr. Hsu	15384
Ms. Brown (Newmarket—Aurora)	15385
Mr. Caron	15385
Mrs. Ambler	15386
Mr. Brison	15386
Mr. Rafferty	15387
Mrs. Glover	15388
Mr. Easter	15388
Mr. Côté	15389
Mr. Moore (Port Moody—Westwood—Port Coquitlam)	15390
Ms. Nash	15390
Mrs. McLeod	15391
Mr. Lamoureux	15391
Mrs. Groguhé	15391
Mr. Côté	15392
Mr. Lamoureux	15393
Mr. Caron	15393
Mr. Donnelly	15393
Mrs. McLeod	15394
Ms. Nash	15396
Mr. Garneau	15396
Mr. Butt	15397
Mr. Caron	15397
Ms. Crockatt	15397
Mrs. Groguhé	15397
Mr. Caron	15398
Ms. Sitsabaiesan	15399
Mr. Thibeault	15399
Mr. Calandra	15401

STATEMENTS BY MEMBERS

Kelly Gruber Performance Baseball Camp

Mr. Lobb	15401
----------------	-------

Rehtaeh Parsons

Mr. Chisholm	15401
--------------------	-------

Justice

Mr. Bezan	15401
-----------------	-------

Leader of the Liberal Party of Canada

Mr. Garneau	15402
-------------------	-------

Headwaters Health Care Centre

Mr. Tilson	15402
------------------	-------

The Conservative Government

Mr. Nunez-Melo	15402
----------------------	-------

Israel

Mr. Lunney	15402
------------------	-------

Vaisakhi

Mr. Gill	15402
----------------	-------

Vaisakhi

Ms. Sims	15403
----------------	-------

Ralph Klein

Mr. Calkins	15403
-------------------	-------

Peter Kormos

Mr. Allen (Welland)	15403
---------------------------	-------

New Democratic Party of Canada

Mrs. Gallant	15403
--------------------	-------

Leader of the Liberal Party of Canada

Mr. Cuzner	15404
------------------	-------

Veterans Affairs

Mr. Kramp	15404
-----------------	-------

New Democratic Party of Canada

Mr. Boulerice	15404
---------------------	-------

Lady Margaret Thatcher

Ms. Rempel	15404
------------------	-------

ORAL QUESTIONS

Employment

Mr. Mulcair	15404
Mr. Harper	15405
Mr. Mulcair	15405
Mr. Harper	15405
Mr. Mulcair	15405
Mr. Harper	15405
Mr. Mulcair	15405
Mr. Harper	15405
Mr. Mulcair	15405
Mr. Harper	15405
Mr. Mulcair	15405
Mr. Harper	15405

Taxation

Mr. Trudeau	15405
Mr. Harper	15406
Mr. Trudeau	15406
Mr. Harper	15406
Mr. Trudeau	15406
Mr. Harper	15406

The Environment

Mr. Julian	15406
Mr. Oliver	15406
Mr. Julian	15406
Ms. Rempel	15406

Taxation

Ms. Nash	15406
Mr. Menzies	15407
Ms. Nash	15407
Mr. Menzies	15407

Canada Revenue Agency

Mr. Rankin	15407
Mrs. Shea	15407
Mr. Rankin	15407
Mrs. Shea	15407
Mr. Caron	15407
Mrs. Shea	15407

Taxation

Ms. Papillon	15407
Mr. Menzies	15408
Ms. Papillon	15408
Mr. Menzies	15408
Mr. Brison	15408
Mr. Menzies	15408
Mr. LeBlanc (Beauséjour)	15408
Mr. Menzies	15408
Ms. Murray	15408
Mr. Menzies	15408

Ethics

Mr. Angus	15409
Mr. Poilievre	15409
Mr. Harris (St. John's East)	15409
Mr. Poilievre	15409

Democratic Reform

Ms. Latendresse	15409
Mr. Uppal	15409
Mr. Scott	15409
Mr. Uppal	15409

Infrastructure

Mr. Watson	15410
Mr. Lebel	15410

International Co-operation

Ms. Laverdière	15410
Mr. Fantino	15410
Mr. Dewar	15410
Mr. Fantino	15410

Health

Ms. Davies (Vancouver East)	15410
Mrs. Aglukkaq	15410
Mrs. Hughes	15410
Mrs. Aglukkaq	15411

Ethics

Mr. Andrews	15411
Mr. Poilievre	15411

National Defence

Ms. Foote	15411
Mr. MacKay	15411

Fisheries and Oceans

Mr. Chisholm	15411
Mr. Kamp	15411
Mr. Donnelly	15411
Mr. Kamp	15411

Veterans Affairs

Mr. Hayes	15412
Mr. Blaney	15412

Canadian Food Inspection Agency

Mr. Valeriote	15412
Mr. Ritz	15412

Official Languages

Mr. Godin	15412
Mr. Fantino	15412

Canada Revenue Agency

Mr. Shipley	15412
Mrs. Shea	15412

Health

Mr. Côté	15412
Mr. Lebel	15413

1982 Repatriation of the Constitution

Mr. Fortin	15413
Mr. Bernier	15413
Mrs. Mourani	15413
Mr. Bernier	15413

Presence in Gallery

The Speaker	15413
-------------------	-------

Rehtaeh Parsons

Mr. Chisholm	15413
--------------------	-------

ROUTINE PROCEEDINGS**Chief Electoral Officer**

The Speaker	15413
-------------------	-------

Canadian Human Rights Tribunal

The Speaker	15414
-------------------	-------

Federal Electoral Boundaries Commission

The Speaker	15414
-------------------	-------

Government Response to Petitions

Mr. Lukiwski	15414
--------------------	-------

Petitions

Sex Selection	
Mr. Payne	15414

Search and Rescue

Mr. Donnelly	15414
--------------------	-------

Shark Finning

Mr. Donnelly	15414
--------------------	-------

Public Safety

Mr. Hsu	15414
---------------	-------

Health of Animals and Meat Inspection		Mr. Kellway	15429
Mr. Atamanenko	15414	Mr. Lamoureux	15430
Animal Welfare		Mr. Fletcher	15431
Mr. Atamanenko	15414	Ms. Michaud	15431
Human Trafficking		Mr. Côté	15432
Mr. Atamanenko	15414	Mr. Lamoureux	15433
Mrs. Mourani	15415	Mr. Van Kesteren	15433
Mr. Eyking	15415	Mrs. Groguhé	15436
Chief Firearms Officers		Mr. Cotler	15436
Mrs. Gallant	15415	Mr. Watson	15436
Experimental Lakes Area		Mr. Caron	15437
Mr. Hyer	15415	Mr. Rafferty	15437
Ms. May	15415	Mr. Fletcher	15438
The Environment		Mr. Gravelle	15439
Ms. May	15415	Mr. Côté	15439
Assisted Suicide		Ms. Sims	15439
Ms. May	15415	Mr. Albas	15440
Questions on the Order Paper		Mr. Lamoureux	15440
Mr. Lukiwski	15415	Mr. Gravelle	15441
Questions Passed as Orders for Returns		Mr. McCallum	15441
Mr. Lukiwski	15419	Ms. Nash	15442
Mr. Lukiwski	15422	Mr. Albas	15443
Request for Emergency Debate		Mr. Lamoureux	15443
The 1982 Repatriation of the Constitution		Mr. Rafferty	15444
Mr. Fortin	15422	Ms. Crockatt	15444
Privilege		Ms. Brown (Newmarket—Aurora)	15445
S. O. 31		Ms. Papillon	15445
Mr. Chong	15423	Ms. Turmel	15446
Mr. Lemieux	15424	Division on motion deferred	15446

GOVERNMENT ORDERS

Business of Supply	
Opposition Motion—Budget 2013	
Motion	15426
Mr. Adler	15426
Mr. Rafferty	15428
Mr. Lamoureux	15428
Mr. Watson	15428
Mr. Côté	15429
Ms. May	15429

ADJOURNMENT PROCEEDINGS

Public Works and Government Services	
Ms. Duncan (Edmonton—Strathcona)	15446
Mr. Gourde	15447
International Co-operation	
Ms. Laverdière	15448
Ms. Brown (Newmarket—Aurora)	15448
Citizenship and Immigration	
Ms. Sitsabaiesan	15449
Mr. Dykstra	15450

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