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OFFICIAL REPORT
(HANSARD)

Wednesday, June 15, 2005
Part A

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, June 15, 2005

The House met at 2 p.m.

Prayers

• (1400)

[English]

The Speaker: As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Elgin—Middlesex—London.

[Members sang the national anthem]

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POINTS OF ORDER

TABLING OF DOCUMENTS

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, yesterday I made a commitment to table copies, in both official languages, of correspondence that was referred to in question period. I would like to now table those copies.

STATEMENTS BY MEMBERS

[English]

HUMAN RESOURCES CENTRES

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, the Human Resources Centre of Canada for students in Brampton and the one in Malton recently opened their doors for the summer. These centres help students find work and help employers find qualified student employees.

These centres provide extensive support services to job seekers. They have fax machines, photocopiers, work space, Internet and computer access, and a great variety of written, video and computer resource materials. Students can find information about opportunities in certain industries and job search techniques.

As the MP for Bramalea—Gore—Malton, I visit employers every year to encourage them to hire students. The money earned with a summer job is what helps pay their tuition.

I would therefore encourage all employers and homeowners in my riding and across Canada to place a job order with a local student employment centre this season.

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CRYSTAL METH

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, crystal meth is devastating individuals, families and communities in Yellowhead and across the nation. Fortunately, governments are beginning to wake up to this growing social menace.

Last week, ministers from the western provinces and the territories held a summit to tackle the problem. They are taking action and urging the federal government to do its part.

I have pushed this issue with my own private member's bill, Bill C-349, which would allow the RCMP to lay charges for the possession of crystal meth precursors. This persistence has paid off with the government's announcement on Friday of the proposed changes to the federal drug regulations.

A question that remains is how long will it take for the RCMP to have these tools at their disposal?

We also need tougher sentences for meth possession and trafficking, and minimum sentences so that those who destroy lives serve real time.

We need tougher enforcement and stronger laws. Thousands of lives hang in the balance.

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ROCK OF HONOUR

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, in August 1945, the second world war ended and Canada welcomed home, with pride and gratitude, the victorious men and women of the armed forces.

In Wallaceburg, Walpole Island, Mitchell's Bay and surrounding areas, the returnees became leaders in business, industry, education, agriculture and other endeavours in the Canadian way of life. They served as volunteers, leaders, coaches and mentors. These men and women developed their country and communities, making Canada a much better place to live.

In the fall of 2000, an idea was born by Gert McClure to create a lasting tribute to recognize the service and sacrifices of these local veterans called the Rock of Honour.

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On June 12, I had the privilege to attend the dedication ceremony for the Rock of Honour in Wallaceburg. The names of 1,831 individuals from the area who served in the second world war are now flanked in granite.

The Rock of Honour will remind people about the service and sacrifices made by these individuals and will help to inspire local residents to build a community and a country that these veterans would be proud of.

I congratulate the Rock of Honour committee and all the volunteers who made this vision into a reality.

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• (1405)

[Translation]

HUGH THOMSON

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, I want to tell you about a man in my riding of Compton—Stanstead who is 75 years young.

I am talking about Hugh Thomson, who just completed his 20th year as an international volunteer advisor with CESO, just about everywhere in the world.

Thanks to his expertise in business management and marketing, particularly in the steel and aluminum industry, Mr. Thomson is making a contribution in such varied countries as Russia, Slovakia and a number of Central American countries. His latest assignment was in China, at the request of a state company specializing in aluminum smelting that was being privatized.

The Bloc Québécois wishes to extend warm greetings and congratulations to Mr. Thomson on the commitment he has made for the past 20 years.

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BALMORAL TROUT FESTIVAL

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, on June 5, I had the great pleasure of attending a breakfast put on by the Balmoral municipal council during the Balmoral trout festival, held in my riding from June 2 to 5.

The Balmoral trout festival was held this year after a group of volunteers decided to revive the event after a 10-year hiatus. The festival was held to raise funds for the Balmoral community centre.

The festival's revival was a resounding success, and I want to congratulate the co-chairs of this event, Jenny Chouinard and Manon Pelletier, and all the volunteers who helped organize it. I am also pleased to say that the organizing committee has announced that this festival will be held again in 2006.

Finally, I want to thank the Balmoral municipal council for inviting me to breakfast.

[English]

THE ENVIRONMENT

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, whether one lives in Ontario, the Fraser Valley, Montreal or any of our big cities, the message is the same. Our air quality is worse now than it has ever been and people are getting sick and suffering chronic diseases because of it.

So far this year Toronto alone has suffered through a record 20 smog days. Our air quality is worse now than it has ever been. The OECD has ranked Canada nearly dead last in environmental integrity. And where is the environment minister in this? On Clean Air Day last week he announced the formation of a website. Now we can sit inside and read about how filthy the air is. The environment minister has no will to see the problem solved.

When will the government finally realize that Canadians depend on immediate and real action, not just talk?

I call on all our colleagues and fellow Canadians to support an effective Conservative plan to clean our air and promote health for generations to come.

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BRUCE ERSKINE

Hon. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I rise today to remember Bruce Erskine, a well-respected member of the St. Catharines community, who passed away on June 4, 2005.

Bruce Erskine's life revolved around rowing. Literally thousands of athletes and officials are involved in the amateur sport today because of him. He was motivated by his own positive experience as a young rower. He wanted every young person to share that same experience. His coaching philosophy was not how one placed but how one tried.

Bruce and Sue Erskine met as young teenagers, married and raised four children. Bruce was a supervisor at General Motors and retired in 1992. Bruce was as supportive of young athletes as he was of Sue's political career. He was fully supportive of her successful bid as a St. Catharines city councillor and as deputy mayor.

This kind and unpretentious man left an impact on the lives of everyone that he touched. Bruce did not coach rowing, he coached life. His patience and leadership will always be remembered and appreciated.

It was my privilege to know Bruce Erskine and to call him my friend. I extend heartfelt condolences to Sue and his children, Susan, Kathy, Harry and Jenny and his grandchildren.

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• (1410)

[Translation]

DRINKING WATER

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, I am proud to announce to the House the creation of a drinking water research chair at Laval University.

Thanks to a funding agreement with the city of Quebec, this chair will be able to carry out research on water supply, treatment and distribution, as well as developing new tools to improve the management of this vital resource.

I am extremely pleased with this agreement, which will provide Quebec City with local expertise that will allow it to remain on the leading edge of technology and knowledge in all aspects relating to drinking water.

The Bloc Québécois congratulates Quebec City and Laval University for the creation of this research chair, which will once again contribute to making Quebec one of the world's leaders in drinking water management.

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CAROLINE FAUCHER

Hon. Claude Drouin (Beauce, Lib.): Mr. Speaker, I am proud to have this opportunity to pay tribute to a young woman from Beauce, 19 year-old Caroline Faucher.

At this May's WorldSkills Competition in Finland, she was named the world champion in graphic design technology. This international competition brought together 800 competitors from 42 different countries in 39 different skill areas.

This richly deserved honour is well worth our recognition. The talented Ms. Faucher rose to this challenge with great flair. Beauce and Canada are proud of her.

Congratulations must go not only to Ms. Faucher but also to the great staff of the Centre d'imprimerie de la Chaudière, in Beauceville, where she learned her trade.

This printing centre is operated under the auspices of the Beauce-Etchemin school board and does an excellent job of providing the young people of Beauce with the tools they must have to excel in their chosen trades.

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[*English*]

AGRICULTURE

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, today I would like to give a short history lesson for the benefit of Canadians and the government.

On May 20, 2003, a beef cow in Alberta tested positive for BSE, ultimately closing the border to the export of Canadian beef. Farmers went bankrupt.

After furious pressure from opposition parties, the government finally made a limp attempt to assist cash-starved producers by issuing cheques for a so-called advance payment. This was advertised by the government as an advance on BSE assistance, leaving producers with the definite impression that there was more to come.

More did come, a little in 2004, but in recent weeks Ontario producers have been notified that the money would be clawed back and taken off any future assistance for which they may be eligible. In many cases they are being told to pay the money back immediately.

S. O. 31

I have to wonder if the government is using these clawbacks to finance the long overdue release of CAIS deposits. If this was a movie, it would be a bad one and it would be called "The Great Deception".

* * *

CITY OF KINGSTON

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, our country's heritage is alive and well in the beautiful city of Kingston, Ontario.

Today, the Ontario Lieutenant Governor, James Bartleman, together with Kingstonians will gather for a very special military tattoo: First Capital Day.

On June 15, 1841, Governor General Lord Sydenham, accompanied by the public and a young lawyer by the name of John A. Macdonald, opened the first Parliament of the United Provinces of Canada in Kingston.

One hundred and sixty years later, both the provincial and federal governments have recognized Kingston as the first capital of Canada. Thanks to the hard work of Mr. Ian Milne and Dr. Margaret Angus, the founders of First Capital Day, the event has been marked with much celebration for seven years now.

On behalf of the hon. member for Kingston and the Islands, I would like to take this opportunity to congratulate Kingston for this wonderful celebration of our nation's heritage.

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HOUSING

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, this week's *Time* magazine named Raven Thundersky as one of Canada's heroes and most remarkable citizens.

Growing up on Poplar River First Nation, her family did not have much, but they did have an attic full of zonalite insulation. Raven's mother and two sisters died of cancer caused by the insulation. She has led a tireless effort over the past 10 years to bring the issue to the attention of Canadians.

During the 1970s and 1980s, thousands of homes in Canada were insulated with zonalite. The federal government encouraged its use under the CHIP program. The Liberals have said they will remove the dangerous asbestos from military homes, but not from reserve housing or from hundreds of thousands of other homes across Canada.

Raven Thundersky's effort to help people identify zonalite in their homes and to bring it to the public's attention has doubtlessly saved many lives. The same cannot be said of the Liberals who continue to deny there is a problem.

While Raven Thundersky is justly recognized as a hero, the Liberal government should be rightly recognized as the villain, willing to risk the lives of Canadians by ignoring the danger.

Oral Questions

●(1415)

CHINA

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, earlier this year CSIS sources revealed to the media that the Chinese government was operating a large espionage network in Canada, which spies on Canadian security, economic and political interests.

At the time, I asked the Prime Minister to raise this very serious issue directly with Chinese leaders during his visit to Beijing in January. True to form, he failed to stand up for Canadian sovereignty by never raising the issue during the Beijing summit.

Why? Perhaps it is because the Prime Minister's family profits from using Chinese government subsidized shipyards to build the family fleet overseas rather than here at home.

Now a senior Chinese defector has confirmed that the PRC is operating a network of some 1,000 spies in Canada in an outrageous challenge to our sovereignty and national security.

Will the Prime Minister act by formally protesting this violation of our national interest? Will he tell the Chinese government to send these spies packing from our shores, or will he once again choose family profits over national sovereignty?

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[Translation]

SUPPORTING COMMUNITIES PARTNERSHIP INITIATIVE

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, on behalf of the 135 agencies throughout Quebec working with the homeless, I want to address the Prime Minister, since his Minister of Housing does not seem to listen to their demands or understand the urgent need to act.

It is imperative that the government to officially announce, this very day, the renewal of the supporting communities partnership initiative, better known as SCPI.

If nothing is done right now, shelters, collective kitchens, drop-in centres, soup kitchens, and homelessness prevention services will close their doors. The poorest of the poor will be driven further into misery.

I am calling on the government to extend and improve the SCPI program immediately until such time as the full responsibility of housing is transferred to the Government of Quebec with the corresponding envelopes.

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[English]

JUSTICE

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, injustice takes many forms, one being the modern day slavery of human trafficking. The UN estimates that four million people are trafficked each year under the threat of violence, and these numbers are growing.

Canada is far from immune. The RCMP reports about 800 people are smuggled into the country each year and we are a major transit

point for trafficking into the United States. Canada's Solicitor General estimates between 8,000 and 16,000 illegal immigrants are forced to work in the sex trade industry.

The cruelty and inhumanity of human trafficking cannot be quantified. Promises of a better life are being used to lure unsuspecting women and children from around the world.

Canada's response to this growing epidemic has been lacklustre. Only a few months ago were the first charges laid under the three-year-old Immigration and Refugee Protection Act. Even though the government promised human trafficking legislation over a year ago, it has only just been tabled. It is now time for the government to provide the necessary resources to ensure this legislation can be effectively enforced.

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IMMIGRATION

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, this year marks the 50th anniversary of the signing of the labour market agreement between the governments of Canada and Jamaica. During the period of 1955, our immigration policies prevented non-white immigration.

One hundred women entered Canada as domestics, even though many were nurses and teachers in their own country: 75 came from Jamaica and 25 from Barbados.

I salute two of these pioneers, Thelma Johnson, a nurse and businesswoman, founder of the Caribbean Pioneer Women of Canada, and Sealen Chang, a former member of the Royal Canadian Air Force and retired teacher. It is these women and many others who, despite the hardships of those early years, have contributed to making Canada a more welcoming and inclusive place to live.

On behalf of all the children they nurtured and shared their values and beliefs with, I wish them and all the residents of Laval—Les Îles well.

ORAL QUESTION PERIOD

[English]

SPONSORSHIP PROGRAM

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, Justice Gomery has written to the government demanding that it reverse its deal with Jean Chrétien. Through his lawyer, Justice Gomery says that the arrangement is not in the public interest. In fact, his lawyer says that "the ability of Justice Gomery to complete his work will be put in jeopardy". He asked the government directly to either expedite Mr. Chrétien's accusations of bias or have them withdrawn.

Will the government end the arrangement with Mr. Chrétien as Justice Gomery demands, yes or no?

Oral Questions

•(1420)

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, there is no such arrangement. Our position is very clear. There should not be a challenge to the impartiality of Mr. Justice Gomery. There should not be a challenge now and there should not be a challenge later. If there is, we will oppose it.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, that is not the arrangement the government made.

[Translation]

While the Prime Minister supports the judge in public, he is making a deal in private to the contrary with Mr. Chrétien. The judge has just asked the government to either deal with Mr. Chrétien's request immediately, or withdraw it so that the judge can do his work in peace.

Will the Prime Minister do what Justice Gomery is asking or not?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, this time I will say it in French: there is no agreement. Our position is clear. Justice Gomery's impartiality should not be challenged, not now, not ever. If it is, we will object.

[English]

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, these answers by the Prime Minister are simply not factually correct. Here is what the Prime Minister is doing. He had an exchange of letters, call it what they will, behind Justice Gomery's back. Justice Gomery was not even informed about this. It was contrary to the undertaking the Attorney General had made.

Now Justice Gomery is demanding, in his correspondence of June 6, very specific action by the government. Is the government willing to take that action or is it going to continue to work hand in hand with Chrétien's lawyers?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I have now answered the hon. member's questions twice, but I would like to raise another issue. The deputy leader of the Conservative Party has said that the Leader of the Opposition is going to spend this summer on the barbecue circuit. I understand the dangers of the barbecue circuit and I would therefore like to table this document for the benefit of the Leader of the Opposition this summer. It is a document called *The South Beach Diet*.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I do not think—

Some hon. members: Oh, oh!

The Speaker: Order, please. We have to go on with question period now. The hon. member for Provencher has the floor. We will have a little order, please.

Mr. Vic Toews: Mr. Speaker, I do not think Canadians are impressed by that kind of answer.

Lawyers representing Justice Gomery have specifically asked the Liberal government to take all necessary steps to have Jean Chrétien permanently withdraw his allegations of bias against Justice Gomery or to have those allegations dealt with immediately in court.

My question is for the Attorney General of Canada. Why has he not complied with Justice Gomery's request? It is not an issue of

what the deal is. Why has he not made that request and complied with that request?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think I need to remind the member opposite of what is written in this exchange of letters:

It is clear from the memorandum of fact and law filed on behalf of the Attorney General in response to Mr. Chrétien's judicial review application that the government was vigorously opposing Mr. Chrétien's application. The Attorney General's principal position in the memorandum was that Mr. Chrétien's allegation of bias was without merit and that Mr. Chrétien's right to procedural fairness had at all times been respected.

That remains our position.

Mr. Vic Toews (Provencher, CPC): Yet, Mr. Speaker, the Liberals have refused to comply with Justice Gomery's request. That is the issue. Despite Liberal claims of cooperation with Justice Gomery, the truth is that by failing to act the government is working with Mr. Chrétien to derail Justice Gomery's commission.

Why is it that when the public interest demands full cooperation with Justice Gomery the government is only concerned about the political interests of the Liberal Party? Why did this government not act as requested by Justice Gomery?

•(1425)

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, at this point the member opposite is correct. The public interest demands full cooperation with Mr. Justice Gomery's commission which, I would remind him again, we established. We not only cooperate with him but have fully supported and will continue to fully support him against any allegation of partiality. We will continue to support him against any attempt to retard or delay the commission. Our position is that we support Mr. Justice Gomery fully.

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, in the war on legalities between Jean Chrétien and Judge Gomery, it is all very well for the government to say it supports Judge Gomery every way it can, but will it acknowledge that the exchange of letters has had only one effect, which is to destabilize and concern the judge and reassure the Chrétien clan? That is the effect of the work.

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I repeat that we supported Judge Gomery in the past when allegations of bias were levelled against him and we will continue to support him in the future. We opposed attempts to delay the commission and, in the future, we will do so again.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, if the Minister of Justice is speaking truthfully, he should admit that the government did such a bad job that it has ended up doing the opposite. That is the exact opposite of what he is saying.

In a letter dated June 9, counsel for the government contends that he does not support the action of Judge Gomery, who wants to have the matter of his bias settled before he begins drafting his report.

Will the government, which says it supports Judge Gomery, ask its lawyers to really support Judge Gomery, contrary to what it says in the June 9 letter?

Oral Questions

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, according to the June 9 letter, the factum presented on behalf of the Attorney General of Canada, in response to Mr. Chrétien's request for a judicial review, shows clearly that the government vigorously opposed Mr. Chrétien's request. The Attorney General argues primarily that Mr. Chrétien's allegations of bias are unfounded and that Mr. Chrétien's right to procedural fairness has always been respected.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, yesterday the Minister of Public Works and Government Services said that Justice Gomery had the government's support, but he was careful not to tell us that a letter from the government's counsel dated June 9 says the exact opposite, that the government cannot support Justice Gomery regarding his hearing before the federal court.

How are we supposed to believe the government when it changes its version every day? On one hand, its own lawyers are saying that they cannot support Justice Gomery, while on the other hand, the government says in this House that it totally supports Justice Gomery.

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again the hon. member refers to the June 9 letter. In fact, the Prime Minister referred to that letter yesterday and it was tabled at the Gomery commission yesterday. In that letter, once again, it is clearly stated that the Attorney General's principal position in the memorandum was that "Mr. Chrétien's allegation of bias was without merit and that Mr. Chrétien's right to procedural fairness had at all times been respected".

We support Justice Gomery's work and in fact we support his position that he wants standing in order to make his case. We support that position.

[Translation]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the Prime Minister, in one of his rare responses in the House, says he wants to support Justice Gomery in any way he can.

If that is the case, then why did he need to instruct his lawyers to write to Jean Chrétien, which reassured the former PM and unsettled Justice Gomery?

• (1430)

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think there is some confusion between substance and procedure.

In terms of substance, we have supported and will continue to support Justice Gomery against any charges of bias. As for procedure, we also support Justice Gomery regarding his hearing before the court.

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[English]

THE ENVIRONMENT

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, my question is for the Prime Minister. For seven straight days

residents of Ontario and Quebec have been choking on smog, not just in southern Ontario but in northern Ontario as well.

Health experts, 11 environmental organizations and even the *Globe and Mail* are saying that the government's Kyoto plan will not do the job. Is the Prime Minister capable of admitting that over 12 years the results have not come about? When is he going to bring in a better plan?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, if the hon. member would like to examine the government's climate change plan or the government's overall environmental thrust, what he will see is one of the best climate change plans of any of the major countries.

He will also see that the most recent budget was qualified by most environmentalists as perhaps the greenest budget ever. The reason is that we are very much aware of the environmental problems caused by smog, impure water and impure air. The fact is that this government is dedicated to dealing with those issues.

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NATURAL RESOURCES

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, after 12 years of saying that everything is under control, one would think that the government might finally be willing to admit that it is not and take some responsibility, but obviously that is not going to happen.

Let us turn to Devils Lake for a moment. Here is an environmental crisis that is about to hit this country. Manitoba's water is about to be polluted. There has been no movement whatsoever on the issue. Are we finally going to get some action on the Devils Lake situation? Or are we just going to get more words about how important it is, but no results?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I would have hoped that the leader of the NDP would stand up today and say that he has no link at all with what one of his MPs said, because it is not a time to insult our friends in the United States. It is time to work with them to be sure that the wrong thing will not be done and this outlet will not be opened at a time when there have not been proper environmental assessments.

We have a treaty to respect. We are working very hard and we will have results, but with no insults to anyone.

* * *

CHINA

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, Hao Fengjun, a former police officer and Chinese defector, says that China has more than 1,000 spies operating in Canada.

Last December, CSIS said that foreign governments were resorting to economic espionage against Canada, and China has been one of the most enterprising in gaining access to information from sensitive industries, including the energy and technology sectors. Sidewinder is another example.

Oral Questions

The Prime Minister was questioned about this in February. As usual, he refused to act. Can he now tell the House just how many Chinese spies have been arrested or deported? What is he going to do to protect Canadian sovereignty and security?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as the hon. member knows full well, we are not going to discuss operational details of our intelligence gathering agency, CSIS, in the House or anywhere else.

I do want to reassure the hon. member and all Canadians that not only CSIS but the RCMP and other intelligence gathering and law enforcement agencies are very much aware of the activities of various foreign governments in this country. We take all steps that are reasonable and necessary to protect not only the security of Canadians, but the economic security of our businesses in this country.

Mr. Peter MacKay (Central Nova, CPC): In fact, Mr. Speaker, that is not very reassuring at all because the government knows the problem is there and yet does nothing.

Mr. Hao says that in addition to spying, China is conducting a campaign of intimidation and harassment against Falun Gong members, mainly in Toronto and Vancouver. This action is consistent with a CSIS report that foreign intelligence services manipulate, threaten and exploit expatriates living in Canada. Mr. Hao claims that he has given a Chinese intelligence report about a Falun Gong practitioner in Canada to the Australian authorities.

Will our government request a copy of this report from Australia and will it make a formal request to the Chinese government to cease and desist in the harassment of Canadian citizens?

• (1435)

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, we are well aware of Falun Gong members and some of the allegations and assertions made in relation to their right to peacefully express their points of view and to peacefully associate and demonstrate in this country.

However, as I said earlier in response to the first part of the member's question, we do not discuss operational details. I have no intention of doing so now. I would ask the hon. member to respect the fact that agencies like CSIS could not conduct their activities on behalf of Canadians if we were expected to discuss operational details.

[Translation]

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, a few months ago, when we raised the possibility of Chinese espionage in Canada, the government did not seem concerned in the least. Now a second Chinese defector is claiming that there is an operational network on Canadian soil.

Has the government called on Chinese officials here in Canada to get a full explanation, yes or no?

[English]

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, we are always in touch with Chinese officials in the capital. We discuss a number of issues relating to the respect for human

rights and the right of Canadian citizens to express themselves in the way they want. This is a free country. We will always insist that people are free to do so in this country. This is what we have been expressing to the Chinese officials.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): There was no answer there, Mr. Speaker.

We are not asking about the operations of CSIS. If these allegations are true, then clearly this has implications on our security and sovereignty. If the allegations are false, it has implications on our relations with China.

When the Prime Minister was in China in January and these allegations were out there, in the interests of Canadian sovereignty, did the Prime Minister raise these issues with officials? We are not talking about CSIS. Did he raise these issues at the diplomatic and political level?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, we never lose any opportunity to have discussions with Chinese officials here in this country. We will always ensure that the rights of citizens to express themselves in whatever way they choose will always be respected in Canada.

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[Translation]

VETERANS AFFAIRS

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, in response to my question yesterday concerning agent orange testing in Gagetown, New Brunswick during the 1960s, the Minister of National Defence said that what the department is trying to do today is reconstruct the facts, establish the connections, and look at the type of compensation that could be offered those affected.

How can the minister explain that the government is still engaged in fact finding when there have been claims for compensation for the past 15 years, and when the highly toxic nature of agent orange has been well known and documented in a number of studies since its use in Vietnam?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, as I explained yesterday in the House, these events and the use of these products date back 45 years. We are trying to reconstruct the facts and the consequences. We will be contacting all those affected in order to determine how we can ensure that justice and equity are served in this matter, as we have in numerous other similar cases. We just need the time to see that this is done properly and scientifically.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, as soon as the government was aware of the hazards relating to the use of agent orange, ought it not to have warned the public of the danger it was exposed to, instead of trying to buy time, as the minister is still trying to do, while knowing full well, as in all such cases, that time is never on the side of the victims?

Oral Questions

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, we have never tried to cover up what happened. We are trying to find out exactly what did happen. As you know, and as I said in the House yesterday, during the nine years the Conservatives were in power, those same facts and the same knowledge of the consequences of past use of those same products were available. We are making a very honest effort at this time to find solutions to an old problem, one that is very significant for members of the forces and of the public. We will do so properly and scientifically.

* * *

• (1440)

NATIONAL DEFENCE

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, the Minister of National Defence dodges my question and repeats himself whenever we ask him about the contamination of water in the town of Shannon. He says that drinking water is now available, that the facts need to be determined and responsibility established. However, what the public wants is access to the report the government is keeping under wraps.

Will the minister stop hedging and give the public what it wants by making this secret report public? Will he make it public without delay?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, as I said yesterday, we have taken action with regard to the town of Shannon. We have transferred over \$34 million to this community. We have provided a number of houses with direct access to safe drinking water. We are continuing our efforts and working closely with the community in order to determine, first, the source of the contamination and, second, those responsible.

The member is well aware that there are a number of sources. We must do what needs to be done, properly and scientifically.

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, we know what the government does when it is the one responsible for this kind of thing: it tries to bury it. We do not want another Gagetown.

Does the minister understand that the people of Shannon want access to the report now, because they do not want to be told in 20 years that no one knew?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, how can the member say that we are trying to bury this when we connected 161 houses to safe drinking water?

Furthermore, we have transferred over \$34 million to the community. We are working closely with the community and examining all the factors in order to determine the facts and find a solution that is appropriate and fair for the entire community.

* * *

[English]

SPONSORSHIP PROGRAM

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, two weeks ago the government misled the House by denying the existence of a secret arrangement with Jean Chrétien.

Yesterday the Prime Minister misled the House about the contents of this arrangement. He incorrectly said that the letter read, "We fiercely oppose anything that could delay the report". That statement is not in the letter to Mr. Chrétien's lawyers.

Why does the Prime Minister continue to mislead the House?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the June 9 letter in fact does say, "The Attorney General's principal position in the memorandum was that Mr. Chrétien's allegation of bias was without merit and that Mr. Chrétien's right to procedural fairness had at all times been respected".

Further, today's *Ottawa Citizen* said this about the Conservative Party's position:

The notion, retailed by [the Leader of the Opposition], that this correspondence reveals a plot between [the Prime Minister] and his predecessor to delay Gomery's report, and, hence, the date of the next election, is beyond absurd.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, what is absurd is that answer.

Yesterday the Prime Minister misled the House about the contents of a letter outlining the secret arrangements between Mr. Chrétien and the Liberal government. He claimed it defended Gomery. This is not the case.

Why does the government's letter in fact give Mr. Chrétien the green light to prevent Mr. Justice Gomery from reporting his findings?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, yesterday the Prime Minister read from a June 9 letter that was tabled at the Gomery commission yesterday and has been tabled in the House. The letter said, and I will speak very slowly so that the hon. member can understand it. Once again, "The Attorney General's principal position in the memorandum was that Mr. Chrétien's allegation of bias was without merit and that Mr. Chrétien's right to procedural fairness had at all times been respected".

I hope he gets it now because Canadians get it. Canadians know that the Prime Minister and the government support the work of Justice Gomery.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, day after day the Minister of Public Works has stood in the House pretending to defend Justice Gomery.

We now know that the minister's director of communications, Ms. Susan Murray, falsely advised members of the media that the cost of Gomery was over \$70 million. We also know that she made these false allegations on the same day that Jean Chrétien filed his motion to quash Justice Gomery. Clearly, there is a coordinated effort between the government and Jean Chrétien to discredit Justice Gomery.

Why is the government doing everything in its power to discredit Justice Gomery and why is it not wanting to find out the truth?

Oral Questions

●(1445)

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the costs of Justice Gomery are in fact in the range of \$69 million to \$70 million. Those costs include not just the direct costs of Justice Gomery but also the costs involved with the departments cooperating fully with Justice Gomery and the coordination of, for instance, 20 million pages of documents that have been provided to Gomery.

We are absolutely committed to working with Justice Gomery. We want Justice Gomery to succeed. That is one of the reasons why Canadians support the Liberals and not the Conservatives. Canadians want Justice Gomery to succeed as well and they trust our government and our Prime Minister to ensure that Gomery succeeds.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, I am totally amazed at the ability of the minister to give that answer with a straight face. Justice Gomery himself has confirmed that the cost of his inquiry will only be \$30 million or in that range. The rest of the money is money that the government spent on a war room.

Will the minister, however, confirm that his director of communications placed phone calls to the media stating that the cost of Gomery was \$70 million? Will he further confirm that she made these phone calls on the same day Mr. Chrétien filed his motion to quash Gomery? Members of the media who received those phone calls will be very interested in the minister's response.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I would hope that all Canadians are always interested in the response of any minister of the government because Canadians know that when ministers of the government rise to give answers in the House of Commons, we do so seriously, in the interests of Canadians, and based on facts, unlike the opposition.

Justice Gomery's direct costs and the costs involved with government departments cooperating fully with Justice Gomery, and coordinating over 20 million pages of documents, including cabinet documents going back to 1994, will reach the \$70 million range. That is well worth the cost. Changing the culture of government for generations is worth the cost.

* * *

[Translation]

BILL C-48

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, on Monday, the Bloc Québécois joined with the Conservatives to delete all the clauses of Bill C-48. In voting with the Conservatives against C-48, the Bloc voted against additional funding for Quebec in areas that are very important to many Quebecers.

Can the Minister of Intergovernmental Affairs clarify for the House how Quebec stands to benefit from Bill C-48?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Bloc's position on Bill C-48 is not only incomprehensible but indefensible, because it will deprive individuals and institutions in Quebec of the support they need.

How will students be told there will be no extra help for them with post-secondary education? How will FRAPRU be told that it will no longer get additional support for affordable housing? How will Transport 2000 be told that it will get no extra help?

The Liberal Government of Canada will help—

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

* * *

[English]

NATIONAL DEFENCE

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I would like to remind the Minister of National Defence of his obligation to the people of the James Bay coast. Forty years is a long time for the Mushkegowuk Cree to wait for the government to come back and clean up the mess it left on the radar bases. I have met with the families who live with badly contaminated hunting grounds. Nobody told them of the danger and nobody did anything to clean up the mess. The Cree leadership is demanding action.

We have the provincial government at the table willing to pay 50% of the cost of the federal government's mess. It is waiting on the minister. Is he going to show up?

The Speaker: The hon. Minister of National Defence.

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the hon. member refers to lands that were transferred to the province of Ontario in 1965 and have been managed by the province since 1965, not by this department and not by the federal government but by the province of Ontario.

At the request of the province, we are working with it to deal with specific environmental cleanup activities at the sites. We are discussing with the province how we can deal with this matter, but it is totally erroneous to suggest to the House that we are not working on this. The House must bear in mind that these lands were transferred to the province for its responsibility in 1965.

* * *

●(1450)

CANADA-U.S. BORDER

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, a Senate committee report today once again condemns the Liberal government's inaction on our borders. In particular, it noted many of the problems in the Windsor-Detroit corridor and the fact that national security and economic prosperity has been compromised by government dithering.

Oral Questions

This year alone, the Ambassador Bridge is going to receive \$13 million in subsidization for customs officers and staffing. Meanwhile, just a kilometre down the river, the government is denying a border ferry service, with a similar small operation, the same treatment. It also is denying the community a solution to many of the problems we have.

This has been in the courts for five years. Will the Deputy Prime Minister—

The Speaker: The hon. Deputy Prime Minister.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, obviously the hon. member knows that in relation to the situation to which he has just referred, this is a matter before the courts. The parties are in discussions around this matter and it would be inappropriate for me to comment further.

However, as it relates to Windsor-Detroit, both on our side and on the American side, we are very aware of just how critically important this crossing is to the economic lifeblood of this nation. This is why my colleague, the secretary responsible for homeland security and myself, as well as the state of Michigan, the province of Ontario and my colleague, the Minister of Transport, are all working together to ensure we have—

The Speaker: The hon. member for Simcoe—Grey.

* * *

CHINA

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, last week I asked the government why it was giving aid to China, given the country's record of operating a spy network in Canada, but I received no clear answer.

Canada has no reason to be giving aid to China. First, its human rights record is abysmal and, second, it does not need the money. It is buying up Canadian companies. Today it has been confirmed that China has a thousand spies operating in Canada.

When will the government stop giving one red cent to communist China?

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, as I have advised the House in the past, and I repeat again, the Government of Canada does not give any money directly to the government of China.

Instead, we are engaging the government of China, helping it to build its human rights legislation and to grow its capacity. In that regard we are working with Simon Fraser University, the Alberta Research Council and the Canadian Bar Association setting up legal aid clinics for women in the poorest of the poor areas.

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, the article today in the *Globe in Mail* mentions the systematic use of torture, so I suggest to you that your plan is not working.

The Speaker: The hon. member for Simcoe—Grey knows it is not my plan and I think she will want to phrase her question in a way that indicates she is addressing the Chair, not the minister.

Ms. Helena Guergis: Thank you, Mr. Speaker, but I will suggest to the government that its plan is not working.

I will help the minister with some more facts from her website. The CIDA website lists a project entitled, China Feed Industry Centre. Her own website says that it is giving money to the Chinese government's ministry of agriculture.

Why are the Liberals giving tax dollars to the Chinese government, a government that is violating Canadian sovereignty and security by operating a massive spy network here in Canada?

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, last week in question period the hon. member, the new critic, tabled a statistical report on official development assistance from my agency.

While well-meaning, she mistook the figure of approximately \$38 million as moneys being directed directly to the government of China. What that figure represents is the sum total of all of the development programs taking place in China but those are carried out by agencies such as Simon Fraser University and the Canadian Bar Association.

The term represents the total of bilateral aid and that, as opposed to multilateral, means between two countries.

* * *

SPONSORSHIP PROGRAM

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, on May 23, Judge Gomery said that government officials had “leaked” misleading information about the cost of his commission. He said:

—it's an exaggeration and it's twisting reality.

He further said:

What they did was...put together the fees of everyone in the Justice Department that worked on the file, the photocopies...and God knows what other expenses that were totally beyond the commission's control.

Will the public works minister confirm that it was his communications director who phoned the media with this misleading information to discredit Judge Gomery?

● (1455)

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, to the contrary. I have responded to this question in the House in the past and I have explained that part of the costs are those directly applicable to the direct work of Justice Gomery. The rest of those costs involve a wide range of government departments that are cooperating fully with Justice Gomery and providing the levels of vast information and cooperation that is required.

Furthermore, some of those costs involve legal representation for parties before the Gomery commission, including the Conservative Party of Canada and the Bloc, because we are interested in showing fairness and that Canadians have the truth. We support the work of Justice Gomery.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, that is some way of supporting him. The judge himself says that what the minister just represented is “an exaggeration and a twisting of reality”.

Oral Questions

What I would like to know is why the minister dispatched his communications director to spread what is, according to the commissioner, misleading and false information about the cost of his commission. Why did he use his communications director to undermine the commissioner and why is the commissioner so upset with the government for having done so?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the only cardiovascular exercise that hon. member is getting is his huffing and puffing on the floor of the House of Commons, which is of no benefit to Canadians.

These figures were covered thoroughly in the government estimates. It is there for everybody to see. Beyond that, it is clear that we support the work of Justice Gomery. It is important that we provide him with the financial resources he needs to get the job done, and we are ensuring he has those resources, that full cooperation and that support so Canadians can have the truth.

We support Justice Gomery. The Conservatives are trying to misrepresent Justice Gomery.

* * *

[*Translation*]

INTERNATIONAL AID

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the Standing Committee on Foreign Affairs and International Trade presented its report to the House on Monday. One of the recommendations in the report, which was unanimously adopted, reiterates the UN objective and calls for Canada to commit immediately, through a plan, to increase its aid budget by 12% to 15% annually to achieve an aid level of 0.5% of GNP by 2010 and 0.7% by 2015.

Can the government tell us if it intends to follow the committee's recommendations and will it table such a plan?

[*English*]

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, the Government of Canada is committed to increasing its aid budget by a minimum of 8% per year and we are committed to doing that well out in excess of 2010. In fact, the increase last year was 30% and that shows the commitment of the government to continue to assign to development assistance a higher percentage than to any other department of government.

We keep in mind our international reputation of always fulfilling our commitments but we will not make one unless we can.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, that is not what I am asking. Even with the \$500 million set out in Bill C-48, Canada will achieve 0.7% of GNP only in 2028, at best, if those are recurring funds. Otherwise, that objective will not be reached until 2035.

Does the government understand that if it wants to achieve 0.7% in a realistic timeframe, that is, by 2015, it must implement the committee's recommendations?

Some hon. members: Oh, oh!

Ms. Diane Bourgeois: Mr. Speaker, I can yell louder than they can.

[*English*]

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, I am at an utter loss because it was that party, that critic and that member who all joined together to vote against the \$500,000 that would come to my budget as a result of Bill C-48. If that is their point of departure I can add very little wisdom to the whole issue.

* * *

THE ENVIRONMENT

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, the Ontario Medical Association says that 6,000 people will die prematurely in Ontario this year due to smog and the government is doing nothing about it. During Clean Air Day, all the environment minister did was announce the formation of a new website.

We can imagine the disappointment people in Toronto felt when they realized just how little the government was doing. What does the minister plan to do to clean up our dirty air?

● (1500)

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, we have introduced Bill C-49, which that party is opposing because that party has never requested a penny for the environment since the beginning of the budgetary process.

Canada is now implementing the toughest targets regarding clean air in order to decrease smog. Smog emissions are decreasing by 90% because of our 10-year clean air agenda. We are now at mid-term and we will continue with our agenda. We need those things to be stopped by the Conservative Party that does not care at all about the environment.

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, the minister does not even know the bill number. There is no Bill C-49. That is how much he knows and is doing about the environment. Just ask the parents who have just had their child diagnosed with chronic asthma what they think of answers like that.

Greenhouse gases are increasing every year. The OECD now ranks us 28th out of 29 in terms of environmental integrity. The minister sets up a website in order to accomplish this.

When will the minister put the health of Canadians ahead of his own environmental drivel?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, 30 environmental groups wrote to all the leaders of this House calling on all parties to put aside their differences long enough to ensure that the measures that are necessary for the implementation of the Kyoto protocol introduced in the February budget were approved by Parliament without delay. If those members have a little sense of responsibility they will vote for Bill C-49.

*Points of Order***HEALTH**

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, Canadians are becoming increasingly concerned about making informed decisions regarding their health, especially when it comes to medications to treat disease and illness.

Canadians need to be sure that the medicines they are taking have been tested and approved through a strict and effective clinical trial process.

Would the Minister of Health please inform the House about the steps that the government is taking to address the issue of registration and disclosure of clinical trial information?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, on June 8, I announced the first phase of consultations on the registration and full disclosure of clinical trial information. That is in keeping with the issue around transparency, accountability and openness in my department. The consultations follow the commitment I made since becoming Minister of Health. Today in Ottawa, the first public workshop will be held and others will follow in Halifax and Vancouver next week.

We are moving in this direction, while taking into account personal privacy and commercial confidentiality.

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WHISTLEBLOWER LEGISLATION

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, for two years this government has dragged its feet on the need to protect public servants who expose corruption.

Bill C-11 is bogged down in committee because it ignores the recommendations of every expert and stakeholder. They all agree that an independent commissioner is an essential part of effective whistleblower legislation.

Will the minister commit here and now to creating a truly independent commissioner to investigate disclosures of corruption?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, perhaps if the member spent as much time focusing on the content of the bill as he does on his sound bite we would be further along with this.

As he knows, I will be at the committee tomorrow to discuss this very item. However, given that the bill is at first reading, he has had the opportunity to have this input for some time but has not chosen to take advantage of it.

[Translation]

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, the agency responsible for investigating disclosures of corruption must be completely independent from government. If the minister continues to refuse to commit to creating an independent agency, it is because he has not resolved to protect whistleblowers.

Why does the minister not want to create an independent agency to investigate disclosures of corruption?

[English]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, if the member would spend some time in committee focusing on the content of the bill we could have this discussion. To try to negotiate legislation during question period is not the most effective way to do it.

The Prime Minister has taken the position from the beginning that we will have the most robust piece of whistleblowing legislation than any other country in this world.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Hon. Tom Rideout, Minister of Transportation & Works Responsible for Aboriginal Affairs for Newfoundland and Labrador.

Some hon. members: Hear, hear!

The Speaker: I would also like to draw to the attention of hon. members the presence in the diplomatic gallery of Ms. Thelma Johnson, founder of the Caribbean Pioneer Women of Canada, and Ms. Sealen Chang, who were among the first women to come to Canada in 1955 under the then new labour agreement between Canada and Jamaica.

Some hon. members: Hear, hear!

* * *

● (1505)

POINTS OF ORDER

ORAL QUESTION PERIOD

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, I wish to correct my reply to the critic from the Bloc. I referred to a number that is incorrect.

In fact, the Bloc is not supporting the government by refusing to vote for Bill C-48, and therefore \$500 million, one half a billion dollars, would not be able to come to the Canadian aid budget. I made the comment, \$500,000. My apologies.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, on a separate point of order, you may recall that yesterday, following oral questions, I inquired as to whether the right hon. Prime Minister would table a document from which he had cited. He did not do so.

The government House leader indicated that time was required to translate the document. As 24 hours have passed, I wonder if the translation is now complete and if he could please table the document from which the Prime Minister quoted yesterday.

The Speaker: The hon. member for Calgary Southeast will want to know that I believe the document in question was tabled at 2 o'clock today when the House opened.

ROUTINE PROCEEDINGS

[Translation]

REGIONAL DEVELOPMENT BANKS

Hon. Paddy Torsney (Parliamentary Secretary to the Minister of International Cooperation, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the pleasure to table, in both official languages, the report on Canada's participation in regional development banks in 2002 and 2003.

* * *

[English]

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Gary Goodyear (Cambridge, CPC): moved for leave to introduce Bill C-406, An Act to change the name of the electoral district of Cambridge.

He said: Mr. Speaker, it is with great honour that I present this private member's bill to change the name of my riding from Cambridge to Cambridge—North Dumfries, which geographically, better represents the constituents that I represent.

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

* * *

[Translation]

CRIMINAL CODE

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ) moved for leave to introduce Bill C-407, an act to amend the Criminal Code (right to die with dignity).

She said: Mr. Speaker, I am moved as I table today in the House of Commons my private member's bill on the right to die with dignity.

The purpose of this bill is to specify the conditions which would allow people with terminal or debilitating illnesses the right to die with dignity when they have clearly indicated the desire to do so in a free and informed manner.

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

* * *

• (1510)

[English]

PETITIONS

CITIZENSHIP

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, the first petition which I have the pleasure to table is from people in Prince Edward Island.

The petitioners are calling on the government to return to its previous policy of allowing holy books to be made available to new citizens at citizenship ceremonies around the country. The petitioners note that a citizenship judge terminated this policy, alleging that the policy discriminated against non-religious immigrants.

Until last year, holy books were simply displayed on tables at the back of the hall, free for new citizens to take. The new citizens were not handed the books. The books were not forced on them. The

Routine Proceedings

judge produced no evidence to justify his inappropriate decision to ban the availability of holy books.

The petitioners ask that the Citizenship Commission return to the previous policy which has served our multicultural nation very well for so many years.

MARRIAGE

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, I wish to present my second series of petitions. There have already been numerous petitions presented on this subject.

The petitioners want Parliament to use all legislative and administrative measures, including invoking the notwithstanding clause if necessary, to preserve the correct definition of marriage as between one man and one woman. I have several hundred of these petitions to table today.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition on behalf of a number of Canadians including from my own riding of Mississauga South, most appropriately on the subject matter of marriage.

The petitioners would like to draw to the attention of the House that fundamental matters of social policy should be determined by elected members of Parliament and not by the unelected judiciary. They remind us that Parliament indeed is responsible for the definition of marriage.

They therefore call upon Parliament to use all possible legislative and administrative measures, including the invocation of section 33 of the charter, commonly known as the notwithstanding clause, to preserve and to protect the current definition of marriage as being the legal union of one man and one woman to the exclusion of all others.

SUDAN

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, I rise today to present a number of petitions from churches in my riding, particularly the United Church congregations. They ask the Government of Canada to take immediate and urgent action to stop the Sudanese government backed militias from killing and raping innocent people and destroying their villages and to ensure that humanitarian aid reaches those in need.

MARRIAGE

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, I am honoured today to present two petitions representing hundreds of constituents mostly in my riding of Essex who are in support of the traditional definition of marriage.

The petitioners draw the attention of hon. members to the fact that marriage is the origin of the family. They go on to say that marriage is a natural institution that predates all social, legal and religious systems and which has at its roots the procreation and education of children.

The petitioners call on the House to recognize and protect the traditional role of the family. They also strongly emphasize that marriage must remain a union of one man and one woman.

Routine Proceedings

EMPLOYMENT INSURANCE

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I am presenting a petition on employment insurance. The petitioners call upon Parliament to build a better, fairer employment insurance system by adopting committee recommendations submitted on February 15, 2005.

MARRIAGE

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I am delighted to present on behalf of several Albertans a petition on marriage. The petitioners state that the law on marriage should be decided by elected members of Parliament, not by unelected judiciary. They are calling on parliamentarians to reaffirm marriage as the union of one man and one woman to the exclusion of all others.

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I too am presenting two petitions regarding marriage. The petitioners pray that Parliament pass legislation to recognize the institution of marriage in federal law as being the lifelong union of one man and one woman to the exclusion of all others.

* * *

• (1515)

[Translation]

QUESTIONS ON THE ORDER PAPER

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[English]

MOTIONS FOR PAPERS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Notice of Motion for the Production of Papers No. 7, in the name of the hon. member for Nepean—Carleton, is acceptable to the government, subject to the usual reservations concerning confidential information, and the documents are tabled immediately.

Motion No. P-7

That a humble Address be presented to Her Excellency praying that she will cause to be laid before this House the letter dated July 14, 2004, of Mr. David Marshall to the deputy minister of National Defence.

The Speaker: Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the House that Motion No. P-7 be deemed to have been adopted?

Some hon. members: Agreed.

(Motion agreed to)

Hon. Dominic LeBlanc: Mr. Speaker, I would ask that all other Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Is it agreed that the remaining Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

Mr. John Cummins (Delta—Richmond East, CPC): Mr. Speaker, I rise on a point of order. Perhaps I missed the questions on the order paper as I was distracted here momentarily. I have three questions outstanding that have not been answered. One goes back to February 8. Question No. 138 was asked on April 13 and Question No. 151 was asked on May 17. Rumour has it, and I know rumour is ugly, that this place may not be sitting much longer. I am wondering when I would be able to expect an answer to these questions. At least one is terribly overdue and others are coming due quite shortly.

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member for Delta—Richmond East does have, as he noted, three questions. There are perhaps others. He mentioned those. Some of them involve many departments and many agencies of the government. We are obviously doing everything we can to prepare the information in as timely a way as possible.

Some of the questions in fact have not been indicated with a date on which they are due; others have. As always, the government will respect the dates that we are required to according to the Standing Orders.

I can assure the member that he should not believe all the rumours. The only rumour that is true is that we are working hard to answer all these questions promptly.

Mr. John Cummins: Mr. Speaker, I would suggest that Question No. 78 which was asked on February 8 of this year should have been answered by now and has not been, within the provisions of the Standing Orders.

Hon. Dominic LeBlanc: Mr. Speaker, that question involves all departments of the government and crown agencies and crown corporations. It is a very complex question. It was not one where the member indicated a response within a specific time period.

There is a procedure within the Standing Orders, as you know, Mr. Speaker, that would require the government to meet that deadline. In this case we are taking the time necessary to provide the member for Delta—Richmond East with a very accurate and fulsome answer, as I know he would expect.

The Speaker: We cannot get into a debate on points of order. The hon. member for Delta—Richmond East.

Mr. John Cummins: Mr. Speaker, there is no requirement for me to establish a timeframe. The timeframe for answering these questions is established by the Standing Orders. My suggestion is, Mr. Speaker, that a question asked on February 8 should have been answered by now, regardless of how many departments that are required to respond. That is the rule.

The Speaker: If the rule requires an answer by a specific time, which I do not believe is the case in our Standing Orders, unless the member signifies that he wishes an answer within 45 days is my recollection, then the government is not under an obligation to provide an answer.

I am sure we have outstanding questions. We have outstanding answers. I guess we will just have to wait for this one and see what happens in due course.

I know the hon. member for Delta—Richmond East is well known for his patience.

Government Orders

• (1520)

REQUEST FOR EMERGENCY DEBATE

AUTOMOBILE INDUSTRY

The Speaker: We have a request for an emergency debate from the hon. member for Oshawa. I will hear from him now.

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, the Canadian auto industry is the largest manufacturing industry in the country and the biggest employer in my hometown of Oshawa. It employs directly and indirectly over 500,000 Canadians. The sector is crucial to the economic well-being of our country.

The Liberal government has been promising an auto strategy for ages and still nothing has been delivered.

Last week General Motors announced 25,000 layoffs in the United States. According to the CAW there will definitely be spin-off effects here in Canada.

The Liberal government seems content to accept job losses as an inevitable conclusion. Without a clear, concrete, public, transparent auto strategy, I fear it may be correct.

Auto manufacturers need to know what they are getting when they invest in Canada. An auto strategy would involve a new crossing at the Windsor-Detroit border. The government is content to wait 10 years and that is totally unacceptable. The strategy would also involve harmonization of our regulations; stable infrastructure and power supply; and human resources and other important points.

The government has failed to deliver and will cost Canada new plants, new investment and new jobs.

For that reason, I call for an emergency debate on an auto strategy before the government's dithering drives away our auto sector.

The Speaker: The Chair has considered the request from the hon. member for Oshawa and has listened to his able submissions on the point.

It is the decision of the Chair that the application for the emergency debate does not meet the exigencies of the Standing Order at this time.

GOVERNMENT ORDERS*[English]***LABRADOR INUIT LAND CLAIMS AGREEMENT ACT**

Hon. Anne McLellan (for the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians) moved that Bill C-56, An Act to give effect to the Labrador Inuit Land Claims Agreement and the Labrador Inuit Tax Treatment Agreement, be read the second time and referred to a committee.

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been discussions among all parties and I believe that you would find unanimous consent in the House to

dispose of Bill C-56, the Labrador Inuit land claims agreement act, now in the following manner.

That each party would have one twenty minute speaking period on the bill, following which the bill would be deemed to have been read a second time, referred to and reported from a committee without amendment, concurred in at the report stage and read a third time and passed.

The Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House?

Some hon. members: Agreed.

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I proudly rise today to voice my support for Bill C-56, the Labrador Inuit land claims agreement act, and to encourage my hon. colleagues to join with me in enacting this important legislation.

I am also pleased to be splitting my time with the member for Labrador.

The enactment of Bill C-56 and the tripartite land claims agreement that it gives effect to will not only foster greater economic and social development in Labrador Inuit communities, but also enable Canada to build on the significant progress we have made in resolving aboriginal issues.

The Labrador Inuit participate in dozens of joint ventures in a range of economic sectors. They have a strong role in their community schools and deliver social services through an agreement with the government of Newfoundland and Labrador. They have negotiated an impacts and benefits agreement with Voisey's Bay Nickel Company.

The Labrador Inuit land claims agreement that will be given effect through Bill C-56 provides the Labrador Inuit with a wide range of rights and benefits related to land, resources and self-government. This is a tripartite agreement with the Government of Canada and the government of Newfoundland.

Canada's contributions include a capital transfer of \$140 million and an implementation fund of \$156 million. The Inuit will also have access to a percentage of any new commercial fishing licences issued in the marine area adjacent to the Labrador Inuit settlement area, thereby providing them with an opportunity to increase their already successful participation in the commercial fishing industry.

Most important, we cannot be a dollar figure placed on the pride and joy given to the people who have been given an opportunity to get control over their own lives, a chance to give back for their own people their dignity and hope for a better future and to reach their potential that I know is there.

Government Orders

Under the agreement the Inuit will own approximately 15,000 square kilometres of land and have a 25% ownership and interest in the subsurface. In these lands the Inuit will have the ability to make laws in relation to the wide range of subjects, including education, harvesting by Inuit, land management, environmental assessment and protected areas. Rules respecting the priority of Inuit laws and federal and provincial law are clearly set out throughout the agreement.

In the Labrador Inuit settlement area, an area of more than 72,000 square kilometres of land and 49 square kilometres of ocean, the Inuit will also have a wide range of rights and benefits related to harvesting, co-management, environmental assessment, land use planning, archeology and water use and management, to name a few. The Inuit will have a say in developments that occur in this area, as well as the right to impacts and benefits agreements for large scale development.

Bill C-56, through a consequential amendment to the Canada National Parks Act, would create the Torngat Mountains National Park Reserve of Canada in northern Labrador. This area of untouched beauty includes some of Canada's spectacular fjords, mountains and arctic wilderness. It is home caribou, polar bears and many types of birds, including the porcupine there.

The creation of a national park in his beloved Labrador was a dream of our colleague, the late Lawrence O'Brien. Mr. O'Brien was an untiring advocate of Labrador. I am sure he would be well pleased to see his dream become a reality, as he was a very proud Labradorian, always.

The land claims agreement is accompanied by additional agreements. A fiscal financing agreement sets out the funding arrangement to support Inuit delivery of programs and services in the areas of health, post-secondary education, municipal services and economic development.

Recognizing that true self-government means contributing financially, the Inuit will over time contribute to their own costs of governance.

A detailed implementation plan sets out each party's obligations as they relate to the implementation of the agreement. All parties will be responsible for their own costs of implementing the agreement. The Labrador Inuit will repay negotiation loans of approximately \$50 million over a 15 year period.

• (1525)

In addition to the land claims agreement, Bill C-56 would also give effect to the Labrador Inuit tax treatment agreement. This tripartite agreement provides for the tax treatment of the Nunatsiavut government. Of perhaps greater significance, though, the legislation now before us would enable the Labrador Inuit to establish a self-government regime that reflects the particular realities of northern Labrador.

The regional Nunatsiavut government, elected by Inuit, will have jurisdiction over Inuit and Labrador Inuit lands in such areas as lands and resources and social and cultural issues. All residents, Inuit and non-Inuit alike, will have the right to elect representatives to these municipal-type governments.

Bill C-56 would provide certainty with respect to lands and resources of northern and central Labrador. Federal and provincial legislation continue to apply to Inuit. They will continue to be able to avail themselves of the protections provided under the Canadian Charter of Rights and Freedoms. Canada will retain its ability to act internationally, while also recognizing that there may be instances where Inuit need to be consulted about possible impacts on rights under the agreement.

Inuit self-government promotes greater openness, transparency and accountability. It attracts investors and fosters economic growth. It encourages self-reliance and leads to improvements in housing, employment and quality of life. It builds capacity and ensures a sustainable and stable economy. It enables Inuit communities to participate more fully in the national economy.

The Labrador Inuit have worked diligently to prepare themselves for the additional responsibilities that they will acquire under Bill C-56. They drafted and ratified a constitution that defines the roles and responsibilities of both new levels of government, and protects the democratic rights and freedoms of all those living on Labrador Inuit lands and in Inuit communities. The Inuit constitution will help ensure that Nunatsiavut is politically and financially accountable to its constituents, and I have every confidence in its capabilities.

On May 26, 2004, 86.5% of the eligible Inuit voters turned out to cast their votes. An overwhelming 76.5% of all eligible voters voted in favour of the Labrador Inuit land claims agreement. On December 6, 2004, the government of Newfoundland and Labrador introduced, passed and gave royal assent to the Labrador Inuit land claims agreement act, with all party support.

Now the aspirations of the Labrador Inuit are in our hands. I encourage the members of the House to follow the example set by the Labrador Inuit and indeed by the members of the provincial house of assembly, to show their support for this legislation and to enact the first agreement to combine land claims and self-government in Atlantic Canada. Acknowledge the great progress already made by Labrador Inuit and give them the power to extend that progress for the benefit of all Labradorians and indeed for all Canadians.

As a fellow Inuk I am very proud to stand here today to lend support to this last land claims agreement for Inuit in Canada. I want to congratulate the president of Labrador Inuit Association, William Anderson, who is here today with a large delegation from Labrador.

[Member spoke in Inuktitut]

[English]

By supporting Bill C-56, we can send a clear signal to all aboriginal people in our country that we as a country are serious about working with them to support their vision of a better vision of a better future for their families and their communities, and that we are committed to establishing a new relationship with them based on mutual respect and recognition.

Government Orders

• (1530)

Mr. Todd Norman Russell (Labrador, Lib.): Madam Speaker, I rise today to voice my support for Bill C-56 as a Labradorian, a Métis and a Canadian.

In this my maiden speech, I will take the opportunity to thank the people of Labrador for their tremendous support throughout the last weeks and months. By their support they have given me the privilege and honour to be in this House and to speak to Bill C-56, the Labrador Inuit land claims agreement act.

I will begin by extending congratulations and thanks to the negotiators on all sides for their dedicated efforts. In particular, I would like to acknowledge the steadfast determination, patience and perseverance of the Labrador Inuit. These qualities are evident in the agreement that is now before us.

On January 22, 2005, history was made with the signing of the Labrador Inuit land claims agreement. This tripartite agreement of the Labrador Inuit Association, the Government of Newfoundland and Labrador and the Government of Canada represents a major milestone. It is the first agreement between the Labrador Inuit and the Crown and it is the first treaty in Atlantic Canada to include land claims and self-government. I trust that it will not be the last but that it paves the way for similar treaties in Atlantic Canada and particularly in Labrador for the Innu and the Métis.

At the signing ceremony, the president of the Labrador Inuit Association, William Andersen III, described the significance of the agreement this way:

The Agreement...provides for certainty and rights and creates clarity for the future. It will allow us to build on the partnerships we have begun, to work toward sustainable development, economic growth and social justice.

I believe that Mr. Andersen's simple and direct statement perfectly encapsulates the spirit and content of this historic agreement.

In expressing my support for this bill, I would like to remember the late Lawrence O'Brien, a former colleague, a friend and an hon. member of this House.

Mr. O'Brien, the first Labrador native to be elected member of Parliament, had a vision for his homeland that he worked tirelessly to realize. He understood that finalizing this agreement, and all that it represented, would be a significant step toward fulfilling his vision and would bring significant benefits to the Inuit and to all Labrador. Mr. O'Brien said:

Labrador has enormous geography, enormous potential and an enormous role to play in this country.

Mr. O'Brien believed fervently in Labrador's great potential and was committed to ensuring it was realized. While I and many members of this House are greatly saddened by Mr. O'Brien's passing, we are also filled with gratitude for his many contributions to Labrador and Canada.

Of particular interest to Mr. O'Brien was the creation of a national park in the Torngat Mountains of northern Labrador. I am pleased to say that the agreement before us today goes a long way to fulfilling that dream.

The Torngat Mountains National Park Reserve of Canada will be created as a result of the agreement and this act. The park reserve

includes approximately 9,600 square kilometres of pristine wilderness that will be enjoyed for generations to come. It will protect an area of spectacular Arctic wilderness, including mountains, fjords, river valleys and rugged coastal landscapes. It is home to a variety of wildlife, including the world's largest caribou herd, as well as other smaller, distinct herds.

Mr. O'Brien would be proud to realize that his dream, and the dream of so many other Labradorians, was coming true in such an historic fashion.

• (1535)

The land and resource rights the Labrador Inuit will have in these areas will enable them to exercise greater control of their future and direct social and economic development. The provisions of Bill C-56 will help the Labrador Inuit overcome the lingering effects of past injustices.

Bill C-56 could not be more timely, because the Labrador Inuit are prepared to exercise faithfully and effectively the responsibilities that come with self-government. The Labrador Inuit maintain a profitable development corporation and a health commission along with a successful housing association and various cultural and educational programs.

The Labrador Inuit have drafted and approved a constitution that defines the roles and responsibilities of the Nunatsiavut government. It will ensure that the Nunatsiavut government and the Inuit community governments are accountable, both politically and financially, to their constituents.

Last year, the agreement at the heart of Bill C-56 earned the overwhelming support of Labrador Inuit voters, another important step toward self-government. The benefits of land claim and self-government agreements are numerous. The time has come for the Labrador Inuit to realize those benefits.

Bill C-56, in clarifying issues related to the ownership and management of land and natural resources, will also establish the type of stable environment readily sought by investors. The bill will preserve the traditional land- and sea-based economy upon which Inuit have depended for thousands of years. With respect for land and culture at the core of all investment decisions, a new era of economic and social development can begin.

I have read and heard at first hand some of the compelling and incredible stories of the people of northern Labrador. I have come across the words "together we are stronger", a powerful phrase which embraces the idea that the whole is greater than the sum of its parts.

Bill C-56 brings together the Nunatsiavut government, the Government of Newfoundland and Labrador and the Government of Canada, but I will note something that I personally believe in: this will also bring together the many people of Labrador. Those words ring true not only in the context of Bill C-56, but they ring true for the people of Labrador: "together we are stronger" and together we can realize the great potential that we have in Labrador and that each of us contributes to the other. I say those words from the heart, not only from the lips.

Government Orders

Also, I urge the House to join with me in supporting this historic piece of legislation, in supporting the Labrador Inuit land claims agreement and the tools that it will provide to enable the Labrador Inuit to govern themselves and their lands. Let us realize the tremendous opportunity before us to move together and create a future for Labrador that will enable all of us to build on past successes and gain greater control of the future.

I thank all members of all parties for their cooperation in getting this bill through in the interests of those most affected, the Inuit of Labrador.

● (1540)

Mr. Jim Prentice (Calgary Centre-North, CPC): Madam Speaker, I will be splitting my time with the member for St. John's South—Mount Pearl.

It is my pleasure to say at the outset that I have rarely been prouder as a Canadian than I am today in standing in the House to speak to this bill.

As well, it is my pleasure to follow the member for Nunavut, who is an Inuit woman and I am sure a very proud person today. She and I have had our differences, but I am proud to call her my colleague.

I would also congratulate my friend, the member for Labrador, who has just made his maiden speech. I congratulate him on finding his way clear to having his lips and his heart, as he says, support this claim today.

[*Translation*]

I am grateful as well for the efforts of the member for Louis-Saint-Laurent.

[*English*]

I have a number of acknowledgments as I begin. First, with respect to our party, the Conservative Party, we are proud today to support this particular claim. I wish to express my thanks to the member for St. John's South—Mount Pearl, the member for St. John's East, the member for Saskatoon—Rosetown—Biggar, and the member for Desnethé—Missinippi—Churchill River. All of these members have worked tirelessly on this legislation. They have worked with our caucus in the review of this legislation and have met extensively with members of the Inuit community and the governments involved. I thank them.

A special acknowledgement needs to be made to a number of individuals today as this claim comes to fruition: Mr. Rideout, the minister responsible for aboriginal affairs with the Government of Newfoundland and Labrador, and Mr. Wally Anderson, a member of the House of Assembly, both of whom have worked extensively on this claim.

I think one of the great successes of this claim is the extent to which the Government of Newfoundland and Labrador has embraced the claims process and provided a way forward for both aboriginal and non-aboriginal Canadians. It deserves our support, our thanks as Canadians and our congratulations.

As well, I know that we have many members of the Inuit community here. I will refer only to the president of the Labrador Inuit Association, William Andersen III, who has been instrumental,

as has Mr. Barbour, his predecessor, together with the many people from their negotiating team in their community, who have worked for more than 23 years to bring this claim to fruition.

Again let me say that we are proud to have them as Canadians. We are proud to call ourselves Canadians with them. They have worked so hard and so tirelessly for so long to achieve this in partnership with all of us that we say thanks today from the bottom of our hearts.

This claim is one that we are proud to support. So that it is quite clear, let me say that the position of the Conservative Party is that the settlement of outstanding comprehensive claims must be pursued in Canada, and they should be pursued on the basis of a clear framework which balances the right of aboriginal Canadians, in this case the Inuit, with the interests of Canada.

In particular, the policy of our party has been that negotiated settlements must balance the economic and social needs of aboriginal Canadians with our collective desire as Canadians to move forward in a manner that respects the charter, ensures that we have constitutional workability in this country, and respects the jurisdictions of the federal government and the provinces and the emerging jurisdiction of aboriginal first nation governments.

We are proud that this claim can certainly be said to achieve all of these objectives.

I have had the good fortune to travel the length and breadth of this country, both during my time as a member of Parliament and before. As I have said before at committee, in the context of my trip to northern Labrador to meet with the Inuit people I actually did not travel the way members of Parliament sometimes do. I travelled at the back of a cargo airplane where a couple of seats had been inserted into the back of the plane so that I could get Nain and meet the fine people who live in Nain and Hopedale. I would like to think that I saw that part of Canada very much the way it was meant to be seen.

That part of Canada is extraordinarily beautiful. I do not think that many Canadians appreciate just what an extraordinarily beautiful part of Canada the northern peninsula of Labrador is. The Torngat Mountains, rising 3,000 to 4,000 feet directly out of the Labrador sea, are one of the most beautiful mountain ranges in Canada. All Canadians can take pride in the fact that this will be set aside for all time as a national park.

In reviewing the claim, we are pleased to see, in addition, the lands of 28,000 square miles which have been set aside as the Labrador Inuit settlement area, and the 6,100 square miles of land that have been set aside as the owned land, the Labrador Inuit land.

● (1545)

We have reviewed closely the harvesting rights, the fishing rights, the quarrying rights, and the rights which the Inuit people have secured over the ocean zone and the settlement lands. We find all of that to be in keeping with what is intended by the comprehensive claim approach.

Government Orders

For the record, I would like to point out that the 1986 comprehensive claims policy of Canada was in fact a policy that was developed by a previous Conservative government. There have been four Inuit comprehensive claims negotiated in Canadian history, all of them in the last generation. Those agreements have been negotiated by Conservative governments, with the exception of this claim. This claim was started and negotiated under a Conservative government. It was brought to fruition under a different government.

I make that point because I wish to be perfectly clear that the resolution of these claims, in a way which is dignified and provides a way forward for Inuit people and non-Inuit people, is something which Conservatives have always supported.

We have examined this claim with respect to the degree to which it achieves finality and certainty, the degree to which it advances the interests of aboriginal Canadians, and the degree to which it protects Canadian sovereignty and provides for jurisdictional clarity with the other levels of government. We have examined the extent to which the charter applies to Inuit citizens and the extent to which the rights of women are protected in Inuit society.

In all of those respects we as Conservatives are proud that this agreement is one which all Canadians can support and is one which we certainly support. Dealing with a couple of those points, I would reference the Charter of Rights and Freedoms. Section 2.18.1 of the agreement itself provides clearly that “The Canadian Charter of Rights and Freedoms applies to Inuit Government in respect of all matters within its authority”.

When one takes the time as well to examine the Labrador Inuit constitution, that constitution and the founding principles upon which it is based provide very clearly in subsection 1.1.3(j) that:

—within Labrador Inuit society every Inuk is entitled to the same rights and freedoms that all Canadians have under the Canadian Charter of Rights and Freedoms;

The provisions of the Canadian charter are completely clear and unambiguous with respect to this claim.

The position with respect to aboriginal women and this of course has been an issue before the House of Commons and the Senate in other matters is also very clear. I would reference 17.18.3 of the agreement which provides as follows:

Inuit Laws under section 17.18.2 must accord rights to, and provide for the protection of spouses, cohabiting partners, children, parents, vulnerable family members and individuals defined as dependents under Inuit Laws that are comparable to the rights and protections enjoyed by similarly situated individuals under Laws of General Application.

In essence, that means that women in Inuit society will be accorded, under this agreement, protection in respect of matrimonial property and the like which is at least as good as the protection which they have under the general laws of the province of Newfoundland and Labrador. That is important to the Conservative Party. We are pleased to see that in the agreement.

All things then considered, as one looks at everything that has gone into this agreement, it provides hope. It provides future for the Inuit people who have negotiated this agreement.

We are proud today to stand in this House and say thanks to the many people who have brought this agreement to fruition. We offer our support and our encouragement, and at the end of the day we say first and foremost to all of those people that we are proud to call them our fellow Canadians.

● (1550)

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Madam Speaker, it is an honour to be here this afternoon to speak to this significant piece of legislation.

Let me first say, and this might be a precedent, that I am speaking really on behalf of the member for St. John's East and myself. We were thinking about making a joint speech, but I do not think we would be allowed to read it. I speak much more quickly than he does, so that might not have worked out either, but everything I say, I know I am saying for him as well.

I know the House generally and certainly the people from Labrador are very proud of the work that my colleague from Calgary Centre-North has done on this file. I had the privilege early last fall to introduce the member to Mr. Anderson from the Labrador Inuit Association. Since that time he has been heavily involved in the file and helped to push it along. He apologizes that this legislation is not being delivered by a Conservative government, but I say to him that without the input of Minister Rideout and Premier Williams and the Conservative government in Newfoundland and Labrador, it would not have reached here so fast, so there is some consolation in that.

Let me also congratulate the member for Labrador on his first speech in the House. I am sure that he will make many over the years but none will be as memorable and I would suggest to him, none as important as the one he has made today on this very significant occasion.

I would be remiss if I did not mention the late Lawrence O'Brien. All of us who knew Lawrence and called him a friend would appreciate how important this day would be for him if he were here, but I know he is looking down on us from a much higher seat than any of us will hold for awhile, at least I hope. Let me also thank the member for Nunavut for her participation. We know how proud she is today at this great event.

Many of the people who really made it happen of course are in the gallery. President William Anderson has done such a wonderful job, not just recently on this agreement but for years. I have known him for many years and this has been an issue close to his heart. The MHA for the area, Mr. Wally Andersen, is here as is the minister who was introduced earlier, Mr. Rideout from the Newfoundland government. He has worked so closely with everyone to ensure this happened.

That is how we get things done. We see a challenge, we get together, and we face it collectively. We look at the strengths, the weaknesses, and what it takes from each of us to make it happen and then put it all together. It is a great day.

Those who are not familiar with the area and who have not been to the north coast of Labrador are missing something. In a former life, as a minister of education, I visited every, if not almost every, community along the coast. I visited all the schools, met with the people and took some time to hunt and fish.

Government Orders

We talk about history. I have heard members from Alberta, with all due respect to my colleagues, talk about the history of their province. We do not know the history of this country until we have visited Labrador. We do not know scenery unless we have seen the Torngats. We do not know fishing unless we have fished in Labrador.

We see people who are the kindest and most dedicated people in the world. People who have, not just for years but for centuries, eked out a living from the land and have seen others perhaps take more advantage of their resources than they did themselves. All that is going to change because of the work of some of the people we mentioned.

• (1555)

Today is a whole new day in the life of Labrador. I am reminded of the poem *The Road Not Taken* by Robert Frost. Robert Frost, of course, was one of the greatest poets who wrote poems that really expressed local situations. *The Road Not Taken* probably describes today what is happening to the Inuit people along the coast of Labrador.

Years ago they had the choice of continuing to do what had gone on for centuries. They had the choice to let others dictate their future to them or, when they came to the fork in the road, they had a choice to perhaps set off in a new direction, to take the road not taken, and to lead to an area where they themselves would control their own future and destiny. That is not always the easiest choice.

I am sure the new member for Labrador, who in his own right has fought many battles for his people, knows it is not easy. It is very easy for people to sit back and let somebody else do everything for them. It is a lot harder to stand and fight for what a person knows is right, to fight for what belongs to that person, and to fight for what that person knows he or she should control. This is what Mr. Anderson and his people have done.

In just a few moments, after we hear from two or three other speakers, the legislation will go through the House. What the Inuit people have wanted for a long time will be delivered to them. I want to tell them that they took the road not taken, but certainly, as the poem ends up, it has made all the difference.

I know it will make a lot of difference to the people of Labrador and the Inuit along the coast because their destiny is now in their own hands. History will show that we could not have turned the control of this destiny over to a better people. I wish them all the best and certainly appreciate being a little part of this whole exercise.

• (1600)

[*Translation*]

Mr. Bernard Cleary (Louis-Saint-Laurent, BQ): Madam Speaker, it is a pleasure for me as a member of Parliament for the Bloc Québécois responsible for issues related to the first nations and the Inuit, Innu of Mashteuiatsh, the Lac-Saint-Jean reserve in Nitassinan, the ancestral land of the Innu of Pekuakami, to speak to Bill C-56, an act to give effect to the Labrador Inuit Land Claims Agreement and the Labrador Inuit Tax Treatment Agreement.

Allow me first to congratulate the chair of the committee, the member for Nunavut, for the tremendous work she did on this and other matters, as well as all the opposition members who fought

tooth and nail to ensure that this bill was referred to the House of Commons as soon as possible.

The Bloc Québécois is very honoured to give its full support to this bill to give effect to the Labrador Inuit Land Claims Agreement and the Labrador Inuit Tax Treatment Agreement. There are three main reasons why we take this position.

First, the Bloc Québécois fully supports the idea of a right to self-government for aboriginal peoples, and this agreement realizes their right to govern themselves. They will have the pleasure of making their own choices, acting on them and developing, as they see fit, the future of their people, and most of all, of their children. If only for this reason, we should support the principle underlying this entire agreement.

Second, a majority of the Inuit—76%—voted in favour of this agreement, with a turnout of 86.5% in the May 26, 2004 referendum. It would be ill-advised for sovereigntists to oppose this.

Third, the agreement is a fine example of self-government and will go down alongside the Nisga'a agreement, the Tlicho agreement, and soon that of the Quebec Cree.

More generally, the Bloc Québécois is concerned about aboriginal claims for self-government. It acknowledges the aboriginal peoples as distinct peoples with a right to their own cultures, languages, customs and traditions, as well as the right to direct the development of their own identity.

Bill C-56 is now at the second reading needed to implement the tripartite agreement signed by the Inuit, the Government of Newfoundland and Labrador and the Government of Canada.

The Inuit are an aboriginal people numbering some 5,300 individuals. Most of them live in coastal communities in northern Labrador.

I would like to salute the president of the Labrador Inuit Association, Mr. William Anderson III, whom I have met with on several occasions. I hope that this bill now before the House of Commons is passed and, after a number of years, becomes the real social vision of their people.

• (1605)

The traditional lands of the Labrador Inuit are called “Nunatsiavut” and extend into the Torngat Mountains region as well.

This is the third agreement with Inuit nations, satisfying the aspirations of a first nation to self-government, while at the same time settling its land claim.

As was pointed out earlier, it was a matter of completing the circle of all the agreements that have been made for Inuit peoples. It is therefore, in my view, an enormous step forward in the development of these peoples. We can be sure that they will succeed, thanks to this agreement, in developing their communities, as they so richly deserve.

It is now up to the people who negotiated these agreements to follow this matter and ensure that it achieves its full potential.

The Government of Nunatsiavut will own a piece of land 72,520 square kilometres in size that stretches to the outer limits of Canada's territorial waters.

The Government of Canada will transfer \$140 million to the Labrador Inuit under the terms of the agreement, as well as \$156 million to implement it.

In particular, the agreement gives the Labrador Inuit property rights over resources, particularly carving stone and quarry material, as well as 25% of the revenues from subsurface resources so that they can take advantage of them and thereby ensure long-term funding for their people.

This part of the negotiations is an impressive result for the negotiators because they will succeed in providing sufficient funding for their agreement and their government.

Under the agreement, the Labrador Inuit will also have many other benefits, including the ability to manage their own health system, on condition that their standards are similar to those in other communities in Labrador; their own education, in order to protect their language and traditions; and their day-to-day administration, resources, economic development, etc.

The Labrador Inuit must also be consulted when development projects affect their land.

In all cases, the Canadian charter continues to apply to Inuit land and government.

The agreement also provides that the interests of current landowners are not affected by the new provisions. There is still free access to the land, with the exception of new roads or access routes where the Nunatsiavut government could impose transit fees.

In short, the agreement enables the Inuit to manage their own development. It also gives them more powers to protect their way of life, stimulate economic growth, and enhance the well-being of their communities.

In view of the nature of the bill giving effect to the Labrador Inuit land claims and the Labrador Inuit tax treatment agreement, it seems to us that the role of Parliament is to debate and accept or reject this bill. There is no need for us to amend this bill. It was duly endorsed by the three parties who negotiated it. To amend it would be to patronize it, and that we refuse to support.

● (1610)

We would point out that the Bloc Québécois endorsed the essence of the recommendations of the Royal Commission on Aboriginal Peoples. They set out aboriginal self-government as a level of government with jurisdiction over matters of good government and public well-being. In addition, the report as a whole was based on recognition of native peoples as autonomous nations occupying a unique place in Canada.

Before concluding, I would like to congratulate once again all the people who had to work hard to bring this agreement about. It puts an end to the negotiations of the Inuit of Canada as a whole. This is a historic day to remember.

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In closing, I invite everyone applying this agreement to be careful. As I have said again and again, an agreement is like a hunting rifle: if it is left at home it serves no purpose. It has to be used well and worked with. So, too, this agreement.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, it is a true honour for me to join the debate on Bill C-56 and to represent the views of the New Democratic Party caucus.

I would like to begin by saying I rise to enthusiastically support Bill C-56, known as the Labrador Inuit land claims and self-government act. I am deeply honoured to be able to participate in the consideration of the bill. I applaud the spirit of cooperation that exists in the House of Commons today and the goodwill expressed by all my colleagues from all parties. It serves as a testimony to the level of interest that we see and take in this issue and the genuine goodwill that we express to the Inuit people of Labrador today.

It is my belief that with today's debate, the House is taking a significant step toward our ultimate objective, and I honestly believe that is making self-government a reality for the Labrador Inuit.

Self-government for the Labrador Inuit is embedded in the provisions of a historic accord, the Labrador Inuit land claims agreement which is, I point out with great pride, the first modern day treaty in Atlantic Canada, a pact that truly marks the beginning of a new era in partnership between the Labrador Inuit and Newfoundland and Labrador and Canada.

The agreement is a product of extensive consultation, deliberation and negotiation. In that spirit the agreement represents the successful conclusion of 28 years of patient work by the Labrador Inuit and the Governments of Canada and Newfoundland and Labrador. I can imagine the degree of commitment that has to be demonstrated by all of the parties to navigate and negotiate a complex agreement on a subject matter as critical as the inherent right to self-governance and to maintain that stream of thought for 28 years to a successful conclusion.

This is a lifetime worth of work for the principals engaged in this undertaking. It is the fulfillment of a dream, not only of the people but of the leadership who have dedicated their lives to this diligent study, collaboration and effort that began as long ago as 1977 with the filing of a statement of claim by the Labrador Inuit Association.

Negotiations may have been lengthy, but since the agreement was finalized on August 29, 2003, I am pleased to say that progress has really been swift as it moved toward official ratification on May 26, 2004, with 76% of Inuit electors voting in favour of the agreement. On December 6, 2004, the Newfoundland and Labrador house of assembly adopted the enabling legislation, the Labrador Inuit land claims agreement act.

On January 21, representatives of the Labrador Inuit, the Government of Newfoundland and Labrador and the Government of Canada affixed their signatures to the agreement, the final step toward ratification. The passage of Bill C-56 is for the House now to undertake. Again, it is my great honour to be a part of that historic agreement.

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The pace may have seemed glacial in those early years, but in actual fact the timeframe since August 29, 2003, by the standards of legislation, is really quite speedy and it demonstrates the genuine goodwill of the people of Canada toward the interests of the Labrador Inuit.

A number of devoted men and women are responsible for this agreement and for bringing us to this threshold of such a remarkable accomplishment. I would like to recognize and pay tribute to all those who played a part in the development of the agreement: the negotiators for all sides, the Labrador Inuit and their wise leader, William Anderson III, the citizens of Newfoundland and Labrador and representatives of the provincial and federal governments. In particular, it is only fair to take note of and to recognize the efforts of the current Minister of Indian Affairs and Northern Development and his provincial counterpart, the hon. Tom Rideout. Genuine cooperation, painstaking work and unflagging patience have been the hallmarks of their efforts on all sides.

● (1615)

It is not an overstatement that the result of their work, Bill C-56, is truly historic. The legislation sanctions the landmark agreement signed between the Labrador Inuit and the Governments of Canada and Newfoundland and Labrador, an accord that defines and provides certainty about the rights of the Labrador Inuit as they relate to their lands, resources and self-government.

An examination of the agreement reveals the care and the thoroughness with which negotiators had to go about their work. It is a testimony to their diligence that the complexities of this agreement did not cause the whole effort to collapse under its own weight. I have nothing but admiration for the people who had the fortitude, the intelligence and the enduring, endless patience to plough their way through the minute details necessary in such an historic nation to nation agreement.

The agreement creates two categories of land, the Labrador Inuit settlement area; and Labrador Inuit lands. The settlement area consists of more than 72,000 square kilometres of land and some 49,000 square kilometres of ocean, extending to the limits of Canada's territorial sea. The settlement area includes Labrador Inuit lands and five Inuit communities: Nain, Hopedale, Makkovik, Postville and Rigolet.

In the northern part of the settlement area, approximately 9,600 square kilometres of land will be set aside for the establishment of the Torngat Mountains National Parks Reserve.

Within the settlement area, Inuit will own 15,800 square kilometres of land known as the Labrador Inuit lands. It is in this area where the Labrador Inuit will exercise the most rights and enjoy the most benefits. These rights and benefits cover a wide range of essential matters such as surface and subsurface resources, water use and management, ocean management, economic development, national parks and protected areas, land use planning, environmental assessment, wildlife, plants and fisheries, harvesting, archeology and place names. These are meaningful significant areas of jurisdiction that the Labrador Inuit will have the right to self-determination and control of these aspects of their lives and their livelihoods.

I again recognize and pay tribute to how difficult it must have been for the negotiators to convince an unwilling Government of Canada and an unwilling provincial government, at times, to acknowledge the inherent right to self-determination of a people and the inherent right to self-governance and the inherent right to their land, their resources, surface and subsurface, in minute detail. It is an astronomical feat. I do not know if the people at home watching this can appreciate the hurdles. This makes putting a man on the moon seem like a small achievement. I know how difficult our bureaucracies can be.

In addition to this comprehensive resolution over land claims and resource rights, the Government of Canada also agrees, by this legislation, to pay the Labrador Inuit \$140 million over a period of 15 years. Unfortunately, the flip side of that coin is the Inuit will have to repay their negotiation loans of some \$50 million during that same 15 year period. With every ray of sun, there is a cloud, I suppose.

Although the agreement is detailed and far-reaching in a number of respects on lands and resources, on capital transfers, on environmental protection, I am most enthusiastic about the agreement's provisions concerning self-government.

● (1620)

As a forward thinking community, the Labrador Inuit created a constitution several years ago. This constitution, which comes into effect with the agreement, establishes two levels of government, the regional Nunatsiavut government and five Inuit community governments.

All governments will be democratically elected and accountable to Inuit electors. The Nunatsiavut government may make laws to govern Inuit residents of Labrador Inuit lands and the five Inuit communities on such matters as education, health, income support, child and family services, meaningful aspects of the day to day life of the people who will now be the proud beneficiaries as the agreement unfolds.

The regional government will also have jurisdiction over its internal affairs, including traditional language and culture and the management of Inuit rights and benefits under the agreement. The Nunatsiavut government may also choose to establish a justice system for the administration of local laws. This is not simply smoke and mirrors. This is significant, meaningful, self-administration, self-determination and self-governance.

In all the research that we have seen, all the empirical evidence shows that the economic development and financial success of first nations and Inuit communities around the world is directly proportional to the degree of self-determination afforded to those individuals and those communities. In other words, it is a necessary prerequisite for a healthy, successful and sustainable economic community to have control of their own self-determination and their own destiny.

Five Inuit community governments will replace current municipal governments. The community governments may enact bylaws respecting local or municipal matters within their local jurisdictions. It is interesting to note, and I think this is an example of a modern day agreement, that both Inuit and non-Inuit residents alike in these communities will be able to vote and serve as councillors. That is in the best spirit of reality, generosity and a willingness to make this new community work.

I believe it is important to point out to anyone listening that the Canadian Charter of Rights and Freedoms will continue to apply to all Inuit governments and to matters under their jurisdiction and control, and federal and provincial laws will continue to apply to all Inuit.

Just to be abundantly clear for anyone who may be uncertain about what aboriginal or Inuit self-government looks like, they do not need to have any fears about this. The Charter of Rights and Freedoms has primacy, equity and equality exist and the federal and provincial laws will continue to apply. The Labrador Inuit will have the jurisdiction and control for those specific areas of their lives that are so important in the interests of self-determination and self-control.

The Labrador Inuit will also remain eligible for federal and provincial programs and services, like all Canadians. They are still Canadian citizens. The Government of Newfoundland and Labrador, the Government of Canada and the Nunatsiavut government will negotiate a fiscal financing agreement every five years to provide funding to the Nunatsiavut government, enabling this regional government to provide agreed upon programs and services to Inuit and, where appropriate, to other residents.

Meanwhile, the Labrador Inuit will contribute to the costs of their own governance, programs and services. The first fiscal financing agreement has been negotiated and will take effect when the agreement comes into force. We hope that is within the very immediate future.

These self-government provisions will make a genuine difference in the daily lives of the Labrador Inuit by helping them to build a solid foundation for future economic growth and prosperity. Indeed, the profound benefits of self-government for aboriginal peoples are no longer in question. The link connecting aboriginal self-government and economic self-determination is far too obvious for anyone to doubt.

Self-government promotes open, transparent and accountable community decision making for aboriginal peoples. Responsible local governments lead to certainty about land ownership and management. It creates a stable environment for development and for investors. This certainty helps to attract investors and business partners and it fosters economic growth.

•(1625)

Investors seek stability and certainty. This agreement would give the certainty that people can invest in confidence. Outsiders can invest in confidence, in cooperation and with permission of the Labrador Inuit. Rising prosperity and optimism encourages self-reliance and leads to improvements in housing, employment and

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quality of life. It enables aboriginal communities to break down barriers and participate more fully in our nation's economy.

Clarifying jurisdictions, establishing elected, effective, accountable governments and creating a climate for economic growth and self-reliance, Bill C-56 would set the stage for all of these goals, helping the Labrador Inuit to continue their vital integration into Canadian economic life, hopefully, while still protecting their unique, cultural traditions.

In this fundamental respect, Bill C-56 represents a sensible response to the changing and challenging conditions of modern life and I hope enables a proud and ancient people to flourish.

In fact, through three key Inuit economic, political and health organizations, the Labrador Inuit have been hard at work for a number of years addressing the pressing social needs, forging partnerships with local governments and organizations, and striving to develop the physical infrastructure required to generate and sustain that economic growth.

The Labrador Inuit Development Corporation, an agency that strives to improve local living conditions by creating employment opportunities and promoting training and skills development, has successfully established several joint ventures. The corporation owns and operates two anorthite quarries near Nain and a stone processing plant near Hopedale.

In addition to these natural resources projects, the development corporation has reached an impact and benefits agreement with the Voisey's Bay Nickel Company. Through the agreement, Inuit are recruited and trained for work on the Voisey's Bay project and businesses with significant Inuit content are given special consideration as potential suppliers.

What is more, the Nunatsiavut government receives 5% of the provincial revenues generated by the subsurface resources in the Voisey's Bay area. These revenues, as it should be, go directly into a post-secondary support program that enables approximately 100 Labrador Inuit to pursue advanced studies, surely an idea we should celebrate.

The Labrador Inuit Association, the political arm of the local Inuit population, provides a wide range of training, investment and purchasing programs designed to increase aboriginal participation in the Canadian economy. This agency also participates in a number of environmental initiatives, such as fish population studies and forest preservation activities.

The Labrador Inuit Health Commission delivers programs targeted to community health needs and addresses concerns, such as drug and alcohol addiction and mental illness. The Labrador Inuit Association meanwhile supports an alcohol free social club, conferences on fetal alcohol disorder and the local chapter of Mothers Against Drunk Driving.

Given those activities and those accomplishments, the Labrador Inuit are clearly prepared to take the next fundamental step toward true independence and self-governance to safeguard their lands and culture and to wield the levers of economic power.

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I believe the legislation before us today will enable them to accomplish that. I am urging my colleagues to fulfill their role in this historic achievement by lending their prompt and unqualified support to Bill C-56.

Let me conclude my remarks by quoting some of the comments at the Standing Committee on Aboriginal Affairs and Northern Development on June 9 when the Labrador Inuit Association made presentations to us, particularly comments from Mr. William Andersen III, the president of the Labrador Inuit Association.

● (1630)

I will be brief but I thought it was powerful testimony, and for those Canadians who may be watching this historic event, they should hear the voice of Mr. Andersen who said:

I'm also someone whose life was changed by factors I could not control at an early age. In 1956 when I was eight, my family was relocated from our home in Nutuk without our consent. So I've seen a lot of change and I understand why this bill is so important to our people.

The Inuit of Labrador continue to live a traditional lifestyle. We camp, live on the land, hunt and gather food and most importantly, maintain an active connection with our Inuit heritage and language. At the same time, we're building on our traditions to create economic development and social programs for the future. The approval of the Labrador Inuit Land Claims Agreement will address concerns that are vital to us now and in the long term.

Nunasiavut is the Labrador Inuit name for our homeland and in English it means "our beautiful land".

I was moved by the presentation of the president of the Labrador Inuit Association, as were my colleagues in all parties. As a representative from the province of Manitoba and as a representative of the New Democratic Party caucus, I want to throw our enthusiastic support and best wishes to the Labrador Inuit for the successful passage of Bill C-56 and the historic agreement that would give them the right to self-determination and self-governance.

The Acting Speaker (Hon. Jean Augustine): Pursuant to order made earlier today, Bill C-56, an act to give effect to the Labrador Inuit Land Claims Agreement and the Labrador Inuit Tax Treatment Agreement, is deemed read a second time, deemed referred to a committee, deemed reported without amendment, deemed concurred in at report stage, deemed read a third time and passed.

(Motion agreed to, bill read the second time, considered in committee, reported, concurred in, read the third time and passed)

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BUDGET IMPLEMENTATION ACT, 2005

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.) moved that Bill C-43, An Act to implement certain provisions of the budget tabled in Parliament on February 23, 2005, be read the third time and passed.

The Acting Speaker (Hon. Jean Augustine): 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 Selkirk—Interlake, Sponsorship Program; the hon. member for Skeena—Bulkley Valley, The Environment; the hon. member for Cumberland—Colchester—Musquodoboit Valley, Agriculture.

● (1635)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I am pleased to speak in this final debate on Bill C-43. This has been a long journey. We started this journey back in February with the introduction of the budget on February 23, shortly thereafter, the budget implementation bill and then taking that bill all the way through the debate in the House, first reading, second reading, into committee, hearing witnesses, back out of committee and then the vote last night on report stage amendments. Now here we are on the final leg of our journey in the House with respect to Bill C-43.

The bill contains very important commitments made by the government on key social and economic issues. All of that is premised on the notion that we have sound fiscal management in the country and that we are committed, as a government, to balanced budgets. This budget represents the eighth balanced budget in a row and we anticipate, as we go forward, that we will be going into five more balanced budgets. That, in and of itself, is a historic first in this country.

However we have not always been in such an enviable situation. We will recollect back in 1993 when we came into government that the *New York Times* was describing Canada as an economic basket case. That was a formidable challenge for the government and it took us three or four budget cycles to actually turn the nation's finances around. We went from a situation of chronic deficits and skyrocketing public debt to a position of diminished deficits to 1997 when we actually ran our first surplus. We have been able to maintain our situation of running surpluses since then.

I think, even for all the parties opposite, we are now committed to the notion that we balance the books first and talk about what expenditures can be made after those books are balanced. I know that is a bit of a revolutionary concept for members of the Conservative Party, the NDP and the Bloc but, remarkable as it may seem, the Liberal government has been able to achieve a political consensus that balancing the books comes before everything.

We have been able to do some remarkable things in this country, one of which is the reduction in the national debt by some \$60 billion over the past number of years. That has enabled us to not only achieve a triple-A credit rating, but it has also enabled us to save a significant sum of money on annual basis which is something in order of about \$3.5 billion in interest costs alone.

The happy ripple effect of that is that as the Government of Canada goes, so also do other governments at both the provincial and the municipal levels but so also does business. We have at this point in our history very low interest rates. That, in some significant measure, is due to the fact that the Government of Canada has its fiscal house in order.

We have taken our debt to GDP from a historic high of 68% to now just down below 40% and the budget sets a track to go in the next number of years down to 25% of debt to GDP.

We are the only G-7 government that has been able to achieve such a remarkable turnaround and achieve such a balanced budget with surpluses going forward. We are therefore among the leading economies in the world.

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That in turn, once we get the books right, allows us to contemplate investments in priorities both social and economic that Canadians have told us about over the last number of years. For those who follow these proceedings, they will know that the finance committee, for instance, conducts extensive hearings in order to be able to ascertain what the priorities are of Canadians.

● (1640)

The minister himself conducts a number of round tables in order to do that. There are what at least seem like endless numbers of meetings, both public and private, on what are the social and economic priorities of Canadians. I think the success of this budget and the way it has been so well received by Canadians across the country reflect the extensive hearings that we have held prebudget.

In turn, there is an expectation that the government live up to its commitments to Canadians: to Canadian families, Canadian individuals, Canadian businesses, Canadian municipalities and the provinces as well. The budget indeed lives up to some expectation on the part of Canadians that we involve ourselves to a greater extent in the affairs of the world.

If I may take a few moments, I will talk about some of these commitments and how the budget speaks to those commitments.

First, with respect to reducing the tax burden on individuals and families, members opposite will recollect that over the past five years we have had \$100 billion of tax reduction initiatives, which have effectively reduced federal personal income taxes by 21% on average and by 27% for families with children.

In budget 2003, for instance, low income and modest income families received increases to the national child benefit of \$185 per year for both July 2005, or in other words, next month, and July 2006. With these changes, the Canada child tax benefit program is now something in excess of \$10 billion as of fiscal year 2007.

In some respects that reflects our commitment to Canadians and in particular to families raising children. That is an increase of something like 100% since 1996. As I say, members can see that this has been one of the priorities of the government once we moved into a surplus position.

Budget 2005 builds on our strong record of sustainable and responsible tax reduction by increasing the personal amount that all Canadians can earn tax free. The budget put forward in Bill C-43 proposes that we move the threshold up to \$10,000 by the year 2009. As a result of that, we will take off the tax rolls something in the order of 860,000 tax filers, of whom about a quarter of a million are seniors.

Budget 2005 also tries to encourage savings. As we know, private domestic savings play a key role in our economy. We are very mindful of the demographic realities of our country. As the baby boomers age, the expectation in the not so distant number of years is that baby boomers will be drawing down on their savings, both public and private.

The government has therefore increased the limits for registered pension plans in Bill C-43 and also expects that these limits will increase further. By the year 2010, the annual dollar contribution to an RRSP will be something in the order of \$22,000, with

corresponding increases for registered pension plans. Thereafter, the ceilings will be indexed according to average wage growth.

We hope that by doing this we will encourage Canadians to save and assist employers in providing competitive compensation packages to attract and retain skilled workers and encourage savings to support investment, productivity and economic growth.

In addition, the budget proposed that we eliminate the foreign property rule. We did that immediately, effective the date of the budget. At one point the limitations were 20% and then ratcheted up to 30%. Now there is no ceiling on foreign property acquisition in one's RRSP. That enables Canadians to diversify their investments and creates larger pools of capital so that we can exercise those pools of capital for the benefit of all Canadians.

● (1645)

The budget also takes steps to improve the fairness of our tax system. It recognizes the special circumstances of certain taxpayers to reduce their ability to pay tax, so there are some initiatives to have a fair tax system and improve the quality of life for persons with disabilities. That follows the recommendations of the technical advisory committee on tax measures for persons with disabilities.

In this budget, the maximum annual child disability benefit was increased to \$2,000 from a sum of \$1,681, beginning next month. Bill C-43 also proposes that the maximum amount of refundable medical expenses be increased from \$571 per year to \$750 per year. Other measures as well, responding to the technical advisory committee, will be included in a bill that will be tabled at a later date this year.

The government is committed to ensuring that Canada's tax system is fair for Canadian businesses. It recognizes that the corporate tax system needs to be competitive in order to foster investment. In that regard, the corporate tax reductions that were originally part of Bill C-43 will be reintroduced under separate legislation. Notice has already been given to that effect.

In the budget we also respond to the concerns about tax fairness expressed by the Canadian Federation of Independent Business. There is a priority recommendation of the House of Commons Standing Committee on Finance regarding the jewellery industry in Canada. This budget proposes a phase-out of the jewellery tax, much like the finance committee recommended on two separate occasions, and it is a reflection of the regard the finance minister has for the finance committee and the work it does.

I might mention in passing that I think the finance committee made 33 recommendations. Of those, I believe 24 are all or in part reflected in the budget. The work of the finance committee is recognized in the budget and is appreciated by the minister.

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The government has expressed its commitment as well to provide federal funding for our cities and communities. In 2004 we took the first steps in recognizing that by providing a new deal that allocated \$7 billion over 10 years through a full GST rebate. For instance, for my community in Toronto that means a saving in the order of about \$52 million on an annual basis.

Since the mid-1990s, the Government of Canada has invested something in the order of about \$12 billion in infrastructure programs, leveraging more than \$30 billion in total infrastructure investment over that similar period of time. We have used the Canada strategic infrastructure fund, the municipal rural infrastructure fund and the border infrastructure fund in order to be able to leverage that \$30 billion over the past number of years.

As I said, the full rebate of the GST was contained in a previous budget. Budget 2005 delivers on our commitment to share the federal gas revenues with municipalities in order to address their infrastructure needs. In 2005-06 Canada's cities and communities will receive a share worth about \$600 million, which is the equivalent of 1.5¢ per litre. Subsequent legislation will increase the funding gradually, until it gets to be about \$2 billion annually by 2009-10 or the equivalent of 5¢ a litre of the gas tax revenue.

The Minister of State for Infrastructure and Communities has already begun negotiations with the provinces and territories to share that gas tax revenue. The money will start to flow toward environmentally sustainable projects. In Ontario this will likely mean something like \$1.9 billion over the next five years. To round that off, it is about \$750 million a year for Ontario in additional moneys. We think this is a good example of all three orders of government working in partnership to build sustainable communities.

• (1650)

Hon. members will recall the commitment made last fall to the provinces on the equalization money for the provinces and the territories, which was something in the order of \$33 billion over 10 years. That being enabling legislation, that arrangement has now received royal assent and the money has in fact started to flow to both the provinces and the territories.

I should point out that this initiative represents a fundamental reform of these programs in response to the concerns of premiers and treasurers alike that their funding flows were somewhat irregular because of the nature of the funding formula. They sometimes went up and sometimes went down according to economic conditions, both in the province and out of and external to the province. The government in effect took the risk out of the funding flow, so that commitment to the provinces is something on which they can go to the bank.

The additional moneys that were provided to the provinces, both equalization receiving provinces and non-equalization receiving provinces, were something in the order of \$41 billion over 10 years, the total of which—\$41 billion and \$33 billion—comes up to almost \$75 billion in additional funding, which should in large measure stabilize the funding process for provinces as they try to meet the needs of their citizens.

Not included in this legislation, budget 2005 also announced \$805 million for direct support for health initiatives, but I wanted to mention this because it further illustrates our government's commitment to continue to try to improve our health care system.

I know that hon. members opposite, two in particular, will be quite keen to see the completion of this budget because they anticipate that both Nova Scotia and Newfoundland and Labrador will be receiving significant sums of money. In the case of Nova Scotia, it is something in the order of \$830 million. In the case of Newfoundland and Labrador, it is something in the order of \$2 billion.

I know that those hon. members in particular will be very enthusiastic and encouraging about this receiving quick passage. Possibly they could even convince their colleagues to only make one speech at a time so that we can move directly to a third reading vote. Maybe I am anticipating the power and authority of those two hon. members to encourage their colleagues to do that.

As well, I wanted to point out that this budget provides for \$120 million for a northern strategy for the three territories, Nunavut, the Northwest Territories and Yukon, and those moneys will be divided equally among those territories, at about \$40 million each. That money, upon the passage of this bill, will be put into a third party trust.

As well, the budget reaches out to the world. I know that you and I share a keen interest in the Caribbean, Madam Speaker. As well, we participated in the Iraqi elections, for instance. It was their first time and it was really interesting to talk to Iraqi Canadians who voted for the first time.

We want to continue that as Canada reaches out to Haiti, Africa, the Palestinians, Afghanistan and Kosovo, and this budget enables us to do some of that. You and I were both moved, Madam Speaker, in the early part of this year with respect to Canadians' response to tsunami relief, which, after all was said and done, ended up as something in the order of \$425 million. I know, Madam Speaker, that you are also keenly interested in the welfare of our Sri Lankan population and you and I were able to encourage the government to make sure that the relief was distributed in an equitable and fair way.

As well, the Asia Pacific Foundation has received funding in the amount of \$50 million. It will be an endowment, which will hopefully sustain the good work the Asia Pacific Foundation is doing.

• (1655)

Finally, I appreciate the work of colleagues on both sides of the House. Sometimes I appreciate the work of colleagues on the other side of the House a little less, but this in large measure reflects the priorities of Canadians. We have, in large measure, delivered on the commitments made to provinces, communities and to the global community at large.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, as I listened to the parliamentary secretary give his address on Bill C-43, I was glad to hear both the tone and the content with which he enlightened us about the merits and benefits of Bill C-43.

Government Orders

He will probably remember that the initial NDP reaction to the first Liberal budget that was put forward was less than enthusiastic. In fact, we voted against that original budget. It did not strike us as addressing the needs and priorities of Canadians as we had identified them as New Democrats.

Certainly, the information reaching us, in terms of the priorities of Canadians, differed dramatically from the nature of the budget cobbled together by the Liberal Party. Luckily, and this is the magic of a minority Parliament, a good opposition party can use a minority Parliament to advance its own agenda. It is the advantage of a minority Parliament in terms of benefits to ordinary Canadians. A successful opposition party measures its success if it achieves its agenda.

Thankfully, through negotiations with the government of the day, the NDP, as an effective opposition party, did manage to convince the ruling party that some of our priorities were the priorities of Canadians. To the credit of the Liberals, they listened. It is the magic of a minority Parliament at work.

Even though we are debating Bill C-43 today, which has many of the core elements of the Liberal government budget, would my honourable colleague not agree that the budget process as a whole benefited greatly from the cooperative exercise that took place? There was an effective opposition party using its political capital and political leverage to achieve the agenda that it stands for, which is social spending, the reduction of poverty, affordable housing and a clean environment.

In other words, would my colleague agree that it was a good thing that, by using our political leverage, we have convinced the government to use taxpayers' money in the interests of taxpayers, to use taxpayers' money in a way that Canadians were asking? Would the parliamentary secretary care to expand on that?

• (1700)

Hon. John McKay: Madam Speaker, it is a different budget process in a minority situation as opposed to a majority situation. It cuts both ways. I am sure my hon. colleague will agree that now the NDP is convinced of the merits of balanced budgets and debt reduction. I think my hon. colleague will be convinced of the merits of proceeding in a measured way that responds to the needs of Canadians. In that respect the NDP has given some ground.

Having said that, there are elements, both in Bill C-43 and highlighted in Bill C-48, which reflect initiatives that the government has taken and wants to take, dependent upon the ability of the economy to generate sufficient moneys so that this contingent spending can be entered into. That is possibly a distinction that is sometimes lost on a lot of folks.

We are debating Bill C-43, which is within the fiscal framework as projected by the budget documents put forward on February 23. It is committed spending. Bill C-48 is spending based upon surplus moneys. If surplus moneys were to exceed \$2 billion on an annual basis, we would spend on the priorities that the New Democratic Party has identified, which are also the priorities of the Government of Canada, in affordable housing, foreign aid, the environment and areas such as that.

It is a different process, but there is some no go zones in terms of things that the Government of Canada will not do. We will not go into deficit financing. We will not do anything other than have balanced budgets and we will not destabilize the fiscal framework.

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Speaker, I want to follow up on my hon. colleague's comments. It seems to me that one of our prerequisites of entering into discussions with the government about improving the budget was the fundamental principle that it had to be balanced. If we did not have a balanced budget, we would not be able to move forward with any of our social agenda.

The question regarding Bill C-43 that raised our concerns initially was regarding the \$100 billion in corporate tax cuts that had already been given out. Having gone through the June election last year, night after night in debates I heard about the Liberal agenda which talked about social spending. It talked about housing and addressing the environment. We were quite shocked however when we saw the original Bill C-43 because it seemed that none of those priorities were there except another \$4.6 billion in tax cuts.

We wondered how it was that we had money to spend on more tax cuts after the \$100 billion had already been sent out when there was a deficit in the lack of housing, and a deficit facing our students in terms of the debt loads they are carrying. We had the debt loads that our first nations communities were facing and the debt load that was starting to grow in our environment from a lack of a long term plan.

When we sat down to work with the government on improving Bill C-43 into something that was more in line with what the Canadian public wanted, it was based on the principle of a balanced budget. It was based on a principle of giving to Canadians a plan that would actually move us out of the many other deficits that had grown over the years. We have been obsessed with the Conservative Party's one note song on tax cuts at the expense of everything else.

We have heard such strong support for this budget from the home front. We are hearing from people of all political stripes in Timmins—James Bay who are saying to deliver this budget and make it happen. They want this budget to go through. They want the games to end. We are almost in July and we still have not passed these two bills. I am asking my hon. colleague, can we get a very firm commitment that Bill C-43 and our amended budget will be passed before this session ends?

• (1705)

Hon. John McKay: Madam Speaker, I wish that was a commitment I could give because I suspect that some of the time occupied in the debate on this budget might not necessarily be occupied by this side, but may well be occupied by the other side and for that side, I cannot give or receive commitments.

I agree with the member on the johnny-one-note exercise. It is true that members opposite do have a johnny-one-note, that tax relief is the way to nirvana. We all know that tax relief is not the way to nirvana. The beauty of being a Liberal is that we have to be able to walk and chew gum at the same time.

Government Orders

With respect to the \$100 billion tax relief, about one-quarter of it applied to corporations and about three-quarters applied to individuals. Similarly, the tax relief envisioned in Bill C-43, about \$7.4 billion was for personal tax relief and a little over \$4 billion was contemplated for a corporate tax relief, some of which survives intact.

We must have a competitive business environment and if we do, we presumably will increase our productivity. If we were to increase our productivity, we would generate wealth. If we were to generate wealth, then all governments would be able to tax that wealth for the greater good. That is the reasoning behind the tax relief as contemplated in Bill C-43 and which ultimately will be restored in Bill C-43.

Mr. Monte Solberg (Medicine Hat, CPC): Madam Speaker, the Conservative Party of Canada believes that Canada can become the most prosperous nation in the world, but we do not think that can happen with the Liberal government at the helm. Certainly not when it is supported by the NDP and is taking its marching orders from the NDP when it comes to economic and fiscal policy. I cannot think of a worse scenario in terms of generating wealth for Canadians, creating jobs, and doing the things that are necessary to provide Canadians with the opportunity that they really deserve.

Having said that, it is my pleasure to stand today and say that we are going to support Bill C-43 because we have been able to make some changes to it.

I want to point out to the House and to my friend across the way that back when we had a throne speech at the beginning of September, the Conservative Party insisted and finally got amendments to the throne speech that called for tax relief. It is actually the same tax relief that my friend in the NDP was running down a moment ago and was agreed to by his party. That became part of the budget.

Finally, the government has started to come around and see that these things are important. It is important because Canadians perversely pay income tax at \$9,900 a year, which is ridiculous.

We think about helping people on the low end of the income scale. Obviously the NDP do not care about that. However, when it comes to helping people on the low end of the income scale, why do we tax people who are scraping by on pensions? It is ridiculous. I am thrilled that we were finally able to get the government to move a little in our direction on personal income tax cuts.

When it came to tax relief on large employers, the Liberals have gone through this crazy process where they said they believed in this and they had to have it because it would create jobs. Then in an effort to save their political skin they reversed themselves and said that they would take it out of Bill C-43 and strike a deal with the NDP.

Then the next day, after there was much pressure from our party and from people who actually employ Canadians, they put it back in. They said that they would bring it back in a different piece of legislation. It is ridiculous. The Liberals do not have a clue as to what they are doing. They obviously do not have a vision for where we should go down the road. I think it is important for the

Government of Canada to have some kind of a real vision, so that we can guarantee Canadians jobs and opportunity down the road.

I want to point out today that we have big challenges. We have flat take home pay in Canada. There was a report in January that showed that Canadian take home pay has only gone up 3.6% since 1989 which works out to an increase of about \$84 a year for the average Canadian. That is reprehensible.

In a country this wealthy, to have take home pays flat like that for 15 years, that speaks volumes about public policy. The government is not leveraging the tremendous natural resources that we have and the human resources. The fact that we have this unfettered trade relationship with the United States, the wealthiest country in the history of the world, we should be exploiting that relationship. We are not doing those things to the degree that we could and the result is that take home pay is basically flat in Canada. In fact, there was a report from Statistics Canada the other day pointing to the fact that productivity is flat in Canada. We turned in our worst productivity performance this spring in six years.

Because of the government's high tax policy, average Canadians pay around 49% of their wages in taxes. There was a report by the Fraser Institute that showed an Ontarian making \$35,000 a year spends \$17,175 in taxes and levies to all the different levels of government, which is crazy.

• (1710)

I know the NDP member says that they pay it to the government and then the government gives it back to them in some form and everyone is better off. What my friend fails to note is that when government reaches into people's pockets, takes \$1 out, gives 20% of it to the bureaucracy, and in some cases Liberal advertising agencies, then gives them back 80¢, and people are supposed to be grateful for the 80¢ they get back out of their \$1. That is crazy.

We need to figure out which are the things that government can and should do and which are the things it cannot and should not do. There are many things today in which the government is engaged and involved that I think have turned out to be very wasteful. I could talk about the firearms registry and a lot of different things, but time will not permit that.

One thing the Conservative Party was successful in doing, along with getting the government to change its mind on personal income tax and corporation taxation, was to remove part 15 of the budget legislation that would govern large final emitters under the Kyoto provisions through the Canadian Environmental Protection Act. It was inappropriate. All parties noted that eventually. We claim success on that. We think that is important and it can be done in a different way down the road when the government has taken the time to figure out how to do it in a way that will not unduly hurt the economy. We have to be concerned about that.

We also were able to effect a big change when it comes to the greenhouse gas technology fund. We brought in some amendments, which the government will accept, that would make it much more flexible so companies working through this fund will be able to meet targets in a way that will cost a bunch of jobs in the Canadian economy.

Government Orders

We also brought in several accountability provisions so advisory boards that reported to the minister with respect to the greenhouse gas technology fund would have to make their advice public, which I think is only appropriate.

There are many things we have done to change and strengthen the bill, of which we are proud.

However, the government has to go further. The deal with the NDP is a disaster. I want to argue that there is a better way. We think there is a role for government, it has gone way beyond where it should be in Canada today. Canadians should be allowed to keep more of the money they earn.

Members may have heard me speak in this place before about the impact of leaving \$1,000 a year in the pockets of low income Canadians. I did some calculations. Let us think about some of the people we know who are struggling today.

I know a family with four children and a modest income. If we gave that family a \$1,000 a year tax break and it was put into an RRSP, it would work out to \$1,160 with the break it would get from the RRSP. If we amortize that over 30 years with only a 5% return, it works out to \$81,000 that would build in that RRSP. If a tax break of \$2,000 a year was given, obviously it is double.

Those people know better than government what is right for their families, with their money. Does it make sense to give money to a government that has wasted money and in some cases, I am afraid to say, money that people in the Liberal Party have stolen? There is no question about that. That is not disputed. In fact, criminal charges have been laid. Liberal Party officials have admitted that they were engaged in stealing money.

Let us make an effort to leave more of that money in the pockets of Canadians who earn it in the first place. If we do that, I think we will eventually reach the goal of making Canada the most prosperous country in the world. We should be there today. We have been falling. Other countries have shot by us. Countries like Iceland, Ireland and the Netherlands have all passed us in terms of standard of living. Why? Because of bad public policy.

Do those countries have resources that we do not have? That is hardly the case. They have no resources, typically. We have all the resources but they are moving ahead of us in standard of living. They have reduced the taxes that hurt their productivity the most, which this government refuses to do. In fact, the finance minister spoke in Halifax today and criticized business for not being more productive. He is the one with some of the highest taxes on capital and investment in the world.

● (1715)

How can our businesses compete when those taxes have gone through the roof? How can businesses go and hire more people when we have that kind of anchor to pull around behind us? Where is the vision from the government to make Canada the most prosperous country in the world?

If we can achieve that, then we can make Canada the most generous country in the world. If we have the most prosperous country, then we can be the most generous.

I want to put the lie right now to what the NDP member and my Liberal colleague across the way were saying just a moment ago. They say that all we believe in is tax relief. Tax relief is the means to an end. What we want is prosperity for Canadians. We want opportunities. I do not really care about having a program that is only about tax relief, not at all.

There are many other things we have to do to ensure that people have that high standard of living. We have to be able to ultimately afford to fund our social programs, like post-secondary education. One of the most important ways to ensure that people have a high standard of living is to ensure they have access to post-secondary education. Not only that, rather obviously, it just enriches the life of the person who gets that education.

The only way to ensure that we will have the money down the road is to expand the tax base. That means getting excessive taxation off the backs of all kinds of businesses such as small businesses, the types that are championed by the Canadian Federation of Independent Business and the Chamber of Commerce, groups which have been very critical of the government in the last while and Bill C-48, and large employers.

I point out that the C.D. Howe Institute says that if the government had reversed itself on removing the taxation on large employers, it would have cost the Canadian economy 340,000 jobs. That is not just a statistic. Those are jobs to individual people, people who have to look after their families. I am glad the Conservative Party and a coalition of people who actually hire workers were able to pound the government to the point where it came to its senses. Now it is bringing back the reduction in taxation for large employers. It is very important to do that.

Getting back to my point, we believe there is an important role for government. The government has a role to play when it comes to ensuring the rule of law, frankly, we do not do a very good job of that today in Canada. We just had a question period today where the Conservative Party was grilling the government over the report that there were now a thousand Chinese spies operating in Canada.

I want to argue that in many cases money, which should go to essential services, the things only the government can do, is taken away to put into things that the government should not be doing at all, like again the firearms registry. I could talk about other places where it has wasted money. I could talk about the submarines that the government bought and cannot get them to float or sink or whatever it is. It has done a terrible job on some of this stuff. Suffice it to say, we believe there is a role for government.

We also believe the government has a really important role to play when it comes to ensuring that we have access to markets. One of the problems the Conservative Party believes the government has not addressed today is the whole issue of ensuring that we can provide goods and services to the United States, by far our most important market. Eighty-four per cent of all our exports go to the United States, so it is critically important. We see that border too often closed to us these days. We think that is an important role the government has to play, but it has not done a good job of it.

Government Orders

We think the government has a very important role to play when it comes to things like health care. We believe the government should adequately fund health care. We also believe, and I think this is now backed up by the courts, the government has done a horrible job of ensuring, after 12 years, that Canadians can get access to health care. The government cannot blame that on anyone else. It has become so bad that people now have to go to the court to force the government to deal with their medical problems. The government is not doing a good job when it comes to providing certain kinds of government services.

● (1720)

Here is something Canadians run into all the time. Has anyone here tried to get a passport lately? The only place a person can go to get a passport is the government. The government is doing a lousy job with that \$160 billion we sent it to use for providing programs and services. It is doing a lousy job when it comes to those kinds of things.

As an MP, I have people come to my office all the time saying that they have sent their paperwork in six or eight months and they still do not have their passports and they have to go somewhere. They are doing a lousy job in providing basic services.

We think there is a role to play. We do not think the government is playing that role. We think very often Canadians could do a better job with the money that goes to Ottawa and too often is wasted.

If the idea is to ensure that people are as well off as they can be, as prosperous as they can be and that they can look after their family, many times a government program will not do that. Many times a family will do that, a family which has a good job or maybe two good jobs. It is a family who has enough income, after they have paid their taxes, to put money into an RESP so they can look after their son or daughter's education down the road or money in an RRSP so they have a bit of a nest egg to retire on. I think that is a great idea.

My friend across the way is mumbling that it was a Liberal idea. It may have been a Liberal idea, but it is also a Liberal idea to tax people to the point where they can hardly afford to put money into RRSPs today. A 49% taxation rate is also a Liberal idea.

We think Canadians need that money to buy groceries or to go on a vacation. We want to see them have a high standard of living. We want them to have enough income after they have paid their taxes so they can really enjoy their life. We want them to have some choice in child care.

Here is another issue on which I think a lot of Canadians are certainly behind the Conservative Party. The government says to parents that they are not doing a good job of looking after your children. Then it says that it will take some tax money away from them and put it into a national day care program. Whether they prefer to use day care or not, they still pay taxes for it.

Many Canadians make a different choices. Many Canadians say that they would like to have one parent stay home for awhile with the children as they grow up. They think that is the best way to help them get through those formative years. Other people make a different choice and put their children in day care. The point is, Canadians should have some choice.

The government, although it denies it, is trying to take away choice by taking tax dollars from everybody and putting it into institutionalized day care. That is the government's preference but it may not be the preference of other Canadians.

The Conservative Party completely opposes that and I make no apologies for it. Every poll I have seen indicates that 80% of Canadians would like to have choice. In fact, 80% of them say they would prefer to spend time at home with their children instead of putting them into a day care. We are not saying they cannot. Give Canadians the choice. The new minister may have had great expertise in hockey, but he does not seem to understand the issue of parental choice.

I look forward to hearing questions from my friends across the way.

● (1725)

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Madam Speaker, I enjoyed the speech, which part of it I heard from here and part of it from my office, but I was especially surprised at the attack on the RRSP.

I know we all want money for vacations and stuff like that and, as the member said, we should have money for that, but I also think we should be encouraged to save for larger vacations rather than small ones.

The RRSP is a program that encourages people to save. I also know the member is concerned about overtaxation. Well the RRSP is also a way of saving and reducing taxation so I was surprised to hear him attack it.

One aspect of the RRSP is the RESP which is where people can save money, avoid taxes and put the money aside for the education of their children at a later stage. By the way, when they draw it out they do not pay the taxes, so this is great encouragement.

Another part of the RESP is the Canada educational saving grants program whereby, when people put money into an RESP for their children's future education, they receive a grant of 20% up to a certain maximum for each child.

Another facet of the RESP is the Canada learning bond for very low income children, which I know the Conservatives supported. In this case, an RESP account can be opened in the name of a low income child either by a parent, a guardian or the Children's Aid Society if the child is in care, and the Government of Canada will place \$500 in the account and another \$100 every year until the child is 15. The money will accumulate and at the age of 18, for a good number of years, it is available to that person for lifelong learning. In that case, there is a 40% top up. Therefore, if the family decides to add money to the \$500 and the \$100 allocations, they will get a 40% top up, subject to a maximum, by the Government of Canada.

What does the member have against the RRSP?

Mr. Monte Solberg: Madam Speaker, my friend has it completely wrong. I spoke in favour of RRSPs but what has happened is that my friend is talking about programs and confusing it with getting results.

I wonder if my friend knows that in Canada today the average savings rate is zero. We can have all the programs in the world but if Canadians are taxed so heavily that they cannot put money aside, they will not use the programs. They will not be able to put money away to the degree that they should. The average savings rate in Canada today is nada.

Maybe my friend did not hear this, but at the beginning of my speech today I pointed out that Don Drummond, a former deputy finance minister who served under the Prime Minister when he was finance minister, produced a report in January that showed that take home pay in Canada has gone up only 3.6% in 15 years. We have to do a better job. The member should not confuse announcing programs with getting results for Canadians.

ROUTINE PROCEEDINGS

• (1730)

[*English*]

COMMITTEES OF THE HOUSE

ACCESS TO INFORMATION, PRIVACY AND ETHICS

The House resumed from June 14 consideration of the motion.

The Acting Speaker (Hon. Jean Augustine): It being 5:30 p.m. the House will now proceed to the taking of the deferred recorded division on the motion to concur in the fifth report of the Standing Committee on Access to Information, Privacy and Ethics.

Call in the members.

• (1800)

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

(Division No. 122)

YEAS

Members

| | |
|-------------------------------------|---------------------|
| Abbott | Ablonczy |
| Adams | Alcock |
| Allison | Ambrose |
| Anders | Anderson (Victoria) |
| Anderson (Cypress Hills—Grasslands) | André |
| Angus | Asselin |
| Augustine | Bachand |
| Bagnell | Bains |
| Bakopanos | Barnes |
| Batters | Beaumier |
| Bélanger | Bell |
| Bellavance | Bennett |
| Benoit | Bergeron |
| Bevilacqua | Bezan |
| Bigras | Blaikie |
| Blais | Blondin-Andrew |
| Boire | Boivin |
| Bonin | Bonsant |
| Boshcoff | Bouchard |
| Boudria | Boulianne |
| Bourgeois | Bradshaw |
| Breitkreuz | Brisson |
| Brown (Leeds—Grenville) | Brunelle |
| Bulte | Byrne |
| Cardin | Carr |
| Carrie | Carrier |
| Carroll | Casey |
| Casson | Catterall |
| Chamberlain | Chan |

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| Chong | Christopherson |
| Clavet | Cleary |
| Coderre | Comartin |
| Comuzzi | Côté |
| Cotler | Crête |
| Crowder | Cullen (Skeena—Bulkley Valley) |
| Cullen (Etobicoke North) | Cummins |
| Cuzner | D'Amours |
| Davies | Day |
| Demers | Deschamps |
| Desjarlais | Desrochers |
| DeVillers | Devolin |
| Dhalla | Dion |
| Dosanji | Doyle |
| Drouin | Dryden |
| Duncan | Easter |
| Efford | Emerson |
| Epp | Eyking |
| Faille | Finley |
| Fitzpatrick | Fletcher |
| Folco | Fontana |
| Forseth | Frulla |
| Fry | Gagnon (Québec) |
| Gagnon (Saint-Maurice—Champlain) | Gagnon (Jonquière—Alma) |
| Gallant | Galloway |
| Gaudet | Gauthier |
| Godbout | Godfrey |
| Godin | Goldring |
| Goodale | Goodyear |
| Gouk | Graham |
| Grewal (Fleetwood—Port Kells) | Guarnieri |
| Guay | Guergis |
| Guimond | Hanger |
| Harper | Harris |
| Harrison | Hearn |
| Hiebert | Hill |
| Hinton | Holland |
| Hubbard | Jaffer |
| Jean | Johnston |
| Julian | Kadis |
| Kamp (Pitt Meadows—Maple Ridge—Mission) | Karetak-Lindell |
| Keddy (South Shore—St. Margaret's) | Kenney (Calgary Southeast) |
| Komarnicki | Kotto |
| Kramp (Prince Edward—Hastings) | Laframboise |
| Lalonde | Lapierre (Outremont) |
| Lastewka | Lauzon |
| Layton | LeBlanc |
| Lee | Lemay |
| Lessard | Lévesque |
| Longfield | Loubier |
| Lukiwski | Lunn |
| Lunney | MacAulay |
| MacKay (Central Nova) | MacKenzie |
| Macklin | Malhi |
| Maloney | Marceau |
| Mark | Marleau |
| Martin (Esquimalt—Juan de Fuca) | Martin (Winnipeg Centre) |
| Masse | Mathews |
| McCallum | McDonough |
| McGuinty | McGuire |
| McKay (Scarborough—Guildwood) | McLellan |
| McTeague | Ménard (Hochelaga) |
| Ménard (Marc-Aurèle-Fortin) | Menzies |
| Merrifield | Miller |
| Mills | Minna |
| Mitchell | Moore (Port Moody—Westwood—Port Coquitlam) |
| Moore (Fundy Royal) | Murphy |
| Myers | Neville |
| Nicholson | O'Connor |
| Obhrai | Oda |
| Owen | Pacetti |
| Pallister | Paradis |
| Parrish | Patry |
| Penson | Pettigrew |
| Picard (Drummond) | Pickard (Chatham-Kent—Essex) |
| Plamondon | Poilevre |
| Poirier-Rivard | Prentice |
| Preston | Proulx |
| Rajotte | Ratansi |
| Redman | Regan |
| Reid | Reynolds |
| Richardson | Ritz |
| Robillard | Rodriguez |
| Rota | Roy |

Routine Proceedings

Private Members' Business

| | |
|--------------------------------|------------------------------------|
| Russell | Saada |
| Sauvageau | Savage |
| Savoy | Scarpaleggia |
| Scheer | Schellenberger |
| Schmidt (Kelowna—Lake Country) | Siksay |
| Silva | Simard (Beauport—Limoilou) |
| Simard (Saint Boniface) | Skelton |
| Smith (Pontiac) | Smith (Kildonan—St. Paul) |
| Solberg | Sorenson |
| St-Hilaire | St. Amand |
| St. Denis | Steckle |
| Stronach | Szabo |
| Telegdi | Temelkovski |
| Thibault (West Nova) | Thompson (New Brunswick Southwest) |
| Thompson (Wild Rose) | Tilson |
| Toews | Tonks |
| Torsney | Trost |
| Tweed | Ur |
| Valeri | Valley |
| Van Loan | Vellacott |
| Volpe | Wappel |
| Warawa | Wasylcia-Leis |
| Watson | White |
| Wilfert | Williams |
| Wrzesnewskyj | Yelich |
| Zed — 277 | |

NAYS

Members

Brown (Oakville)

Phinney— 2

PAIRED

Members

| | |
|--------------|---|
| Duceppe | Ianno |
| Khan | Lavallée |
| Perron | Peterson |
| Scott | Thibault (Rimouski-Neigette—Témiscouata—Les |
| Basques) — 8 | |

The Deputy Speaker: I declare the motion carried.

PRIVATE MEMBERS' BUSINESS

[English]

EXCISE TAX ACT

The House resumed from June 13 consideration of the motion that Bill C-259, An Act to amend the Excise Tax Act (elimination of excise tax on jewellery), be read the third time and passed.

The Deputy Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill C-259 under private members' business.

Before the Clerk announced the results of the vote:

● (1810)

Ms. Ruby Dhalla: Mr. Speaker, please have my vote counted as against.

● (1815)

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

(Division No. 123)

YEAS

Members

| | |
|--|-------------------------------------|
| Abbott | Ablonczy |
| Allison | Ambrose |
| Anders | Anderson (Cypress Hills—Grasslands) |
| André | Angus |
| Asselin | Bachand |
| Bagnell | Bakopanos |
| Batters | Beaumier |
| Bell | Bellavance |
| Benoit | Bergeron |
| Bevilacqua | Bezan |
| Bigras | Blaikie |
| Blais | Boire |
| Bonsant | Bouchard |
| Boulianne | Bourgeois |
| Breitkreuz | Brown (Oakville) |
| Brown (Leeds—Grenville) | Brunelle |
| Bulte | Cannis |
| Cardin | Carrie |
| Carrier | Casey |
| Casson | Catterall |
| Chamberlain | Chong |
| Christopherson | Clavet |
| Cleary | Coderre |
| Comartin | Côté |
| Crête | Crowder |
| Cullen (Skeena—Bulkley Valley) | Cummins |
| Davies | Day |
| Demers | Deschamps |
| Desjarlais | Desrochers |
| Devolin | Doyle |
| Duncan | Epp |
| Faille | Finley |
| Fitzpatrick | Fletcher |
| Folco | Forseth |
| Gagnon (Québec) | Gagnon (Saint-Maurice—Champlain) |
| Gagnon (Jonquière—Alma) | Gallant |
| Galloway | Gaudet |
| Gauthier | Godin |
| Goldring | Goodyear |
| Gouk | Grewal (Fleetwood—Port Kells) |
| Guay | Guergis |
| Guimond | Hanger |
| Harper | Harris |
| Harrison | Hearn |
| Hiebert | Hill |
| Hinton | Jaffer |
| Jean | Jennings |
| Johnston | Julian |
| Kamp (Pitt Meadows—Maple Ridge—Mission) | Karetak-Lindell |
| Keddy (South Shore—St. Margaret's) | Kenney (Calgary Southeast) |
| Komarnicki | Kotto |
| Kramp (Prince Edward—Hastings) | Laframboise |
| Lalonde | Lauzon |
| Layton | Lemay |
| Lessard | Lévesque |
| Loubier | Lukiwski |
| Lunn | Lunney |
| MacKay (Central Nova) | MacKenzie |
| Malhi | Marceau |
| Mark | Marleau |
| Martin (Esquimalt—Juan de Fuca) | Martin (Winnipeg Centre) |
| Masse | McDonough |
| Ménard (Hochelega) | Ménard (Marc-Aurèle-Fortin) |
| Menzies | Merrifield |
| Miller | Mills |
| Moore (Port Moody—Westwood—Port Coquitlam) | |
| Moore (Fundy Royal) | |
| Myers | Nicholson |
| O'Connor | Obhrai |
| Oda | Pallister |
| Paradis | Parrish |
| Patry | Penson |
| Phinney | Picard (Drummond) |
| Plamondon | Poillievre |
| Poirier-Rivard | Prentice |
| Preston | Proulx |
| Rajotte | Reid |
| Reynolds | Richardson |

Ritz
Sauvageau
Schellenberger
Siksay
Skelton
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Simard (Beauport—Limoilou)
Smith (Pontiac)
Solberg
St-Hilaire
Telegdi
Thompson (Wild Rose)
Toews
Tweed
Vellacott
Wasylycia-Leis
White
Yelich

NAYS

Members

Adams
Anderson (Victoria)
Bains
Bélanger
Blondin-Andrew
Bonin
Boudria
Brisson
Carr
Chan
Cotler
Cuzner
DeVillers
Dion
Dryden
Efford
Eyking
Frulla
Godbout
Goodale
Guarnieri
Hubbard
Lapierre (Outremont)
LeBlanc
MacAulay
Maloney
McCallum
McGuire
McLellan
Minna
Murphy
Owen
Pettigrew
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Fontana
Fry
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Graham
Holland
Kadis
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Lee
Macklin
Matthews
McGuinty
McKay (Scarborough—Guildwood)
McTeague
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Neville
Pacetti
Pickard (Chatham-Kent—Essex)
Ratansi
Regan
Rodriguez
Russell
Savage
Scarpaleggia
Simard (Saint Boniface)
Steckle
Szabo
Thibault (West Nova)
Ur
Valley
Wappel

PAIRED

Members

Duceppe
Khan
Perron
Scott
Basques)— 8

Ianno
Lavallée
Peterson
Thibault (Rimouski-Neigette—Témiscouata—Les

The Deputy Speaker: I declare the motion carried.
(Bill read the third time and passed)

Routine Proceedings

BUSINESS OF THE HOUSE

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, discussions have taken place between all parties concerning the House proceedings scheduled to resume under government orders later today. I believe that you will find consent for the following motion:

That when the House returns to government orders later this day, following private members' business, no dilatory motions or quorum calls shall be entertained by the Speaker,

That at the conclusion of today's debate on the third reading stage of Bill C-43, but no later than midnight, all questions necessary to dispose of the third reading stage of the said bill be deemed put, a recorded division deemed requested and deferred to 3 p.m. on Thursday, June 16, 2005,

And, that at the conclusion of the debate on Bill C-43, the House shall adjourn to the next sitting day.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, in a similar way, I understand there has been the usual consultation among all parties and I seek unanimous consent to table the 42nd report of the Standing Committee on Procedure and House Affairs regarding the change in membership of one hon. member.

The Deputy Speaker: Does the hon. member for Glengarry—Prescott—Russell have the consent of the House?

Some hon. members: Agreed.

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, again if the House gives its consent, I move that the 42nd report of the Standing Committee on Procedure and House Affairs be concurred in.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to)

Mr. Paul Szabo: Mr. Speaker, just for clarification if this happens again in the future, it is my understanding that the motion should have been to revert to routine proceedings and then to request the tabling of the report. I understand it is the will of the House, but I would seek that clarification.

• (1820)

The Deputy Speaker: I thank the hon. member for Mississauga South. I think we could have done it either way. One can either ask to revert to routine proceedings or to just ask for unanimous consent and it takes about the same amount of time.

It being 6:20 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS***[English]***CANADA ELECTIONS ACT**

The House resumed from May 9 consideration of the motion that Bill C-312, An Act to amend the Canada Elections Act (appointment of returning officers), be read the second time and referred to a committee.

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I am pleased to join the debate on Bill C-312, an act to amend the Canada Elections Act, concerning the appointment of returning officers.

We have followed this debate since the first hour of second reading with great interest. Despite some differences, it is clear that there are fundamental points of agreement.

I would like to re-stress, though, the fact that in the context of hiring returning officers everyone must understand that an open competition within the meaning of this act is not interpreted in such a manner as to undermine the value of experience in election campaigns as well as local riding experience. As the royal commission noted, such experience is a legitimate indication of competence for the position.

Thus, it would be unfortunate if a returning officer were selected in a fashion that would give preference to hiring individuals without any political experience and with no prior participation in election campaigns. In my view, the consequences of this would be very serious.

However, we do know that initially the government had reservations regarding this bill and we now believe that it would be premature to make changes one at a time without a fuller understanding of the larger picture.

There would appear to be a firm consensus among the parties represented in this House that the appointment system can be improved by ensuring greater transparency and professionalism and by basing selection on competence.

Having heard the views expressed in the first hour of the second reading debate, we are now faced with the fact that disagreement primarily concerns the bill's specific provisions rather than its main principles.

For this reason, my fellow government members and I consider that the principle of the bill should be supported. This does not mean that there will be no objections to the bill's specific provisions. In the government's view, it would be preferable to amend the bill in committee in order to correct certain shortcomings.

In conclusion, in the short time that I have available I wish to repeat that the principles of transparency, professionalism and selection based on competence are crucial to ensuring an effective electoral administration process.

However, the adoption of a new system must undergo rigorous review to rule out any potential unwanted, unanticipated effects. For example, as I mentioned earlier, it should at least be necessary to ensure that an open competition under the Public Service Employ-

ment Act does not undermine the value, first and foremost, of prior participation in an election campaign, which is nevertheless relevant experience for a returning officer. This is but one example of the consideration that must be taken into account at the committee stage.

Moreover, the standing committee will work to amend the bill to give greater effect to its key underlying principles: transparency, professionalism and selection based on competence.

Ultimately, we want to ensure that the various aspects of our electoral process, whether it be political financing, registration of political parties or the appointment of returning officers, meet the needs of Canadians and reflect our vision of a modern democracy. That is consistent with the spirit of democratic renewal. That is why I support the bill at this second reading stage.

Mr. Rob Anders (Calgary West, CPC): Mr. Speaker, I must admit I am pleasantly surprised that the government is now in favour of this legislation. The Liberals spoke very vociferously against it in the past, but I am glad to see that they have read the writing on the wall and know that it will pass because all three other parties in the House are of that mindset. I am glad to see that they are smelling the coffee and coming to.

Nonetheless, I will put on the record what I think are the important aspects of this bill.

First, the returning officer for each electoral district would no longer be appointed by the governor in council. Why do I support this? Because the "governor in council" really means the Prime Minister's Office and what that really means is that these electoral positions are merely positions of patronage. We would like to see that changed.

One of the great problems with the previous incarnation, those people being appointed by the Prime Minister's Office, was that there was no right to fire those election officers for abuse of their positions. That was a great problem. Many examples have been cited in the House by the different parties on that matter. I will go into a few of them.

My party and I certainly support the decentralization of power from the Prime Minister's Office. I think that is a move in the right direction. I think it also helps to clean up our political practices. It is interesting to note that both in the past and currently a great number of the people who have had these patronage positions have been involved with the Liberal Party of Canada. They have been friends of the government, former organizers for the governing Liberal Party or former Liberal Party candidates. That is important to note.

I have read the previous debates on this issue. It was interesting to note that this change to the law has been in effect in the province of Quebec since 1980. I am sure that my Bloc colleague will touch on some of this. It was through his speech that I was actually informed of this.

This change on the returning officers is a general move to make the process more open and transparent. It would involve using newspaper advertisements to advertise these positions and then accept the applications and judge them on their merits, competence and qualifications.

Private Members' Business

I would like to point out that when it comes to questions about those of us in the House in regard to our own nominations, my constituency association is obligated to put a notice in a local newspaper at least two weeks in advance of the nomination deadlines so that everybody has the ability to run. I have been through four of these processes, so I know well of what I speak. It certainly makes for an open and accountable process.

The irony of the current situation is that it gives only the person who hires these people the right to fire them. If someone is hired by the Prime Minister's Office, with the Chief Electoral Officer having no ability to do anything, and we get a dud, we are all stuck with it. There have been cases of that in the past.

One of my colleagues is very involved in democratic reform. The member for Lanark—Frontenac—Lennox and Addington has talked about some additions he would like to make to this legislation or some things to be considered as friendly amendments. One that I would like to touch on is an idea of training and testing.

The Bloc member, who has spoken on this before, talked about people being trained appropriately and about making sure they have full knowledge of the Canada Elections Act. I would add to his speech by saying that I hope these people are also tested on their thorough knowledge of the Canada Elections Act to prevent any of the previous problems.

● (1825)

In the member's last presentation, he spoke about how even current presidents of Liberal riding associations have actually been appointed to be the returning officers in their ridings. He listed specifically the riding of Ahuntsic, where the returning officer was the president of the Liberal riding association. If that is not a spurious and strange conflict of interest, I do not know what is.

He also put forward a story that I thought was fascinating. A returning officer hired a poll clerk who was unable to read or write. One would think that with the very idea or concept of the term "clerk" the person should be able to read or write, but that clearly was not a factor for the Prime Minister's Office when it selected that returning officer, who then chose the poll clerk.

I would say that this bill is an improvement to our electoral law. I was offered the opportunity of serving in the 1993 election in one of these capacities. I declined because I was hoping to help my party, and I did so, but I am somewhat envious of the experience of being involved in the nuts and bolts of the adjudication of the election process.

I was so enamoured of this idea that I actually wanted to go over to the Ukraine when the citizens had their parliamentary elections recently. I wanted to be involved in that, but unfortunately I was too sick to go at Christmas. I would have loved to participate the riding of Calgary—Nose Hill, or Calgary North as it was in 1993, but did not get the opportunity, and in every subsequent election I have been on the ballot as a candidate, so obviously I could not be involved in the process other than to serve as the candidate.

I also would like to put on the record that there are various other electoral reforms that I think are timely and needed. These go back to my early involvement with my party in 1993 and even to supporting it in the 1988 election. I still support the idea of recall. I still support

the idea of binding referendums, be they national, provincial or otherwise. I still support the idea of citizens' initiatives, the idea that citizens can band together, sign up thousands of their fellow citizens, make changes to the law and take the power away from politicians and from this place. I support that.

I realize that this bill also attempts to professionalize these positions. I think that is a good thing. I have been reading a lot of history recently in light of the marriage debate in this House. I have realized that the British civil service was well respected because of its professionalism. It thoroughly trained and disciplined its civil service to make sure that those people did as close to their best as possible when they were administering things on behalf of the British empire, and it was well respected. I think that professionalization of these types of things is a smart move.

In reading the previous speeches, I was intrigued with the story my fellow Conservative colleague told of how there had been a returning officer put into his riding who did not have proper local knowledge. This person set up a polling location that could be accessed through what was called the California trail. As it turns out, the California trail was actually a snowmobile trail that could only be accessed by snowmobile in the winter and had no viability in the summer when the polling location was in operation. It points very clearly to the fact that if someone without local knowledge uses a snowmobile trail as a valid way of getting to the polls, it just does not count.

He also gave examples of how this person without local knowledge did not have enough forms at the particular polling location. As a result, they ran out of printed forms to allow people to enter their names onto the ballot. It was a nasty experience. There was a blockade of irate voters and the police had to be called in.

My Conservative colleague in a previous incarnation also spoke of a review mechanism. Many of my colleagues in the House, when we have our election campaigns, probably conduct some sort of post-mortem on our elections to determine what went right and what went wrong. I think a similar review mechanism is probably good idea with regard to these individuals as well.

As I wrap up my speech, I would like to state Conservative Party policy number six:

A Conservative government will ensure that senior officers such as the Auditor General, Chief Electoral Officer, Comptroller General, Ethics Commissioner, Information Commissioner, and Privacy Commissioner will be appointed by Parliament and report to it.

● (1830)

That is something that very much fits the spirit of this bill. I hope that sometime within the next year a Conservative government would be able to introduce and follow through on a version of this legislation.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very happy this evening to speak in this second hour of the debate to Bill C-312, introduced by the member for Montmorency—Charlevoix—Haute-Côte-Nord, whom we should congratulate on this initiative.

Private Members' Business

At the present time, the appointment of returning officers is rather archaic. It goes back virtually to the beginnings of Confederation. An advantage was built in, at the beginning of election campaigns, for the outgoing government. Ultimately, the fact that the Prime Minister decides the timing of elections is the same kind of advantage. In actual practice, this has been unhealthy for democracy. Even though most of the people who fill this office want to act very properly, in actual practice, there is a basic problem with justice or the appearance of justice.

I remember the first time that I was a candidate in 1993 and was told about the returning officer at the time. People say, obviously, that this person is appointed by the government in place and is necessarily partisan. This creates an initial inequality. The situation must definitely be corrected.

Not only the Bloc Québécois says this. We are very happy today to see that the government has been persuaded by the arguments of the Bloc Québécois and especially the member for Montmorency—Charlevoix—Haute-Côte-Nord. A little while ago, a government representative told us that it would vote in favour of this bill in principle. We are very pleased. It seems that now all the members of this House will be in favour of the bill.

One of the main arguments is that the federal election process clearly lags behind what is done in most of Canada, and especially the process adopted in Quebec 15 years ago already. There is a very rigorous process for selecting returning officers. There are steps with evaluations and recommendations. Then there is a process for training these people. As a result, we have eliminated the problem encountered on the federal level that was clearly outlined in the first hours of the debate by the member who introduced this motion. There is a list of unacceptable situations and behaviours engaged in by returning officers, often unwittingly, but which indicate a lack of knowledge that must be remedied very quickly.

The purpose of the bill before us is to set up a system that will give more credibility to returning officers who will be able to act in full knowledge of their mandate, which will be given to them not by the government calling the election, but by the Chief Electoral Officer. The result will be a greater level of impartiality than we have today.

The Chief Electoral Officer has repeatedly stated that he was in a very difficult, almost unbearable, situation. He does not appoint the returning officers. When the person does not perform the task properly and decides simply to disregard the Chief Electoral Officer, the latter has no recourse. In such a situation, the Chief Electoral Officer has absolutely no power to conduct the electoral process in a satisfactory manner.

We saw this in a number of ridings. At the start of the election, there were some stumbles in the appointment process that required many adjustments and caused a great deal of frustration among the various political parties. The threat of partisanship always hung over the heads of those performing these tasks, like the sword of Damocles.

The purpose of today's bill is to resolve this problem. It would be a major improvement to Canada's current democratic system. I am sure that in the very short term, starting with the next election or the

one following, if we manage to adopt this new method, there will be an improvement in the quality of work done and the quality of the relationship between the candidates and the returning officer, who will be mandated directly by the Chief Electoral Officer.

● (1835)

This way, the Chief Electoral Officer could be involved in all the usual stages of personnel management: overseeing the selection of returning officers; ensuring that they are competent; ensuring they get any training they lack; having their work regularly evaluated to ensure they are doing their work properly.

It would all be done in the context of a more standard and fair relationship between employer and employee. At the moment, once they are appointed, returning officers cannot be relieved of their duties, except by the governor in council. As I said earlier, the Chief Electoral Officer is thus put in an untenable situation that could lead to significant abuse.

In the opinion of the Chief Electoral Officer, "The current system of appointment creates several difficulties". Here is what he thinks:

Appointees are often not given enough advance information about the nature of the work expected of them.

Failure to perform or poor performance by a returning officer cannot effectively be addressed under the current system.

I mentioned this a few minutes ago.

Returning officers are instrumental in delivering elections in their electoral district. In light of this important role, candidates have raised concerns in the past that the control of the governing party over the appointment process gives rise to perceptions of bias.

It is not a Bloc member saying this. These are submissions by the Chief Electoral Officer himself. He wants to see a change similar to what the Bloc member for Montmorency—Charlevoix—Haute-Côte-Nord is proposing. We must follow up on this recommendation. We must ensure that this amendment will be in force before the next election. By doing so, Canada's electoral system will take an important step forward that will allow Canada to join a number of other provinces, namely Quebec, that have already done so.

We saw everything that came out of the sponsorship scandal, and how the 1997 and 2000 elections unfolded, particularly in Quebec. As a result, the system needs to be cleaned up even more. This bill is one of the best tools to do that.

We must ensure the impartiality and competence of returning officers, those who do the job, and of the candidates and political parties involved in the election. Our system must not only be fair, it must also appear to be sufficiently fair.

For all these reasons, we feel it is extremely important for the House to overwhelmingly support this bill. We have already been told that the government has accepted the substantive argument on the principle. We hope that all the other parties and members of the House will vote in favour of this motion.

The sponsor of the motion is open to suggestions and comments in committee in order to improve the bill. However, we must respect the principle of the bill.

Our electoral process must serve as an example instead of being an anachronism based on old biased rules that no longer have a place in our democratic system.

• (1840)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I want to thank the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord for introducing Bill C-312 on the appointment of returning officers.

Today, in 2005, in the name of democracy, it is time to take a step forward in eliminating the partisanship that comes with the government choosing returning officers. Even though we live in a democratic country, it is the government that decides on the appointment of returning officers.

There is a need for transparency and the best way to achieve that would be to support our colleague's bill. This bill talks about the appointment of the returning officer by means of an open competition for which eligibility is limited to persons who are qualified as electors and who are domiciled in the electoral district for which the appointment is being made, or domiciled in an adjacent electoral district but able to perform the functions of a returning officer as satisfactorily as if they were domiciled in the electoral district for which the appointment is being made. It is a question of qualification. Nonetheless, there is an open competition, and there is also an election involving several political parties. The political party calling the election absolutely must not use partisanship in appointing its returning officers. To be frank, we discussed this in the Standing Committee on Procedure and House Affairs. This is not a pleasant topic to discuss. The returning officer might not like a certain candidate, which adds to the pressure on the candidates.

All the political parties are present in this House, and at last the Liberals say they are prepared to support the bill and will try to improve it. Any bill has the potential to be improved in committee and then sent back to the House, and I strongly support that.

However, in 2005 it is unacceptable for one political party to be able to decide who the returning officers will be. This is no longer acceptable in a democracy. What we want in Canada is transparency. We want this to be a place where people can participate and feel comfortable doing so, where candidates are nominated because they are qualified, and not just because they are friends of the Liberals, or another political party in power. Such things must stop.

Now we have Bill C-312 on the appointment of returning officers, who would thus be appointed by the Chief Electoral Officer. It is important that there be an open process as well as a mechanism for challenging it. At the moment that is not possible. No one has the right to say a word.

Let us look at the riding boundaries in New Brunswick for instance. The former minister of labour from Moncton suggested the names of two people as members of the electoral boundaries commission. They were accepted. This did not go over well with the people affected by boundary changes, as was the case for Acadie—

Private Members' Business

Bathurst. What is more, the chair of the commission was the father-in-law of the member for Beauséjour—imagine that. That is totally unacceptable.

• (1845)

I had no qualms about contacting the media to tell them that the chair and all the commissioners should resign because of a conflict of interest.

The same thing could happen here and does. It is totally unacceptable. We are in a democratic country and the Prime Minister, through his party's organizations, appoints persons in Elections Canada to run elections, to represent all political parties so that we may run as candidates without restriction and be treated fairly.

I want to clarify this. At home, the returning officer is someone respectable. We are lucky. I have never felt he was playing politics. I can say this publicly.

However, imagine that a person who has been appointed decides to do just that. It has happened here in certain places, in certain provinces and in certain ridings. I cannot begin to imagine how I would feel as a candidate, if I knew that the returning officer was appointed by a political party and was partisan, as was the case with the New Brunswick electoral boundaries commission. This sort of thing must stop. The government has to put systems in place to prevent partisanship. People detest it. It is like blackmail. We do not need it in Canada.

At the outset of the debate, the Liberals said they were prepared to vote against Bill C-312. I could not understand why. It was as if I were taking something away from a child. You go for it, but the child does not want to give it up. It is as if we were trying to get something from the Liberals. Why do they feel so attached to the idea of appointing returning officers? Is it because the party wants to do favours for its friends?

During the first two hours of the debate, they saw that now, in 2005, they had no arguments left. It is time for them to see the light at the end of the tunnel. Canadians have lost respect for this type of argument and procedure. They have had enough partisanship.

We live in a democratic country and we want things to be done democratically. We want people with this much responsibility to be chosen for their qualifications and impartiality. We do not want them to be aligned with one side or the other.

The candidates have to feel comfortable with the process. They should be able to say they know this person well, that the person was chosen by several people during an open competition and that everyone is aware of what is happening. Everyone had the opportunity to apply to be a returning officer.

When the person is selected through an established system, people can then say they knew why it was set up. In addition, if that person does not accept their responsibilities and does not do a good job, they can be dismissed without having to ask the Prime Minister of Canada or a political party to do so, since that person does not represent a political party, but the democracy of our country. That is what is important.

Private Members' Business

That is why the New Democratic Party will be in favour of Bill C-312 from our Bloc Québécois colleague. Canada's Chief Electoral Officer, Jean-Pierre Kingsley, even came to the Standing Committee on Procedure and House Affairs to say that it made no sense in a country like Canada for a political party to appoint these people. Elections Canada needs to have control over this, but with an open system. The Chief Electoral Officer should not have to choose the candidate himself. That is a closed system. We want a system open to all Canadians.

• (1850)

Such people should be chosen for their qualifications.

In short, we support the bill.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to take part in this debate at second reading of Bill C-312, an act to amend the Canada Elections Act (appointment of returning officers).

I would like to applaud the initiative of my friend, the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord and Bloc Québécois whip. I would like to congratulate him on this private member's bill, which aims to put an end to partisan appointments of returning officers.

It seems to me that there are three key elements in this bill. First, it would ensure that the Chief Electoral Officer of Canada supervises the appointment of returning officers. Second, the candidates would have to demonstrate their competence, their merits and their ability to carry out this job before being appointed. Third, it would strengthen the authority of the Chief Electoral Officer in his or her relations with the returning officers.

These three elements follow up on the last report of the Chief Electoral Officer of Canada, in which he lamented his inability to ensure quality, uniform service all across Canada because returning officers are appointed by the government.

That being said, I know that my colleague based his ideas on the foundation of the legislation in Quebec where the process is more open and transparent.

There are three steps in the selection process. The first step involves completing a registration form. Those candidates whose experience is deemed relevant are asked to take a written exam, which constitutes the second step. During the third step, the candidates who ranked first, second and third at the end of the second step are invited to take an oral exam. The oral exam unfolds in the presence of a committee made up of three members, one of whom is not a staff member of the Chief Electoral Officer. The candidate who ranks first after the three steps in the selection process is appointed returning officer.

In the weeks following his appointment, the returning officer must appoint an assistant returning officer according to the rules set by the Chief Electoral Officer. A training program intended for new returning officers is given to him so that he can acquire the knowledge and skills required to perform his duties.

Returning officers must have appropriate knowledge of the characteristics of their electoral divisions in order to provide customized management of electoral events. In particular, they must

consider the following factors: the types of regions and population (rural, semi-rural, urban), the size of the electoral division, the number of municipalities, the number of candidates and political parties, the availability of premises in which to set up their main offices, revision offices and polling stations, as well as communication methods.

So, returning officers are selected according to an open and transparent process.

It is a completely different story on the federal level. When it comes to appointing federal returning officers, subsection 24(1) of the Canada Elections Act states that the governor in council shall appoint the returning officers. Elections Canada refers us to the office of the Prime Minister for more information.

So, the appointment process is unclear, which leads us to doubt the quality of the individuals appointed to fulfill this extremely important task in the democratic process. There is no open competition, no opportunity for interested candidates to demonstrate their qualifications, and the appointment is not based on criteria of qualifications or skills. It has little to do with a candidate's merit. In short, appointments are made on a purely partisan basis.

• (1855)

The present chief electoral officer, Jean-Pierre Kingsley, recommends modernization of the electoral process. During one of his appearances before the Standing Committee on Procedure and House Affairs, he made the following criticisms: appointees do not have enough information in advance on what is expected of them; the current arrangements do not allow him to deal effectively with failure to perform or poor performance by returning officers. While he has the power to give executory instructions to the returning officers, he cannot impose disciplinary measures on returning officers or revoke their appointments for not following his instructions. Only the governor in council can revoke and replace returning officers.

Control over appointments by the party in power gives the impression of partiality. This is why the initiative by the Bloc Québécois whip is supported by the other opposition parties, which makes us very proud. To put it succinctly, these partisan appointments must stop.

I would also draw the attention of the House to the report of the Chief Electoral Officer of Canada on the 38th general election held on June 28, 2004. It says on the first page:

From this election we can already draw certain conclusions, which hold lessons important to our pursuit of improvement in the electoral process. In particular, it remains difficult to provide service of uniform quality across the country when the returning officers appointed for this purpose by the Governor in Council are not selected on the basis of merit and still less, it seems, on any test of their ability to carry out their duties. The work of the Chief Electoral Officer becomes all the more challenging when some returning officers do not feel obliged to respect his authority because they owe their appointment to another body.

This is an eloquent statement, and is sufficient in itself to encourage all members to support Bill C-312.

Since the present partisan appointment system makes federal returning officers more beholden to the political parties in power than to the chief returning officer; since in Quebec candidates for returning officer have to go through a public and open competition to obtain an appointment; since there has been legislation in place in Quebec since 1980; and since the transparency of the Quebec electoral system is recognized world wide, the Bloc Québécois renews its commitment to do away with the partisan appointment of returning officers by the Liberal federal government.

I therefore call upon all my honourable colleagues in this house to give Bill C-312 if not unanimous, at least majority support.

• (1900)

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, for starters I would like to thank all my colleagues who addressed the House, as well as the people watching on the parliamentary channel regarding Bill C-312, which aims to modernize, if not completely reform, the process for appointing local returning officers. I would also like to take this opportunity to thank all my colleagues on both sides of the House because, as we have seen, the members of the governing party have decided to support this bill.

I would like to say that this is a great source of pride for the Bloc Québécois. In proposing this bill, I was just acting as the spokesperson for what has been a traditional Bloc demand ever since 1993.

More recently, during the last election campaign in May-June 2004, our leader, the member for Laurier—Sainte-Marie, promised repeatedly that as soon as Parliament resumed, the Bloc Québécois would include this review of the appointment procedure in its parliamentary priorities, the same as the employment insurance fund or other traditional Bloc demands. I think that in the vote on this bill, which we are looking forward to, I cannot allow myself to feel overjoyed. I can only go by what has been said on both sides of the House.

Members from all parties have realized that the current procedure for appointing returning officers is no longer acceptable in 2005. This is an archaic procedure whereby the governor in council—that is, the cabinet, which means the government—makes patronage appointments. If hon. members need convincing, they need only spend some time this summer looking over the resumes of the 308 current holders of the office of returning officer to be convinced. The vast majority are political, patronage appointments.

What we are proposing through this bill is to have an open and transparent procedure allowing the best candidates for the position to apply in response to a public notice published in newspapers. Nothing will be done on the sly. The candidates will be able to present their credentials to a selection committee and, later on, be appointed as returning officers.

Members understand that this bill transcends political partisanship because, in previous general elections, it has become evident that the incompetence of returning officers often interferes with the free and democratic election process in a general election.

I will just give once more the example I used during the first hour of debate. When an advance poll was held in Baie-Saint-Paul, in my

Private Members' Business

riding, the returning officer ran out of ballots. Between six and ten voters were denied their democratic right to vote. I cannot tell whether or not they planned to vote for me because of the secrecy of the ballot. At any rate, the candidates running for the other parties were also penalized because of a totally unacceptable situation where voters were unable to cast their ballots. If they wanted to vote in advance, it was simply because they were not going to be available to do so on June 28.

Again, I do hope that, when the time comes to vote on this bill, hopefully before Parliament recesses for the summer, members from all sides will vote for this bill, so that it can be referred to the Standing Committee on Procedure and House Affairs to ensure that the procedure for appointing returning officers is truly reformed and changed, in the best interests of democracy.

• (1905)

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

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

[*English*]

The Deputy Speaker: Pursuant to Standing Order 93 the division stands deferred until Wednesday, June 22 immediately before the time provided for private members' business.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, I rise on a point of order. I would like you to check something with the table officers. When you put the question and asked members if they were in favour of the motion or opposed to it and when five members rose, I believe Liberal Party colleagues were not in their place.

I would like the table officers to tell us whether, from their count, the five members were in their place.

Private Members' Business

An hon. member: It is true. They were not in their places.
[English]

The Deputy Speaker: I thank the member for Montmorency—Charlevoix—Haute-Côte-Nord for his point of order.

I am unsure if members have to be in their seats. I think that they just have to be in the House. However, I will check on that.

Normally I do not check on either side of the House if members are sitting in their seat or standing beside their seat or just in the House. I will check the Standing Orders on that and get back to the hon. member shortly.

[For continuation of proceedings see Part B]

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OFFICIAL REPORT
(HANSARD)

Wednesday, June 15, 2005
Part B

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, June 15, 2005

[Continuation of proceedings from part A]

GOVERNMENT ORDERS

[Translation]

BUDGET IMPLEMENTATION ACT, 2005

The House resumed from June 14, 2005, consideration of the motion that Bill C-43, an act to implement certain provisions of the budget tabled in Parliament on February 23, 2005, be read the third time and passed.

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, we have now reached third reading of Bill C-43, which implements the government's 2005 budget. I would like to point out, first—because it is hard to avoid it—that we cannot talk about Bill C-43, without talking about Bill C-48 at the same time.

I want to clarify something right from the start. The Bloc Québécois, unlike our NDP colleagues, did not wait until the last minute to make proposals to the government to present a budget bill that meets Quebeckers' expectations.

Right after budget day, we presented the government with a number of points along the lines of the prebudget consultations in the Standing Committee on Finance. Some points were also suggested to us when the Bloc Québécois toured through Quebec to confirm with Quebeckers what we would ask the government.

We offered these points immediately after the budget presentation. We did not wait until several weeks later, nor did we make a last minute deal in an attempt to rescue this government, a deal that totally left out the unemployed, providing no increase in EI benefits, nothing on setting up a truly independent EI fund, nothing to improve accessibility to this very important system, for the unemployed, those in need, those in crisis. Immediately following the budget presentation, we informed the government of our intentions. We told them we were prepared to work with them and even vote in favour of their budget. However, they had to listen to the priorities of Quebeckers, because that is very important. We did make these points clear during the prebudget consultations in the Standing Committee on Finance and during a tour of Quebec. There was unanimity.

I will start with the first point: the fiscal imbalance. Out of 200 elected representatives—that is, 125 at the National Assembly and 75 in the Parliament of Canada—only 21 fail to recognize the fiscal imbalance. It so happens that these are members of the Liberal Party of Canada. In Quebec, fiscal imbalance is almost unanimously

recognized as a matter that has to be addressed; there is at least a very broad consensus to that effect. Tax fields have to be transferred to allow provinces like Quebec to provide the services the public has come to expect. Transfers for education and social programs have to be increased. A fundamental reform of equalization is also in order.

In recent months, we have seen the government, acting on promises, the magnitude of which it had not fully measured, make piecemeal agreements having a very substantial impact on equalization. These agreements might even alter the nature of the equalization system. There has to be a fundamental reform of equalization, including raising the ceilings and removing the floors. It is important that equalization recognize and adapt to the economic realities of Quebec and Canada. Instead of being based on five provinces, the average should be calculated for all the provinces and Quebec. Certain calculations in the equalization formula have to be reviewed, especially with respect to property tax. This has been and still is a priority for Quebeckers.

I will mention in passing that, at the Subcommittee on Fiscal Imbalance, we have arrived at a majority report which includes four very important recommendations.

● (1915)

The government can deny the fiscal imbalance all it wants, this does not change the fact that a House subcommittee has written a report on it.

The second essential element for Quebeckers, which I mentioned briefly earlier, is employment insurance.

We have a new minister. Not so long ago, she said she was in favour of expanding access to employment insurance. Currently, only 38% of all EI applicants manage to qualify for benefits. This is disgraceful and despicable. The feds are collecting surpluses at the expense of a segment of the population in crisis and with real, not imaginary, needs. These people are waiting for benefits to pay for their groceries, rent, mortgage or food for their kids. But only 38% of them qualify. This is really scandalous.

Government Orders

Not so long ago, the minister recognized this fact and also recognized that there should be an independent EI fund, so that the government can never again dip into these surpluses. This is scandalous, too. The government has taken \$48 billion. Instead of using that money to meet the real needs of our constituents, it took it in order to continue to accumulate astronomical surpluses.

Last year, the surplus forecast was \$1.9 billion; the actual surplus ended up being \$9.1 billion. If this is not a disgrace, I would like to know what is.

As for improving access to EI, the House adopted a unanimous report recommending reducing the number of hours required for eligibility. What has the government done? Naturally, the Prime Minister repeats in the House that he wants to eliminate the democratic deficit. But, since June 2004, all the government has really done is ignore the majority, and even unanimous, decisions of House committees, and even ignore the majority decisions of the House itself. I need only remind members of the decision to split the Department of Foreign Affairs and International Trade in two.

The Kyoto protocol has been raised in the House on a regular basis. Quebeckers are concerned about the environment. They have made serious efforts to encourage industries to reduce their greenhouse gas emissions. Much work has been done. Quebec has made a huge effort. But what does the government do? Once again, it introduces a bad plan based on the polluter-paid, instead of the polluter-pay, principle.

The government really needs to be sent back to redo its homework. It went completely off the track in drafting Bill C-43. God knows we tried to help it. We presented it with proposals that were, it seems to me, not only credible but also effective, given the financial means available to the government at the present time. What did it decide to do? It shunted them aside just like that.

Unfortunately, we are often far too creative for this government. To give just one quick example, my colleague from Longueuil—Pierre-Boucher introduced a private member's bill that proposed a very simple solution, one to foster a better environment and cut down on greenhouse gas emissions. It proposed a tax incentive to users of public transit for the purchase of bus passes. This was something so simple and easily applied. But no, it had not crossed the government's mind. We thought of it, though. We presented this bill to the government but we are still waiting to hear its reactions.

Another really simple element could also be readily applied. Why not have a tax credit for the purchase of hybrid vehicles? This would both encourage a major industry and thereby create employment, and result in a cleaner environment. This is exactly in line with the concept behind Kyoto.

• (1920)

But this government is far too concerned with piling up a surplus, with ganging up on the sovereignists in particular. This government realizes it has nothing to gain in Quebec. It has already dumped it and continues to ignore it.

As for agriculture, we again made some concrete and precise proposals to the government. Agriculture is going through the worst crisis in decades. Mad cow—I hardly need say more. I can remember meetings in Quebec of the Union des producteurs agricoles, when

the minister preferred to hide here in the House rather than go out and meet them. The Bloc Québécois did go. In fact, a number of Bloc Québécois MPs left Ottawa and went to meet the farmers in Quebec City. We listened as they told us what they needed, and reassured them that we would defend their interests. We came back here in order to be in the House when there was an opposition day on agriculture.

What did the minister do in the meantime? Said he had been unable to go. Defending the interests of Quebeckers means defending them in this House, defending them in our ridings, defending them at meetings like the one I just mentioned, and bringing word of their true needs back to this House.

There was talk in this House this afternoon about international aid. Again, the UN has set a noble target, whereby Canada should allocate 0.7% of its gross domestic product to international aid. Bill C-48 does provide a \$500,000 increase in that respect. The UN's goal is for this 0.7% target to be met by 2015. What is this government headed for? Provided the required investments are made and maintained, this target will not be achieved before 2035. Again, the government is totally off the mark.

Now, let us look at the issue of respect for the jurisdictions of Quebec and the provinces. Understandably, this is an important topic for us. Today, in this House, there were more discussions about early years child care. The Prime Minister had pledged to transfer funding to Quebec with no strings attached. Yet, several months later, he is still negotiating. Can you tell me, Madam Speaker, what is there to negotiate when there are no strings attached? It eludes me. Or did I misunderstand something? There are no strings attached. In that case, what is there to be negotiated? Why does he not simply transfer to the Government of Quebec the funding for a system which he himself holds up as a model?

Where the Canadian Francophonie is concerned, our francophone cousins in the rest of Canada have been completely ignored in this budget. In some ways, I find it somewhat ironic that the Bloc Québécois is far too often the one championing the cause of French-speaking minorities outside Quebec. In this respect, my colleague from the NDP, the name of whose riding unfortunately escapes me, regularly emphasizes the importance of protecting the French-speaking minorities in the rest of Canada. I want to commend him on his work on that.

I said earlier that we cannot talk about Bill C-43 without talking about Bill C-48. Briefly, I will say that, on Bill C-48—and I hope that my words will not be too harsh for this place—the NDP has been royally had. It is as simple as that. Why did that happen? Let me give a quick example.

Government Orders

The NDP said that the reduction in the capital tax had to be withdrawn from the budget and invested in social measures. The government said that, of course, it would do that. In doing so, last week in this House, the Parliamentary Secretary to the Minister of Finance said to us that, if we were not convinced, he would invite us to examine the document he had in front of him so that, I paraphrase—although the government is introducing a motion whereby only 40% of businesses will benefit from the reduction in the capital tax, in any case, whether it is accepted or not in future legislation, the government intends to reintroduce this capital tax. So, it will reintroduce it.

• (1925)

The NDP has been had, and that is only one of the ways.

More important still, we heard from Mr. Charles-Antoine Saint-Jean of the Treasury Board Secretariat in the Standing Committee on Finance a few days ago.

On the subject of Bill C-48, my colleague from Joliette pointed out that, with a budget surplus of \$2 billion, the government could do the spending provided in C-48. I will quote from Mr. Saint-Jean:

The opportunity is there; it is not mandatory. The bill makes it possible—

The member for Joliette replied: “Ah, so it is not mandatory? Remind us why.” And Mr. Saint-Jean replied:

This bill enables the government—

It enables it. It does not oblige it. A little while later in this committee meeting, I wanted to make sure I understood. I will quote myself, with your permission. I asked Mr. Saint-Jean:

So, if I have understood rightly...the government needs the \$2 billion surplus. It can then, if it wishes and if its priorities have not changed, if, in the following year, in a new budget, it does not introduce a bill eliminating the \$2 billion, it can allocate up to... but it is not obliged to do so. In addition, there is the \$2 billion, naturally—\$2 billion in surplus.

So I want to make sure I understand that, Mr. Saint Jean. The government can, but is not obliged to, spend up to—the amount specified in Bill C-48.

Mr. Saint-Jean's answer was as follows. I invite both my NDP and Conservative Party colleagues, along with the parliamentary secretary of the finance minister and his Liberal colleagues to take note of the answer. It is very important, and our fellow citizens must understand.

Indeed, clause 11 provides clearly that the Minister of Finance may make payments to be taken from the Consolidated Revenue Fund up to the amount of the difference. So that is “may” and not “must”.

And I concluded, “That concludes very well, Mr. Chair”.

So they made a deal with the government. Basically, it involved removing the elimination of the capital tax. The government has already said it did not intend to do so, as it will act, in any case, under future legislation.

The government gave itself a way out by saying that there absolutely had to be a \$2 billion surplus accrued at the end of the year. We are not talking about quick investments. There needs to be a \$2 billion surplus. However, nothing in Bill C-48 requires the government to pay the amounts mentioned.

It could pay \$0 or \$1. It could pay half the amount. It could pay the full amount, I agree. Nevertheless, it is not required to. Next year, it will table a new budget. It could decide that it no longer has the

same priorities as those mentioned in Bill C-43 and Bill C-48, especially C-48. It could present a budget that might end up reducing the surplus, hypothetically speaking, to \$1.5 billion. It would thereby be free from its virtual obligation imposed by Bill C-48. And the NDP will have been had. Even if there is a \$2 billion surplus, nothing requires the government to spend the amount stipulated in Bill C-48.

Since I have only one minute remaining, I will wrap up my speech. Unlike the NDP, we did not wait until the last minute to present the government with the priorities of Quebeckers. We presented the government with important and achievable items based on the consensus in Quebec that would serve the best interests of our constituents in Quebec, as well as those in the rest of Canada. We did not make a last minute deal and we were not had by the Liberal government.

• (1930)

[English]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, if the House were to pass a resolution that a tooth fairy is sitting on someone's left shoulder and the resolution was passed unanimously, does that mean that there would be a tooth fairy sitting on someone's left shoulder?

Provincial politicians have passed a resolution that says there is a fiscal imbalance. What else would one expect provincial politicians to do but to pass a resolution that says there is a fiscal imbalance? For provincial politicians there is no down side to passing such a resolution. Provincial politicians would feel they have died and gone to heaven. They can get the revenues from another level of government and never have to pay any kind of political price or accountability to their electorate. It is free money.

If all that stands between me and fiscal imbalance and money is a resolution, then as a provincial politician, whether I am a treasurer or premier of a province, a backbench MPP or MLA as the case may be, I am going to pass that resolution because I am going to get money. That is the force in effect of fiscal imbalance as seen through the lens of provincial politicians.

Ironically, when the shoe was on the other foot about 25 years ago when costs were on a runaway train here in Ottawa and the provinces were running a surplus, it was the same question except that it was reversed. The finding at that time was that there was no fiscal imbalance. Does anyone know why? It is because there cannot be any fiscal imbalance in this federation. There just simply cannot be because both levels of government have access to similar sources of revenue.

First, I would like the hon. member to address the issue of how anyone could possibly have a structural fiscal imbalance when each level of the federation has access to almost identical resolutions. Second, he made a big point about enabling legislation. I would like him to comment on whether Bill C-43 is also enabling legislation and in fact parallels the language of Bill C-48.

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[*Translation*]

Mr. Guy Côté: Madam Speaker, the parliamentary secretary makes a point of repeating that many provincially elected representatives recognize the fiscal imbalance as a problem. And not only in Quebec. I can think of Ontario Finance Minister Greg Sorbara, and of the tour I went on with the Subcommittee on Fiscal Imbalance, where there was this very broad consensus in almost every province we visited about the existence of a fiscal imbalance.

The worst part is that not only does this fiscal imbalance exist, but it is also turning into a political imbalance, where decisions made by the federal government have a very serious impact on how the various provincial states and Quebec are run. The members of the various legislative assemblies and the National Assembly are not the only ones to recognize the fiscal imbalance.

As far as I know, our colleague from Acadie—Bathurst—the name of his riding came back to me—is not an MLA; he is a federally elected representative. As far as I know, the Leader of the Opposition and our Conservative colleagues, who recognize the fiscal imbalance, are not MLAs. Clearly, we in the Bloc Québécois do recognize the fiscal imbalance. We may not always be in perfect agreement on how to resolve this very serious problem, but it must be agreed that there is a problem.

I will give the parliamentary secretary a quick example, and then come back to the phasing out of the corporate capital tax. At the time Bill C-43 was tabled, the federal government was planning to withdraw from that field to some extent. Shortly after, Quebec's finance minister tabled his budget and, in light of the direction the federal government was taking, also decided to reduce the capital tax, and raise the corporate tax rate slightly for larger corporations. All in all, this was intended to result in a tax reduction for corporations in Quebec.

The problem is that, by changing its mind now about the capital tax, the government is completely messing up Quebec's corporate tax strategy. That is what the fiscal imbalance is about. The federal government's decisions have a direct impact on legislation at other levels.

• (1935)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, the member for Portneuf—Jacques-Cartier did the same thing his colleagues did, he tried to attack the NDP instead of the government.

I want to ask him a few questions. Why was the Bloc Québécois so interested in having an election? Did the leader of the Bloc Québécois want an election because he was doing well in the polls? Did he then want to go to Quebec as the leader of the PQ? Is that why? I do not know what led to this.

I can understand when the Bloc Québécois members say they will vote against Bill C-42. However, how can they vote against Bill C-48, when \$1.5 billion will go to help students and reduce student debt? Quebeckers are included in this agreement, because we are all Canadians and we are all part of the confederation. So how can they vote? The member can attack the NDP because there is nothing for EI.

The member for Portneuf—Jacques-Cartier says that our negotiations were piecemeal. I am looking at the Bloc motion from last week, which we voted on this week, and it reads as follows:

That, in the opinion of the House, due to the increasing number of factory closures associated with globalization, the government should establish a strategy to help older workers who lose their jobs, a strategy that should include income support measures.

I can tell you that it was not globalization that took the fish away from Baie-des-Chaleurs. Not even partially. This motion was a piecemeal motion. It is all in how you interpret it.

How can the Bloc Québécois vote against \$1.5 billion for affordable housing all over Canada when there are people living in the street? Some Quebeckers are congratulating us, and thanking us. How can the Bloc Québécois vote against Bill C-48? I can see the Conservatives doing so, since they do not want money to go to ordinary people, to affordable housing, to students, to young Canadians with debts. That is against their philosophy.

But, it is quite another thing for the Bloc Québécois to vote against Bill C-48. I cannot even imagine how they can vote against our amendment to the budget. I do not understand it at all. They are not working on behalf of the Quebeckers to get the money to them that they so badly need. They should be on our team if they want to get all that. I would like to hear the member's comments on that.

Mr. Guy Côté: Madam Speaker, the member for Acadie—Bathurst has a lot more experience in this House than I do. I do not think it is necessary to explain to him the difference between a bill and a motion.

However, through his comments he has given us the perfect example of why we should vote against Bill C-48. Practically in the same breath he said that Bill C-48 will lower tuition fees and student debt.

I would like the hon. member to show me where it says that in this bill. This bill is very vague. In committee some people thought it would lower tuition fees, others thought it would increase loans and bursaries, while others still thought it would increase investment in school infrastructure and research chairs. We have no idea what the government's intentions are with this bill.

• (1940)

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Madam Speaker, this is a great day for the New Democratic Party in the House today. We are in the final stages of the approval of Bill C-43, the budget implementation act, which has been changed, altered and fundamentally transformed into a document that Canadians appreciate and welcome. We are talking about a budget bill that has had the benefit of input from a cooperative approach in this minority Parliament.

We have had input from the Bloc and the Conservatives. I want to add my astonishment at the members of the Bloc who today oppose Bill C-43 yet again. They have stood in this House time and time again, joining with us in calling for a reduction in corporate tax breaks.

The Bloc is a party that has been tireless in working with New Democrats in committee, in the House, raising questions and concerns about tax havens. In fact, tomorrow we will discuss a motion brought before to the committee by the Bloc on how we deal with the money that leaves Canada because of lucrative loopholes and the permission granted corporations in moving money outside the country.

It is with a great deal of shock and astonishment to hear, yet again, that the Bloc is not prepared to support a most progressive budget that has been fundamentally altered. The New Democrats chose to ensure it was more reflective of Canadian needs. The budget guarantees we can invest in projects and areas that would reap benefits for Canadians over many years to come. That is one extremely difficult situation to assess this evening.

On the other hand, for days on end we have heard the Conservatives say that the budget, with its changes with respect to corporate tax reductions and the elimination of yet another benefit for corporations, will bring the country to rack and ruin. It will cause the country to go bankrupt and jobs will be lost. It will cause huge problems with the dollar and inflation will spiral out of control.

We have heard those arguments time and time again without any basis in fact and without any statistical evidence to support such conclusions. Yet, lo and behold, Conservatives supported the NDP amendments to Bill C-43. Conservatives in the House joined with us to call for the elimination of corporate tax reductions. We cannot believe it. Did anyone ever think that we would get to this day?

We know other issues are at stake here in terms of the Conservatives. They have flip-flopped so many times on the budget bill that it is hard to keep track. They were for it five minutes after the budget bill was introduced. Then they were against it a little while later. They then were for it, then against it, now for it. It is hard to keep track.

I am sure it must be very difficult for the Conservatives to sit in this chamber tonight and have to support a bill that has been fundamentally altered by the NDP. I think they had a hard enough time agreeing with their leader on February 23, when he walked out of the chamber and supported the Liberal's budget bill without even a cursory glance at it, never mind the fact that they have to support the bill now that it has been fundamentally altered by the NDP. However, we are glad for their support.

I do not know if they have seen the light of day. I do not know if they have changed their minds in terms of the benefits of investing strategically in our country and not continually supporting corporate giveaways. I do not know if they have had a complete transformation.

At this point we will not question their motives. We will accept their support. We will work with them to help them see the light of day in completing this better balanced budget project and have them come around to our view and support Bill C-48. That legislation

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takes the money we save by eliminating the corporate tax breaks and puts it into areas that create jobs, improve programs for Canadians and enhance the quality of life in the country

● (1945)

Perhaps there is hope. Before the end of this process, maybe will convince the Conservatives that this was an important contribution for Canadians and one that makes sense in terms of the future of the country.

The concerns of the Conservatives over the budget were certainly heard from their buddies in the corporate sector. We heard from the C.D. Howe Institute, the Canadian Taxpayers Federation and the Chamber of Commerce. They spoke the Conservative line. They spoke with one voice, suggesting that this little change in the corporate tax rate would create disastrous consequence for the country. They did not tell the whole story to Canadians. They did not acknowledge the fact we were talking about 1.15% of total federal spending. That is the amount of money we are taking away from the corporate sector, which continues to benefit to the tune of \$9 billion every year to the year 2010.

Therefore, let us remember to keep this in context. Canadians need to hear the whole story. They need to know that we are talking about a very small adjustment in terms of the corporate sector. That is 1.15% of total federal spending. We are talking about a project that amounts to 0.02% of GDP. We are talking about \$2.3 billion this year and next year. That is \$2.3 billion of a GDP of \$1.14 trillion.

Let us please have the Conservatives apply some logic to this debate. Stop the Mickey Mouse mathematics. They should start to understand that we are speaking about project that will enhance jobs, create investment opportunities and improve competitiveness. At the same time it will bring some necessary relief for Canadians who are trying to find the money to send their kids to university, or trying to find safe secure affordable housing for their families or trying to ensure that there is less smog and less pollution so their kids suffering from asthma have a chance to breath and to lead normal lives.

We are talking about something that is relatively small. As New Democrats, we would have liked to have seen a better budget than the one we achieved, but we did make a step in the right direction. We have improved the federal Liberal budget, as announced on February 23, in significant ways that will enhance the quality of life for many Canadians and help bring some hope to Canadians who have suffer through some very difficult situations.

Budgets should be about growing the economy. They should be about taking care of the needs of Canadians. However, the budget the Liberals introduced on February 23 did not do that. It did not address those pressing needs of Canadians. It did not ensure investments in strategic areas where the economy would grow at the same time the needs of Canadians would be addressed. Its flaws and shortcomings clearly outweighed its advantages.

We understood that almost immediately upon assessing the federal budget and made plans to try to change it, unlike the Conservatives who accepted it, walked out of the chamber and said "We'll go with it".

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The Conservatives are yelling that they abstained on it. We do not know what the Conservatives are doing these days. One minute they are voting for it, the next minute they are abstaining, the next minute they are opposed, the next minute they are voting with the NDP.

• (1950)

It is a strange world in this place. As I said on many occasions, the Conservatives are suffering from a case of sour grapes and NDP envy. They would have liked to have been in the driver's seat like we were. All but their leader would have liked to have been in a position of trying to influence the federal budget, instead of abdicating responsibility for change. They walked out of this chamber and accepted it as it was. We did not accept it. We worked to change it. Canadians sent us a message to try to make the minority Parliament work and to do the best we could for Canadians. That is what we have tried to do.

When we first saw the budget on February 23, we were quite shocked at the fact that there was another \$4.6 billion set aside for corporate tax cuts. We did not expect to see that. As I have said on many occasions, the Prime Minister promised in the last election not to pursue any more tax cuts until program funding had been restored to some level close to that which was the operational amount before the cuts began in 1995.

Canadians woke up after February 23 in utter disbelief. The budget contained \$4.6 billion in corporate tax cuts, yet their household income had decreased by 38% since 1989. Food bank use had increased by 8.5% in the previous year. The gap was still growing between the upper and lower rungs of the income ladder. They saw youth unemployment at over 13%, but no federal action to relieve high tuition across the country. There was a housing shortage, but not a penny for affordable housing. There was no sign of a comprehensive housing strategy.

They knew Canada had signed on to Kyoto. At the same time they knew that pollution had risen 20% instead of dropping. A watershed health care accord had been signed, but the drug costs and out of pocket payments were still rising. The Bank of Canada governor said that the economy was at capacity, but unemployment was still hovering around 7% and 40% of the jobless could not access benefits.

Something had to be done. We could not just continue to pursue the same course of action with more tax cuts for the corporations and the wealthy without seeing no results. We saw little investment in the economy and very few jobs were created. When profits were booming, reinvestment was disproportionately low. Between 2001 and 2004 the percentage of available cash flow reinvested in capital assets dropped from nearly 100% to only 66%.

Investment spending as a percentage of GDP dropped from 13% in 1998 to less than 11% in 2004. Many economists commented on this situation. Many have said that the lower corporate taxes fall in Canada, the less business invests in new capital. Even the Minister of Finance hinted at that in his speech in Halifax to the chamber of commerce this past week. He suggested that despite all these tax breaks over the last number of years and despite record level profits, investment had declined. It had not kept pace with the kind of benefit the Canadian government had expected.

It was time to try another way and that is what we proposed. Take that small amount of money, which reduced the corporate tax break from 21% to 19%, and invest in education to ensure accessibility for Canadians to higher education, invest it in housing, ensuring some measure of decent, affordable housing, invest it in the environment, ensuring some measure of clean air and public transit to help bring down greenhouse gas emissions, and invest it in some assistance to meet our international obligations for poverty on a worldwide basis.

Many economists have suggested that we will achieve much more by investing strategically in those areas than simply giving another tax break to the corporations.

• (1955)

I know the Conservatives, despite their vote, are still preoccupied with the notion of giving more tax breaks to corporations in spite of record level profits. I cannot believe their tune does not change despite the most recent statistics. Today's business report shows corporate profit surging 21% in the first quarter. Statistics Canada reports show that corporate profits continued to rise in the first quarter of 2005 with operating profits rising 3.4% to \$51.5 billion.

I cannot believe the Conservatives continue to stick to their narrow focus of the economy when the TD Financial Group issued a report entitled "Canadian Corporations are Riding the Profit Surge". It also said that with few exceptions, corporate Canada is flush with cash.

In that context, knowing that the corporations are flush with cash, that profits are surging and Canadians are suffering, surely it makes sense to try to do what we can as parliamentarians to give Canadians a chance, to give Canadians a break and an increase in their wages. Surely it makes sense when we know that investing in affordable housing not only meets a social need but actually creates thousands of jobs. In fact, the estimates for the \$1.6 billion promoted by the NDP in the budget process would produce 26,000 jobs, if not more.

Does it not make sense, when looking at the economy, to invest in areas where young people will have access to higher education and be able to use their talents to develop our economy? Does it not make sense to invest in public transit, which ensures jobs, provides accessible transportation for citizens and helps us bring down greenhouse gas emissions?

Why would we not do what makes the most sense in terms of all of our needs as a society? Why would we not look at those areas where we can get the biggest bang for the buck?

It is time we actually put to rest the myths perpetrated by the Conservative Party with the support of its cheerleaders, the Chamber of Commerce, the taxation federation and the C.D. Howe Institute. I am not sure if they are the cheerleaders of the Conservatives or if the Conservatives are the cheerleaders of those right wing organizations, but together they represent a very small voice on the Canadian political scene. The vast majority of businesses, economists and Canadians know that when we invest in areas that create jobs and build a future for Canadians, then that truly is the most efficient and cost effective way to go.

It is important to note many of the studies. The Canadian Centre for Policy Alternatives show that over the next five years revenue coming from corporate income taxes will drop as a percentage of total revenue from 15% to 11%. We should put that in perspective. I hope the Conservatives are listening to this. This is Statistics Canada information. This is not coming from the NDP or some policy organization. This is Statistics Canada information showing that corporate tax as a percentage of total revenue is dropping significantly while personal income tax is rising from 45% to 65%.

Finally, I should point out that we seldom hear about the flip side of corporate tax holidays, which is the cost to individual Canadians. For example, it would cost every Canadian about \$400 a year more to maintain public services at roughly the same level as they were five years ago. Even without adjusting fully to make up for the 9% cut in corporate tax rates between 2000 and 2010, plus the elimination of the surtax and capital tax, it would be a total of \$12.6 billion in 2010.

• (2000)

We have found a better way. It is a first step. It is the combination of Bill C-43, which would eliminate these corporate tax cuts, together with Bill C-48, which would invest that money in housing, education, the environment and international aid. Together it is a package that produces a better balanced budget for which Canadians can be proud. I hope the House will get on with it and support both so Canadians can reap the benefits of this progressive agenda.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Madam Speaker, I am from Saskatchewan and I have some questions for the NDP member.

When that NDP budget was negotiated in some five star hotel in Toronto, Buzz Hargrove was there to mediate between the leader of the NDP and the leader of the government, the guy having his ships built in China through his corporate buddies over there.

I might have been able to support the NDP bill but there was nothing in that deal for agriculture. The farmers in Saskatchewan were wondering if the leader of the NDP would go to bat for the farmers but there was nothing in that deal for agriculture.

Lorne Calvert, the premier of the province, has been parading around the country telling everyone how Saskatchewan had been short-changed out of the equalization, actually shafted.

The leader of the NDP had the opportunity to address two major issues in Saskatchewan and he just totally ignored them. It was as if he could not see beyond the smog that covered Toronto that day and see that there was some part of the country that really needed some relief. He just totally struck out on both of those issues.

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In making this unholy alliance with the Liberals, could the member tell me why her leader did not try to get something for agriculture? Why did he not try to get a fair deal on equalization for Saskatchewan? He just seemed to totally forget about Saskatchewan in negotiating his prize special deal with the Liberals.

Ms. Judy Wasylycia-Leis: Madam Speaker, it always amazes me to get that kind of question from the Conservatives, given the fact that they did not propose a single change to the federal Liberal budget on February 23. They did not propose an amendment to enhance supports for agriculture. They did not provide a single constructive suggestion. They walked out of the House and supported the budget.

We at least tried to make a difference. We said that it was not perfect but we sure as heck made a difference and we are reaping the benefits today. I think it should be pointed out that many premiers across this country—

Some hon. members: Oh, oh!

Ms. Judy Wasylycia-Leis: Madam Speaker, I wonder if the Conservatives would like to hear the answer to their question about Saskatchewan.

I wonder if the Conservatives would like to know about Premier Calvert's strong support for the NDP's better balanced budget. I wonder if the members would like to hear about the premier of Saskatchewan's strong words of praise for the NDP's attempt to get increased support for housing, for education and the environment, all of which will increase the revenue for provinces like Saskatchewan.

If members opposite were doing more than Mickey Mouse mathematics, they would know that when we are talking about \$4.6 billion for this country, every province will get its share. This will mean greater investment opportunities in provinces like Saskatchewan and it will certainly mean more jobs.

Like Premier Calvert, many leaders across the country have told us that what this means is a better bang for the buck than we had with the Liberal approach.

I would like to once again try to deal with the silliness or jealousy coming from the Conservatives. Today the Conservatives said that the deal was crafted at a five star hotel. Yesterday, the Conservative Party critic for finance talked about the heartbreak hotel. Another Conservative member talked about the back seat of a Chevy Nova, while another person talked about the motel-hotel.

I think the envy of the Conservatives is getting a bit out of hand. They should know that this initiative by the New Democratic Party was crafted in the full light of day and in full view of the Conservatives so they could see exactly what was being proposed and how the options were being carried out. They also know that the entire deal requires a framework of fiscal responsibility, requires that there be no creation of an annual deficit and requires that the Government of Canada still pays down the federal debt by a minimum of \$2 billion a year.

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Not only are we putting money into areas of importance to Canadians, we are ensuring it is done on a fiscally sound basis.

• (2005)

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, it has been interesting to hear the catcalling and the heckling that has been going on.

A criticism was made about China and about standing up for Canada with regard to that issue, but it is important to note that it was the Conservative Party of Canada teaming up with the Liberals that denied a motion I had in the industry committee to have a foreign review investment act examined because the state of China is buying up Canadian companies across this nation without any recourse. The Conservatives denied that examination at committee with the Liberals. It is important to note that they accept the fact that the state of China can own Canadian resources. Ironically, Canadians cannot do that, whether through Petro-Canada or through other types of industry but they are okay with the state of China doing it. Those are their words and their action in committee when they voted to ensure that the state of China can invest and buy out Canadian companies.

However I would like to focus my question on how particular industries and young Canadians would benefit with this budget amendment. We have issues that affect some of our youth in society, be it education, the environment or housing, things that are very important. Youth would benefit from these budget improvements.

As far as corporate tax cuts, why would any Canadian right now support the banks or the insurance companies getting a break off the backs of consumers right now? It does not make any sense. Some of the young people in my community are paying more for insurance on their vehicle than they paid to buy the vehicle. That hurts our economy because it denies getting new models into the market, it hurts the environment because they have lower emissions and it hurts young people because it puts them further behind.

Right now we have some improvements to education, to housing and to the environment. I would like the member to comment on why she believes it is more important to focus on our youth today than giving the banks or the insurance companies breaks at the expense of ordinary Canadians.

Ms. Judy Wasylycia-Leis: Madam Speaker, I agree with my colleague from Windsor that there is no evidence of consistency nor is there any sign of some sort of comprehensive, rational policy approach that the Conservatives are applying to this area. They have this instinctive reaction to do what corporations tell them to do and put profits ahead of all else, regardless of what it is doing for the country. They do not seem to give a hoot about dealing with the whole issue surrounding foreign investment.

We look forward to the time when the Conservatives will actually bring forward some sort of semblance of a fiscal framework and an economic policy that makes sense.

However let me say that with respect to jobs we are taking the value of far off business cuts, which we know will not come into effect right away, that would have no significant impact on job creation based on recent real world experience—

Mr. Tom Lukiwski: You go girl. Sorry, Judy, I didn't mean to get you excited.

Mr. Jeff Watson: The fiscal agenda made sense in the election campaign, didn't it?

• (2010)

The Acting Speaker (Hon. Jean Augustine): Order, please. We want to keep some decorum in the House. This is the time of the evening when families are sitting watching this House so let us have some decorum.

Ms. Judy Wasylycia-Leis: What I wanted to do is just clarify for the Conservatives again what the proposals we have before us in terms of Bills C-43 and C-48 would actually do.

We are taking the value of business tax cuts, which would have no significant impact on job creation based on real world experience, and converting it into actual program spending in the near term, thereby, this better balanced budget would clearly create new jobs, as the member for Windsor is suggesting we ought to do, not destroy them.

If we were to invest \$1.6 billion in housing we would create a minimum of 26,000 jobs, as well as meet some serious housing needs in this country. If we were to invest \$1.5 billion in education, we could actually train and educate our young people to take advantage of the new economy so they can work and be productive members of our society. If we were to invest \$900 million in public transit and retrofitting of houses, we would create jobs and we could do something about preserving this planet for future generations to come. I cannot think of a better approach to budget making than this one.

Hon. Maria Minna (Beaches—East York, Lib.): Madam Speaker, I am extremely proud to stand in the House tonight to support this budget, especially with its commitment to substantial new funding for health care, for seniors, for education, for child care and for the environment. It is a budget that is very good for Beaches—East York and for all of Canada.

This budget demonstrates that we are delivering on the promises that we made in the last election. This budget is about seniors, about children, about families. It is about the people in Canada and it is investing in Canadians. That is why I am very proud of it. It is a budget that addresses very clearly our social justice system which was needed badly. I am very proud of it.

I will focus my remarks on the initiatives in the budget that build on our social foundations and strengthen our communities.

Beaches—East York residents have told me that they want their governments to do a better job of cleaning up the environment. They are absolutely right. It is a commitment that we have made and one on which I have worked hard for a very long time.

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Budget 2005 delivers on the government's commitment to a green economy with a \$5 billion package of measures over the next five years to support a sustainable environment. One measure is to address climate change by promoting reductions in greenhouse gas emissions. After the last couple of days we know what that means in most of our cities. Another measure is to build on existing tax measures to encourage Canadian business to invest more in efficient and renewable energy generation, which is extremely important, to stop using fossil fuels. Another measure is to invest in public infrastructure to encourage more efficient use of energy. There is also the remediation of brownfield sites and protecting our natural environment, including the Great Lakes, oceans and national parks.

These measures are just part of the government's substantial measures to improve the environment and address climate change. For example, project green includes investments in the order of \$10 billion between now and 2012 to help Canada meet its Kyoto commitments.

While it is important to think globally, I believe we must also act locally. For example, in my riding of Beaches—East York, the federal government is funding the construction of a 25 unit building for seniors which will feature many energy-conserving measures including the installation of solar panels on the roof—

An hon. member: Oh, oh!

Hon. Maria Minna: Madam Speaker, if the hon. member would listen, he might learn some—

The Acting Speaker (Hon. Jean Augustine): I think it is getting beyond just making comments to a member who is speaking across the way. It is getting to be loud heckling and it is not respectful. I would call on all hon. members to treat each other with respect. Members may not agree with what is being said, but at the same time, throwing rude remarks and speaking loudly and calling people by their names is not appreciated. I would ask every member, especially at this time of the evening, to be respectful to the members who are speaking. I am sure their constituents are watching and they can recognize members' voices too.

The hon. member for Beaches—East York.

● (2015)

Hon. Maria Minna: Madam Speaker, budget 2005 is not just about numbers. It is about people. That is why I was very pleased to see in budget 2005 measures to assist seniors, children and persons living with disabilities.

I would like to take a moment to outline some of the measures focused on our senior population, something on which I, together with the Liberal women's caucus, have worked very hard for two or three years to bring about change in some measure. By the way, the Liberal Party is the only party that has addressed directly seniors issues in the last few years. This budget begins to address them very directly and I am sure that in future programs we will do even better. My colleagues and I began serious work on seniors issues a couple of years ago. Hard work has paid off. We are now seeing through budget 2005 significant investments across a wide range of policies that matter to seniors.

Budget 2005 investments include increases in the guaranteed income supplement, or the GIS as it is known by most people. The

budget proposes to increase maximum yearly GIS benefits by over \$400 for single seniors and almost \$700 for couples. Half of this increase will take effect January 1, 2006 and the remaining installment will take effect on January 1, 2007. A total of 1.6 million GIS recipients will benefit from this increase, including more than 50,000 seniors who will become eligible for benefits as a result of the change.

It is important to mention that the increase in the GIS will be of particular benefit to senior women, who account for more than one million of the seniors receiving GIS benefits. This assistance means being able to buy food and medicine as well as pay rent in many places like the city of Toronto.

Budget 2005 also proposes to expand funding for the new horizons for seniors program to promote voluntary sector activities by and in support of seniors. Funding for the program will increase by an additional \$5 million in 2005-06, \$10 million in 2006-07, and \$15 million in 2007-08.

Budget 2005 also proposes to set aside a further \$13 million over the next five years for a national seniors secretariat to be established within Social Development Canada. The organization will serve as a focal point for collaborative efforts to address the new challenges for seniors. This will allow the Government of Canada to tackle issues such as seniors housing in my riding. The Government of Canada has invested \$1.25 million toward the construction of a new 25 unit apartment building for seniors, as I said before.

Budget 2005 will further support seniors by increasing the amount of income that Canadians may earn without paying federal income tax, which will remove about 240,000 seniors from the tax rolls.

Budget 2005 also proposes to double the amount that caregivers may claim for medical expenses from \$5,000 to \$10,000. As we all know, this is a very important part of reform that is required. Home care is one of the areas that we must work on and must deliver.

In addition to these things, we must continue to work to reform the pension system and also to provide proper home care across this country. One such thing is to look at RRSPs. Today RRSPs only benefit certain people who can put away a great deal of money throughout their working lives. They do not help the average Canadian, as most people know.

We must look at renewing and reforming our pension system as well as affordable housing, home care and many other things to make sure that seniors can live independently, with dignity and with respect in our society and continue to contribute to our society.

After fighting for Canadian children for the past 10 years, I was extremely pleased to see the Liberal government propose a budget bill that includes funding to establish the foundations for a national early learning and child care program. Investments in early childhood development pay off far more than any other educational investment at any other time in a person's life.

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My constituents of Beaches—East York made it very clear to me that they wanted this agreement. There are parents who have told me that they cannot work because they do not have child care. This investment is good for Canada's children. It is not only a social investment but it is also an economic investment. It is an investment in the future of our children, which means that it is an investment in our health care system, as well as crime prevention and a great many more things that we could talk about. At the end of the day, it is an investment in the future of our country.

● (2020)

Some of the most vulnerable people of our society are not discussed very often. I want to touch on this area for a moment.

I am proud of the steps we are taking in the budget to develop a fairer tax system for our fellow Canadians living with disabilities. In recent years the government has taken significant steps to enhance tax fairness. Budget 2005 builds on those actions by improving the tax recognition of the costs associated with a disability, caregiving and adoption.

In budget 2003 the government established the Technical Advisory Committee on Tax Measures for Persons with Disabilities to advise the Minister of Finance and the Minister of National Revenue on how to address tax issues affecting persons with disabilities. The committee's final report contained 25 recommendations. The government is acting on the committee's recommendations.

New measures in this area include the extension of eligibility for the disability tax credit to individuals who face multiple restrictions which together have a substantial impact on their everyday lives. It also means a credit to ensure that more individuals requiring extensive life-sustaining therapy on an ongoing basis are eligible. The budget also clarifies eligibility criteria for the disability tax credit to include the provisions dealing with impairments in mental function.

This budget also adds physiotherapists to the list of health professionals who can certify eligibility for the disability tax credit. It expands the list of expenses eligible for the disability support deduction to include costs such as for job coaches, deaf-blind intervenors and Braille note takers.

Another important measure for students who are eligible for the disability tax credit is the extension of the contribution period. The maximum amount of the refundable medical expense supplement has been increased to \$750 from \$571 per year. The annual child disability benefit has been increased to \$2,000.

These are areas that I am extremely proud of. Not only does the budget deal with children, seniors, families, people with disabilities, but it goes beyond that and addresses broader issues such as the environment which affects our health and our economy. The future direction of our economy affects just about everything.

The new deal for cities is another area in which we have made a commitment and on which we are delivering. It is an area that has been crying out for action for some time. We are bringing the cities to the table. There will be tripartite agreements. The cities will be at the table to decide, together with the Government of Canada and the

provinces, how moneys will be spent in those cities so that their needs are attended to directly. This is very important.

The municipal green fund is another area that addresses the environment and the municipalities. In fact, not only are we renewing this program, but it has existed for quite a few years. This program is not new to this budget; it is one which we have had for quite some time.

The latest decision by the Supreme Court also reminds us that we must not forget that while we have made a commitment of \$41 billion to renew our health care system, we must now fight to ensure that the health care program remains a publicly funded, publicly administered universal program and that privatization does not creep into the system. That means we may have to push forward the wait time limits. We have to push forward the reforms together with the provinces and put pressure on our partners in the health care system to make sure that the deficiencies that exist are fixed as soon as possible.

We have to also look at the Canada Health Act. Perhaps it needs amendments and strengthening. We also have to look at other potential powers and strengths that we have at our disposal. Our health care system is not only a social program, but it is very much an economic program. We have recently seen the differences at General Motors between the costs per car here in Canada and the costs per car in the United States. It makes our businesses that much more attractive, that much more cost effective. Productivity is something the hon. members opposite talk about a great deal. Educating children, early education, health care, training and education go to productivity.

Even Mr. Dodge, the governor of the Bank of Canada, said very clearly two or three times during his hearings before the finance committee that if he only had one penny left to spend, he would invest it on children. He said that at the end of the day that is where he would get his biggest reward, his biggest return on long term productivity, lower costs to health and a much more productive society. That is where he would invest.

● (2025)

The former deputy of the Department of Finance and head of the Bank of Canada stated that.

As I say, this is fundamentally important. These are programs that finally address the social justice issues in our country but also very fundamentally address the economic policy as well. They are intertwined. Social policy and economy policy are not two separate things. They are one and the same. One cannot deal with one without addressing the other. If that is done, it is done at our peril, and we would not have a society that functions, is prosperous or current in today's modern society.

Mr. John Williams (Edmonton—St. Albert, CPC): Madam Speaker, I was going to ask the member if her speech was written by herself or by the department on her behalf, but I noticed that she was speaking extemporaneously at the end so I may give her the benefit of the doubt.

Government Orders

I have a question for her. She said she wanted to strengthen the Canada Health Act. The Supreme Court pronounced on this issue just the other day, saying that when it comes to the Canada Health Act and providing health care for Canadians, providing health care for Canadians takes precedence. But it seems to me that the member is totally wrapped up and consumed by the Liberal Party policy that the Canada Health Act has to be preserved forever, carved in stone, and totally disregards the fact that tens of thousands of Canadians are waiting for health care.

There are no doctors. We find that some towns are losing all their medical staff. The hospitals have to shut down. Remote areas have no access to health care. Yet the Liberals seem to think that protecting the Canada Health Act is far more important than protecting the health of Canadians.

In the United Kingdom, where public health care originated after the war, there is now a very significant portion of private health care as well as public health care. There are lessons to be learned about how the United Kingdom can deliver more health care and better health care and do it for less cost than in Canada.

Therefore, I would like to ask the member, does she think it is more important to protect the act or the health of Canadians? Is she prepared to open her mind and examine possibilities to improve the situation here in Canada?

Hon. Maria Minna: Madam Speaker, first of all, I do not need the hon. member to suggest to me that I do not write my own speeches. That is exactly what I do, as he knows, and I have my own ideas to express in this area, thanks very much.

First, by not protecting the Canada Health Act we in fact are not protecting Canadians. The two are the same, quite frankly, so I am talking about protecting Canadians. I am talking about getting enough doctors. I am talking about getting the wait lines down. What the hon. member forgets is that in Ontario for 10 years Mr. Harris cut taxes to the bone. We have put all of that money and more back in three accords, but it did not matter because Mr. Harris kept cutting services.

At the same time, the reform needed in the system did not happen. There are huge shortages, which have to be addressed. There is absolutely no question about it. That is why we have a third accord, which provides an additional \$41 billion plus an escalator for the next 10 years to make sure there are enough funds. Now it is not an issue of money but an issue of reform. The provinces and the Government of Canada have to work together and they have to work fast to reform.

First of all, some of the doctors in this country are far too busy worrying about their bottom line and not about reform. Community health centres is the way to go. We have to reform the primary health care delivery system in this country. Otherwise it does not much matter what we do because we cannot bring the costs down. That has to happen.

We need to bring down the cost of the wait lines. If that means guaranteeing that people can be treated by bringing in foreign doctors and getting them ready to work, because we have denied them work for I do not know how many years and they are driving taxis instead—

Mr. John Williams: That's your policy, by the way.

Hon. Maria Minna: No, that is provincial jurisdiction. For somebody who always says we should never get into provincial jurisdictions, he now sits there and recognizes the fact that it is provincial jurisdiction; that is where the problem is and it has to be fixed so that there are doctors available. My own mother-in-law, for instance, cannot get a family doctor, but there are doctors available.

The system can be fixed. It means that we must have the political will. The money is now there. It is not a matter of weakening the act. It is a matter of fixing the system and making it work for Canadians so that they can enjoy it for the next 100 years, not to privatize it and not to weaken the Canada Health Act, which the hon. member would like to suggest is the only way out of the situation.

• (2030)

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I think it is important to note here that this argument related to health care is centring around a Supreme Court decision.

We need to specifically note that what it called for is the availability for people to purchase private insurance plans. Despite the rhetoric of the Liberal government in the last decade, there has always been the growth of private health care in many provinces. Today, right now, if people have enough money they can get private health care in Canada. The distinction is that now people can purchase private insurance.

It is an unfortunate legacy that the government of the day has not invested the appropriate resources into health care and, second, regulatory reform. Regulatory reform is very important, because we cannot just throw money at this situation.

I would like to ask the hon. member a specific question about one of the regulatory reforms that even the United States has addressed. That is the issue of evergreening, the notice of compliance where generic firms are available to produce drugs. After 20 years when they get to the market, the pharmaceutical company can get an automatic stay of injunction for patent infringement without having to present a shred of evidence.

In the United States it is only allowed once, but in Canada there is multiple evergreening, preventing different types of patented medicines from moving into generic form, which would save millions of dollars per year for the Canadian taxpayer and for benefit plans, which are very important. Most labour negotiations today centre around benefit plans and their loss or reduction. This is what has created the most strikes in the last decade.

It is very important for the member to clarify this. Does she believe that Canada should be the only country left in the world that automatically allows the stays of injunction? We are the only ones left. There is nobody else, especially since Rx&D, the pharmaceutical companies, have never met their 10% promise. They have been promising that for 20 years in terms of putting money back into research and development. They have never met that promise.

We do mostly packaging here. That is what they call R and D in Canada: packaging.

Government Orders

Does the hon. member support regulatory reform for this? The biggest single driver of expensive increases for our health care system is drug costs. Does she support changing the system or is she supportive of Canada being the only nation to have this backward policy?

An hon. member: Good question.

Hon. Maria Minna: I think it is a good question too, because I agree that it needs to be reformed, absolutely.

• (2035)

Mr. Brian Masse: You voted against it, though.

Hon. Maria Minna: No, I am sorry, but I have never voted against. I did not vote against that. I would never vote against it. I agree entirely that it needs to be reformed. I support it and I always have.

The other thing I want to say is with respect to the earlier comment the hon. member made on the Supreme Court decision. Yes, there was a decision that is going to have some impact. This is why I am saying we need to take this seriously and we need to address the reform of our system to ensure that in fact we address the shortages of doctors and health care givers and the wait lines that exist.

We have a timeline for 2007. I think we need to bring that forward. I think we need to have a much more aggressive approach in the short term, the medium term and the long term, together with the provinces, to ensure that the system is reformed as quickly as possible. We need to ensure that every Canadian gets quality service and timely service and timely surgeries, first of all to discourage private sector care. At the same time, we need to look at what we can do to ensure that the private sector does not grow in this country.

In fact, to answer an earlier question with respect to the U.K. and other places, Roy Romanow, who did a massive consultation and visited all of the other jurisdictions in the western world, basically came back and said there are no better systems. In fact, allowing private care does not help the lines and does not make it better because all it does is siphon off the resources over to the other side. It does not make it any different. It does not shorten the lines. It does not provide better quality at the end of the day.

Our job is to ensure that we fight and that we fix the system as quickly as possible, because at this point it is no longer an issue of resources. It is an issue of reforming and strengthening our system to ensure that the private sector in fact is kept out of our system. As we can see from the media in the last couple of days, the American for-profit companies are looking very keenly over the border to see how fast they can move in on some of these areas. I certainly would not want to see that happen.

[*Translation*]

Mr. Peter MacKay (Central Nova, CPC): Madam Speaker, I am very pleased to take part in this debate that is so very important for our country.

[*English*]

I want to indicate at the outset that I will be splitting my time with the hon. member for Edmonton—Spruce Grove, who is one of the

most impressive young women to come into the House in many years. I am honoured to be sharing my time with her tonight.

The previous speaker indicated her position on a number of issues. In particular, she spoke at some length and with passion about the health care system. The question I would have asked her, had I been given the opportunity, with respect to her plans and her government's plans for health care, is quite simple: what was stopping them for 12 years?

What was preventing the Liberal government from taking some of the very innovative and, I would suggest, very useful measures that she spoke of in her remarks? What on earth prevented the Liberal government from doing so?

In fact, when one reads between the lines and reads outright the words of the Supreme Court of Canada, that is essentially what they say. It was a scathing condemnation of this government's administration of the Canada Health Act.

Without a doubt, the state of health care today is in ruins as a result of the administration of the Prime Minister, who as finance minister made the brutal unilateral cuts to transfer payments to provinces that resulted in the deterioration of health care. No one in the country is more to blame for the abysmal state of health care than the Prime Minister of Canada today.

The blunderbuss omnibus bill that we see before us as the budget is typical in its approach as far as the Liberal Party is concerned. It reminds me of the old parable of how a loaf of bread is stolen and some crumbs are then given back to the thankful plebs. That is how the Liberal government tends to administer the money and the finances of the nation.

Bill C-43 is a bill which the Conservative Party sought to improve and, I would say with some confidence, did improve. Our position has been consistent. We saw this as initially a Conservative bill, but in need of improvement, with serious flaws that in fact would have been detrimental to the livelihood of Canadians.

In fact, we have been responsible in trying to make this a better piece of legislation and have done so. We have brought forward amendments that in fact, ironically when one looks at it, restored some of the initial tax relief that was put forward by the Minister of Finance before he was co-opted by the Prime Minister's deal with the NDP.

I think what we may find at the end of the day is that what the NDP has been promised will amount to a hill of beans because, like much of this budget, it is post-dated. It is a promissory note. It will happen years from now. In fact, the immediate impact of this budget is \$16 to the average Canadian, the cost of a medium pizza.

I do not think that is good enough when we think of the number of working Canadians, of single mothers, of hard done by Canadians who are out there trying to get by. Far too many of those Canadians are still on the tax rolls. They should not be paying tax. The government should raise the basic personal exemption and take some of those working Canadians off the tax rolls. They are the working poor. This budget does not speak to those hard done by Canadians.

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This bill, with 24 separate and in most cases unrelated pieces of legislation, has a lot of unwarranted and, I would suggest, unwanted measures and has caused regional divisions in the country. I am speaking, of course, of the Atlantic accord.

The Conservative Party made several very concerted efforts to pull the Atlantic accord out and have it presented to the House as a stand-alone piece of legislation, which would make common sense and which was in fact the original intent of the Atlantic accord, as we all know. It was consistent with the approach that the Conservative Party had taken in saying that we must deliver to Atlantic Canada, and to Newfoundland and Labrador and Nova Scotia in particular, the ability to benefit from their own natural resource revenues.

This approach that the Liberal government took to bury it in the budget was clearly an attempt to renege on that commitment. We have taken a positive and constructive approach throughout in trying to deliver on that promise to Atlantic Canadians.

We wanted to build a better budget. We wanted to improve the quality of life for Canadians. Again, I would suggest that we have. This is a compassionate, conservative way that is very much in keeping with the type of governance we want to bring to Canada, one that we will continue to pursue with passion and in a progressive way in the coming days and on in through the summer.

● (2040)

We want to protect the livelihoods of thousands of Canadians by preventing a Liberal-NDP coalition that will remove tax relief for Canadians. The tax relief was very much about improving competition, improving the job market, and improving the ability of companies to employ thousands of Canadians. We are going to continue to fight for hardworking and overtaxed Canadians.

This bill is a massive, cumbersome and convoluted bill. Yet what we see at the end of the day is an attempt to buy people with their own money. The government has really sunk to new lows when it comes to buying people with their own money, or buying members of Parliament even.

In contrast, the NDP add-on budget, if I can call it that, has three clauses and is one page. Imagine allotting \$4.6 billion in spending and scratching it out on a page and a half. There is no plan or fiscal framework whatsoever. It is an absolutely abysmal and irresponsible approach to governance and fiscal management, such as the sponsorship program, for example, or the gun registry, or the HRDC boondoggle, or many of the contracts that were cancelled that again were an absolute pillage of the public purse. They were consistent with the government's approach for the last 12 years that included irresponsible and out of control spending practices with no consequences. Well the consequence has come. It is called the Conservative Party of Canada.

This attempt to have the NDP on side was of course also about a shameless attempt to cling to power. Much of what we hear from the NDP in the House now, the rhetoric and criticisms of the government, mean nothing because the NDP is propping the government up. Since this budget was announced, we know that all pretense of fiscal prudence is out the window. It was all about partisanship and buying the temporary support of the NDP. That house of cards will crumble soon enough.

We now have an additional \$26 billion in spending outside of the budget. This is all since the Prime Minister took to the airwaves with his much publicized mercy plea to wait for Gomery. We have seen in recent days attempts for the old Chrétien and current Prime Minister coalition to come together again to somehow derail Gomery through a secret deal that would allow Mr. Chrétien to file an objection to the Gomery report and most likely prevent an election that was promised by the Prime Minister. This is the Prime Minister's little election escape hatch.

Some members in the House, not many, may recall that Jean Chrétien's fiscal policies as finance minister brought about an 83% net increase in the federal deficit from 1977 to 1980. I do not think even you were here at that time, Mr. Speaker. We often hear from the Prime Minister about the deficit that he inherited, the much ballyhooed deficit that was inherited by the Liberal government in 1993.

What is never mentioned and what is always overlooked but is factual, as Yogi Berra said, "You could look it up", is that the incoming Conservative government in 1984 inherited a \$38 billion deficit from the Trudeau years. It is all about convenient memory and selective quoting when it comes to fiscal figures.

The Liberal government came to office promising to clean up government. However, since coming to office the Liberals have been involved in the sponsorship scandal, the envelopes of cash being passed around in restaurants, and the unbridled, out of control corruption that we have seen. This has all been playing out before the Gomery commission. The Liberal Party is being exposed day by day and the dance of a thousand veils is over. We see it laid bare. It is the proverbial emperor without clothes now that we have before Canadians.

It is perfectly clear. There is now an opportunity for Canadians to judge for themselves, based on factual information, what they want. They want an ethical, clean government that is going to provide health care and direction on important matters of fiscal concern to them dealing with trade, the economy, and issues relating to national defence, the justice system and the environment.

It was interesting to hear Elizabeth May from the Sierra Club recently describe Prime Minister Brian Mulroney as Canada's greenest Prime Minister, compared to the Kyoto disaster that is still being peddled by the government. The government is attempting to dupe Canadians that this is good for them and that we are somehow going to reach those unrealistic targets. That by buying foreign credits we are going to actually improve the Canadian environment. That is just not true.

● (2045)

For the last 11 years we have seen a government that has consistently made poor decisions that have hurt Canadians, hurt our economy, and hurt our international reputation. This budget is a chance at least to bring back some semblance of fiscal prudence without the NDP add-on.

I will now forfeit the floor to my colleague from Edmonton—Spruce Grove who will enlighten the House further as to her insights into what we should be doing in the future with respect to fiscal management.

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Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I was just looking at the budget with respect to Nova Scotia and I see that under the gas tax, revenues amount to \$145 million to communities in Nova Scotia. The economic development rising tide initiative is at \$700 million.

Economic development throughout the four Atlantic provinces includes the renewed \$300 million to the Atlantic Innovation Fund and \$290 million for the new innovative community programs directorate. The NRC technology cost alone in the Atlantic is another \$110 million. ACOA has an additional \$41 million. That is \$205 million over five years committed in this budget.

Community futures will receive \$8.4 million, Atlantic salmon endowment will receive \$30 million, and the Coast Guard will receive an additional \$276 million. I could go on naming the oceans action plan, aquatic resources, Genome Canada, big research investment in the Atlantic provinces, and so on.

I wonder if my colleague would care to comment on the fact that he is opposing a budget which is bringing so many benefits to the province of Nova Scotia.

Mr. Peter MacKay: Mr. Speaker, the reality is that all of these measures are on the face good for Atlantic Canada but are contingent and in fact will not flow to that region for at least a year, if at all. Contingent upon many different economic indicators including the fact that the NDP add-on budget may jeopardize the ability to deliver on any of these programs.

I am also quick to point out that it was his government that has now waited 11 months to keep its commitment with respect to the Atlantic accord. Each week that passes, this is costing the province of Nova Scotia \$900,000. In Newfoundland and Labrador it is \$1 million a day. This is preventing the ability to invest in roads, hospitals, education, and in those many important areas in which the province of Nova Scotia is looking to improve the quality of lives of their citizens.

To my friend opposite, it looks good. It is the optics, the press releases, and the continued announcements that Canadians are getting sick and tired of. We are doing well in Atlantic Canada in spite of, not because of the measures that have been taken by the Liberal government.

I recall in 1997 when I first arrived here, after four years in government, Atlantic Canadians had seen what the Liberal government was up to. It had made brutal cuts to transfer payments, particularly in the area of EI. That issue alone resulted in all Liberals being kicked out of the province of Nova Scotia. All 11 Liberal seats were removed.

If they keep up these kinds of shenanigans and chicanery, that is what is going to happen again because Atlantic Canadians are very astute and they watch politics very closely. They can see the shell game that is being put forward through this budget and other measures that we have seen in the past.

This tune has been played far too many times by the Liberal government. Atlantic Canadians and Canadians generally are prepared to do what they did in the province of Nova Scotia in

1997 and that is sweep the Liberals from office and get on with a good, clean Conservative government that will deal with the priorities of Canadians.

● (2050)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, a policy statement was made by my hon. colleague across the floor with respect to Kyoto. I have asked their environment critic a number of times to clarify two things for me. First, is the concept of anthropogenic climate change a reality for the Conservative Party? Second, if this fictitious notion of actual forming a government were ever to come to some unfortunate reality, would the Conservative policy be to withdraw itself from Kyoto or to actually meet the targets?

Mr. Peter MacKay: Mr. Speaker, we would actually go beyond Kyoto. I believe the hon. member takes this very seriously and he will recognize that the Kyoto accord is not the answer. Although Canada has signed on to this international agreement, we will not meet those targets.

As far as whether there is a problem with climate change, we would have to be living in another solar system to not know that there was a problem in this country with climate change, but it goes beyond just greenhouse gas emissions. The hon. member would know that Kyoto does not cover smog. It does not cover some of the browning and the problems going on in big metropolitan areas like his own.

The Conservative Party takes the issue of climate change, green energy and all efforts made to clean up our environment very seriously, as we have in the past. Jean Charest, as minister of the environment, brought about the green plan, the acid rain treaty that was signed with the United States. We need a made in Canada North American solution. That is where the Conservative Party will go in the best interests of Canadians.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, I want to thank my colleague from Central Nova for sharing his time with me. I am sure my remarks will be much less exciting than his.

It is a pleasure to rise and speak to the budget today in its final stage. The budget has been without a doubt one of the most watched pieces of legislation in Parliament.

I would like to spend some time today speaking about how the budget relates to my critic portfolio, intergovernmental affairs, and how I think it could have better reflected the priorities of Canadians.

The provinces, which are part of this great federation, grew up a very long time ago. In fact, several of them were around long before Canada came into being in 1867. Since that time, they have come to assume responsibility for the programs and services that Canadians care deeply about.

In fact, it was on February 6, 1885, that Sir John A. Macdonald aptly described the division of powers that would come to characterize our nation. He stated:

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All the great questions which affect the general interests of the confederacy as a whole are confided to the federal Parliament, while the local interests and local laws of each section are preserved intact and entrusted to the care of the local bodies.

The division of powers in Canada were clearly written into the Constitution and, consequently, have become enshrined by our history. Federal-provincial fiscal arrangements play a fundamental role in the delivery of the most important priorities of Canadians: health, education and social services.

However, the Liberal approach has served to undermine the very social and political fabric of Canada, endangering future funding for social programs and, frankly, jeopardizing federalism.

The Liberals have done this by using the federal government's ever growing fiscal capacity to control and manipulate the provinces with money and conditions. They pressure the provinces into developing expensive programs, raising the expectations of Canadians and then give them only cents on the dollar to pay for them.

We have watched the government and the Prime Minister, in particular, continue the dangerous game of pitting province against province, family against family. The government does this by signing side deals that simply epitomize unequal treatment.

The Liberal's budget continues these trends. It is an archaic way to conduct intergovernmental affairs, it fails to recognize the maturity, the strength and important modern role of the provinces. Most important, it fails to contain a national vision.

The most serious way in which this budget fails the provinces is in its complete failure to address the growing fiscal imbalance between the federal government and the provincial governments. Put simply, the federal government continues to collect far more revenue than it needs to fulfill its constitutional responsibilities. The provinces, meanwhile, are feeling pressures to not raise their taxes because in the end there is only one taxpayer.

I was fortunate enough to sit on the subcommittee of the finance committee that investigated the fiscal imbalance. This was a very enlightening experience. I sincerely wish that our recommendations could have been incorporated into the budget, as I believe they would have gone a long way to making this a lasting budget.

The Conservative Party of Canada agrees with the majority report submitted by the subcommittee on fiscal imbalance, which concluded that the fiscal balance existed and was a growing problem for all orders of government.

The Conservative Party of Canada, the New Democratic Party and Bloc Québécois unanimously agreed to a number of recommendations. The Conservative Party, however, went farther in its recommendations. It believes that any proposed solutions to the fiscal imbalance and changes to the equalization formula must be made with the following principles in mind.

They must reflect leadership with a national federalist vision. They must reflect a collaboration to ensure that changes to the equalization formula or proposals to address the fiscal imbalance are done in consultation with the provinces and the municipalities. They must also reflect the right of all Canadians to quality health care, education and social services regardless of where they live. They

must also reflect the equality of all provinces. They must reflect the respect for the unique needs of Quebec within a collaborative federalist framework. Last but not least, they must reflect the belief that Canada's most essential national program, equalization, should be used for what it was intended, which is neighbours helping neighbours in times of need.

These principles are not reflected in the Liberal's approach to fiscal federalism. In a rush to buy votes before the next general election, the Liberals have abandoned any commitment to multi-lateral negotiations, disrespect of the need for a collaborative and comprehensive approach to fiscal federalism and undermine the security of important social programs.

• (2055)

The Liberal solution to the fiscal imbalance continues to be to deny that it exists and a reliance on a quick fix of patchwork federalism. The Liberals have abandoned fiscal federalism in the name of political expediency by signing a series of side deals and bilateral agreements with no national vision.

By signing these ad hoc bilateral side deals with provinces outside of the fiscal framework of the equalization program, the Liberals are ruining equalization, what I consider to be the most essentially Canadian national program. By abusing their federal spending power, disrespecting the constitution and approaching negotiations with provinces in an unfair and inconsistent manner, the Liberals have engendered mistrust between all orders of government and turned their back on collaborative federalism.

The Liberals have pitted province against province and Canadian against Canadian by neglecting the emerging fiscal imbalance between the provinces and the municipalities and the increasing pressure on provinces and municipalities to deliver core social services. The Liberals have now set cities against provinces and mayor against premiers.

In addition, our committee heard from witnesses who argued that the equalization formula must be revisited and reformed. A number of issues must be addressed, including the impact of the floor ceiling that was stipulated in the new equalization framework, reached in October 2004, and the treatment of resource revenues in the fiscal framework of equalization must also be revisited.

From those observations, the Conservative Party of Canada, in our recommendations, believes that non-renewable natural resources revenues must be removed from the equalization formula in order to encourage the development of economic growth in the non-renewable resource sector across Canada.

Additionally, the Conservative Party of Canada believes that the federal government should take a multilateral approach in examining the horizontal fiscal imbalance and equalization framework. Building upon the framework and resources already established by the provinces, through the council of the federation, we support the development of a consultative process which also includes representatives from the federal and municipal orders of government.

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Most provincial governments clearly stated that the vertical fiscal imbalance has made it increasingly difficult for the provinces to engage in long term financial planning and to guarantee essential health and social programs. The Conservative Party of Canada believes that in order to help correct the vertical fiscal imbalance, the federal government conduct an indepth review of all tax fields, federal fiscal transfer mechanisms and consider transferring an appropriate level of income tax points to the provinces.

Most important though, for the state of federalism, the Conservative Party of Canada recommends that if the federal government initiates new spending in areas of exclusive provincial or territorial constitutional jurisdiction, it should have an agreement from the majority of the provinces to proceed and that provinces should be given the right to opt out of the federal program and continue to receive federal funding so long as the province offers a similar program with similar accountability structures.

However, the budget is about more than just fiscal federalism. It is the spending plan for the actions of the federal government. We have been consistent with regard to our position on Bill C-43. In committee we were able to make it better legislation and as a result, Canadians will be better off. The Conservative Party of Canada carries the sole responsibility for making this stronger legislation and we are proud of that.

By keeping in tax relief for our nation's largest employers, we have secured Canadian jobs. By making our environmental legislation more accountable, we have helped prevent future scandals. We will always fight for a made in Canada solution to the environmental issues of our time. We led the charge to remove part 15, the CEPA provisions, from this omnibus spending bill and we attempted to ensure that the government could not purchase foreign Kyoto credits to ensure that money stayed in Canada to support our environment.

On committee, we also fought for accountability and ensured that the Liberal appointed advisory board, which is administered under the Canadian emission reductions incentive agency, will make its advice public.

Furthermore, I look forward to the future when Canadians will have a Conservative budget, a budget that contains real tax cuts for Canadian families. That was something that was truly missing from this major spending initiative. We on this side of the House will always remember, and Canadians agree with us, that without fiscal restraint the social programs we cherish cannot be maintained and sustained.

• (2100)

Sadly, this is not the only budget bill that we are debating in the House. When the Prime Minister struck a deathbed deal with the NDP giving away the fiscal accountability and responsibility in exchange for a few NDP votes, the House was left with two budget bills. The House and the Canadian people can be assured that we will continue to hold the Liberals accountable for their undemocratic, wasteful, out of control spending contained in Bill C-48 and the other billions of dollars of announcements since then.

We kept our word to Canadians. We helped move this budget through committee and made important amendments to make it a

better budget for Canadians. It was the Liberal Party that slowed the passage of the budget by filibustering to avoid a confidence vote until it had bribed opposition members to support it.

I look forward to the budget passing so that we as a country can move forward.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I want to acknowledge the contribution of the hon. member to the functioning of the finance committee. She is a refreshing and reasonable voice, which is sometimes missing.

I want to pick up on a couple of her comments about the impact the Conservative Party had on the amendments to the budget bill and, therefore, it is so much better because of these amendments.

The first point is the budget bill contains 24 parts. Of the 24 parts, the Conservative Party had a somewhat modest impact on part 15, which had to do with the word "toxicity" should or should not be in the budget bill at all. Because there was some ambiguity, the government agreed.

The second impact that I recollect was whether the minister could have one or more technology funds. To my knowledge, that is the sole contribution of the Conservative Party.

In other respects, when the Conservatives started out, they supported the budget bill. Then during the process of the budget moving through the House, they decided not to support the budget bill. Then when it went back to committee, they supported the budget bill. Now I understand they still support the budget bill. It is an interesting juxtaposition between the reality and what actually happened in the exercise of the budget going through the House over these many months.

I am very pleased to enjoy the support of the Conservative Party and I encourage hon. members opposite to confine their remarks so we can proceed to pass the bill.

With respect to the so-called fiscal imbalance, just what it is that is unacceptable in the minister's creation of the committee on fiscal imbalance? This is an ongoing exercise of continually looking at sources of revenue and seeing whether they are appropriately balanced. What is wrong with the proposal of the minister to have a committee review the equalization formula?

• (2105)

Ms. Rona Ambrose: Mr. Speaker, I too have enjoyed sitting on the finance committee with him. It has been a great learning experience.

The changes that we made to the budget are important. They speak to productivity, responsibility and accountability. Those are three important values that Canadians hold, as do we in the Conservative Party.

Government Orders

In terms of productivity, we are responsible for forcing the Liberals to keep tax relief for large employers on a similar time line. Tax relief is important to Canadians and it is an extremely large part of the budget, albeit only one section.

We are also responsible for a more responsible solution for the environment, as he referred to, by taking out the toxicity issue around CEPA. The environment is important and this is a important section of the budget. A large part of the industry and, frankly, a lot of environmental groups were concerned about it.

We also fought for accountability and won. Overall, that is extremely important to Canadians right now, particularly because of the environment within Parliament right now. Based on advice provided by the Liberal advisory board to the Minister of the Environment that these projects could be very politicized, the Conservative Party forced an amendment to ensure these recommendations would be made public.

Canadians are interested in a government that reflects transparency and accountability. We are very proud to have added more responsibility and accountability to the budget.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I would like to mention that I will be sharing my time with the member for Windsor West.

I am very pleased to speak to Bill C-43 tonight, not because of what the budget originally contained when we began discussions on Bill C-43 but because of what the NDP has brought forward to help make this budget a better balanced budget.

I will begin by talking a little about the history of budget making in this country. In the most recent history, in the 1980s under the Mulroney Conservatives, we saw the largest deficits in Canadian history. This was systematic when the Conservatives were in power. Year after year they had the most bloated budgets and the largest deficits in Canadian history throughout the period of the 1980s and the early 1990s.

I will come back to that in a moment because it is important to note the fiscal irresponsibility of the Conservative Party when it was in power.

We then replaced the Conservatives with the Liberals. The Liberals managed to balance the budget, fiscally and financially, but, as it was with the Conservatives, it was a very wrong-headed approach to budget making. We saw that while the Liberals managed to balance the budget, they were gutting employment insurance, which was unemployment insurance at that time, and misusing those funds for their own purposes. At the same time they were gutting health care. We certainly saw the impact of that last week with the Supreme Court decision. They were also gutting housing and poverty programs, and gutting post-secondary education, which I will speak to a little later on. We also saw the net impact on jobs.

While the Mulroney Conservatives certainly made Canadians pay through their irresponsible approach to budget making, we saw under the Liberals, in the 1990s through to today, an equally irresponsible approach to budget making where everything was and is carried on the backs of Canadians. While they managed to balance the books, which was a rare occurrence in the Liberal Party's record, they did it on the backs of Canadians across the country.

It is interesting to note that after a study was done last year of all the fiscal returns, not the budget documents, of all of the political parties in Canada over a 20 year period, from 1981 to 2000, the Parti Québécois, the Social Credit Party, the Conservative Party, the Liberal Party and the NDP in both provincial and federal governments, the study found that the worst record in balancing the books actually belonged to the Liberal Party which were in a deficit 85% of the time. The second worst record belonged to the Conservatives who were in deficit two-thirds of the time. Of course I am counting those outrageous bloated deficits of the Mulroney Conservative years. The best record, the party that actually balanced the books in the actual fiscal period returns more often than any other party was the New Democratic Party.

This is a situation that is actually based on cold hard facts, not the kind of baloney that we often get from the Conservatives and the Liberals. Based on cold hard facts, we see that the NDP has the best balanced approach to budget making. It is very interesting that the NDP carries not only the best record in social programs, not only the best record in approaching post-secondary education and health care, but it also balances its books more often than any other Canadian political party.

This certainly does not mean that we are perfect but we do it better than the other two parties in the House.

Therefore we had with Bill C-43, in the original version, this other Conservative-Liberal approach to budget making, which is basically to make Canadians pay and do it on the backs of Canadians. What the Liberals wanted to bring in, which the Conservatives supported and the Liberals were pushing it forward, were bloated corporate tax cuts. It was again just shovelling money off the back of a truck for the corporate sector. This is the corporate sector that is experiencing record levels of profit.

● (2110)

It is important to note that this is something to which the other parties often pay lip service. When we talk about competitiveness, we are actually talking about how Canadian cities and Canadian regions compete with others in North America. The most competitive areas in North America are actually in Canada.

The Price-Waterhouse study that was done last fall clearly showed that Canadian cities are more competitive for the corporate sector. Why? It is because we have a public health care system. Because of that, those companies and those corporations that are based in Canada actually get a competitive advantage out of a public subsidy that we provide to health care. Yet that same corporate sector, those same corporate boardrooms, do not want to pay their fair share of taxes to pay for, thanks to what the Canadian public provides through our health care system, a major competitive advantage.

Government Orders

It is interesting that we started off with Bill C-43, the bill that was to shovel money off the back of the truck for the corporate sector, and thankfully the NDP caucus stood up. The NDP caucus actually fought in this corner of the House to turn that bad budget into a better balanced budget to address a number of areas, such as housing, homelessness and poverty.

We have an increasing number of poor children and homelessness. In my province of British Columbia, homelessness has tripled. A better balanced budget actually addresses that through Bill C-48 and makes Bill C-43 a much more tolerable initiative.

In terms of the environment, because we have seen greenhouse gases actually increase by 20% when they were supposed to decline under Liberal inaction, we are addressing that through our better balanced budget.

Post-secondary education is a crisis that the federal government has done nothing about. Through the NDP's better balanced budget, we are finally addressing that.

A lot of people like to talk about international stability. International stability comes with a better balance and addressing the gap between the wealthy and the poor around the globe. The NDP's better balanced budget addresses that need for international stability through supporting poor people around the world and supporting development that brings everyone up to a tolerable standard of living.

It is true. There are a couple of areas on which we will continue to fight. One is the issue of jobs, because we have seen a decline. Most jobs that are created now in this country are part time or temporary in nature. The average Canadian worker has suffered a significant drop in real income. We will be continuing to fight in this corner of the House for that.

The other issue I would like to briefly address is the issue of health care. The Liberals are starting to address that issue, thanks to NDP pressure and pushing hard to finally addressing these issues around health care. This is an extremely important issue. We saw with the Supreme Court judgment that came forth that the issue of longer waiting lists needs to be addressed. We also need to have a more effective approach to health care costs.

As I mentioned earlier, given that the NDP is the most fiscally and financially responsible party in this country, as shown in a rigorous study of the actual fiscal period returns across the country from 1981 to 2001, we also want to address health care. We founded and built the health care system. Tommy Douglas, the greatest Canadian ever, as voted by Canadians, put in place a health care system that we know today.

Despite Liberal and Conservative irresponsibility when it comes to the health care system, we will continue to fight to reduce health care costs in two key areas: first, the evergreening that takes place with pharmaceutical products, the fastest growing and most profitable component of our health care costs.

My colleague in Windsor West has been pushing very steadily to ensure we start to reduce. Rather than paying our health care costs to the multinationals, we should have a much more effective pharmaceutical program in place.

The second key area is home care. We know that when we support people with health issues in their homes rather than taking them to hospital, we actually save almost two-thirds of the cost of taking care of that patient. Yet the Liberals have done absolutely nothing for home care. These are two areas where we can save money and divert more resources to getting those waiting lists down.

● (2115)

In this corner of the House, we have made a bad budget into a better balanced budget. We are fighting this tendency of the Conservatives and the Liberals to just throw money away and hurl it off the back of the truck at the corporate sector whenever they get a chance. We are going to continue to fight for better health care and for better quality jobs in this country.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, I listened intently to my colleague's speech on Bill C-48. I have a question that is perhaps off topic. It is not about economics necessarily. I think all the social programs that some of this money would go to are very important, albeit that I think they were arrived at in a very unfortunate manner.

However one of the things the member opposite has not spoken to is the undemocratic nature with which this agreement was reached. From a party that speaks a lot about democracy, and on this side of the House it is something that we respect very much so, this deal was reached without the presence of the finance minister, without the proper accountability in terms of going through the finance department, without proper budgetary oversight and without coming to Parliament first. It was extremely undemocratic the way it was reached and there was no consultation with the provinces, the municipalities, Canadians, the finance minister or any of the opposition parties.

I am wondering if, in a minority Parliament, where the member opposite and the party opposite speaks about democracy all the time, if perhaps the member could talk about the undemocratic nature of this agreement.

Mr. Peter Julian: Mr. Speaker, I believe democracy is a fundamental component of Canada. Democracy, to my mind, means as elected representatives we come to this House and we vote and we make those choices because we have the responsibility as elected representatives.

I was as shocked and appalled as anyone else in this House when Bill C-43 originally came up in this House. Elected representatives, people who were elected to do a job from across this country, including at that time 99 Conservative members of Parliament, refused to do their job. They did not show up to work. They sat at those desks and refused to vote.

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Now they may have said that Bill C-43 was a good budget, and I certainly would have disagreed with them, but they had the right to stand and vote and exercise the democratic mandate that they were given by their constituents or they could have joined with us and said no to those corporate tax cuts and voted against. They did neither. They sat in silence in this room and refused to exercise the democratic mandate accorded to them by their constituents. It is shocking and appalling. It is unprecedented that elected representatives, receiving a generous salary and all the generous benefits from Canadians, would refuse to stand and vote, would refuse to exercise the mandate given to them by their constituents.

I come from British Columbia. We have a proud democratic tradition. Yet the majority of British Columbia MPs refused to vote on Bill C-43. That should be a source of shame to every member of the Conservative Party that is left. I know some of them have already left, or whatever, but those who are left in this House should be ashamed of themselves for not having exercised that democratic mandate that was accorded to them by their constituents. I am sure if any one of them had said during the election campaign, "Elect me and I won't show up to work", I do not think they would be sitting in this House now.

• (2120)

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, I always find it laughable when New Democrats, especially those from British Columbia, come to this House and preach about fiscal responsibility. Now, as a lifelong British Columbian, that is laughable. The \$400 million that the NDP threw away on the fast ferry project could have gone to save lives, to help in waiting rooms and to help students, and yet this member has the gall to stand in this House and say that they stand for fiscal responsibility. What a joke. It is no wonder that that party was reduced to two seats in that campaign and it is no wonder that its leader left to go across the floor to the Liberal Party.

I cannot believe the member would actually get up in this place and start talking about how members of Parliament come to this place and do not do their jobs.

We recognized that the Canadian public wanted to make sure that Bill C-43 was thoroughly debated, and we did that. It is the Conservative Party that passed amendments at committee. The New Democrats did not pass a single amendment at that committee. We in the Conservative Party did our due diligence.

As for the issue of voting in this House, the most comprehensive and difficult social policy that this House has seen probably in a generation, the definition of marriage, our party had a free vote on that issue. I stood and I had the ability to freely vote and disagree with my leader on that issue. I had the capacity to vote and to speak freely on that issue because I happen to believe and support Bill C-38.

What did the New Democrats do? They told the member for Churchill to sit in her place, shut up, do not vote and do not represent her values. That is the New Democratic Party of the year 2005 and that is why that party is going nowhere.

Mr. Peter Julian: Mr. Speaker, I have two points. Obviously the hon. member for Port Moody—Westwood—Port Coquitlam does not come to British Columbia very often. There was an election a

few weeks ago. It is not two members of the NDP; it was the most significant breakthrough in Canadian provincial political history. There are now 33 members of the legislative assembly from the NDP and barring a couple of recounts, there will be more.

The other point that I think is a little laughable coming from the hon. member is his talk about deficits. I am sure if he came to British Columbia more often, he would realize that the largest deficits in British Columbia history were under the Gordon Campbell Liberals. The largest deficits in British Columbia history were under —

The Speaker: I am afraid the time allotted for the hon. member's remarks has expired.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to speak to Bill C-43.

We certainly do not have any western alienation in the House of Commons tonight. We are having a great debate about British Columbia and the different politics there, but I would like to continue the debate on Bill C-43. I want to talk about its importance with regard to moving this country forward in this fiscal year, and also some of the changes that we can make to address some of the significant problems that we face as a country.

Earlier in tonight's debate, I missed the fact that the member for Beaches—East York actually voted in favour of my private member's bill, Bill C-274. I would like to thank her for that. She was one of the few members opposite who joined with us on that very important bill. We are talking about the health care reform issues that are so important.

We are talking about the budget bill right now. The first ministers agreement regarding health care is coming late in the day and there are many problems with it. Hopefully, it will at least provide an avenue to address some of the health care problems. The Supreme Court of Canada has ruled that private insurance coverage can be purchased in the province of Quebec.

My Bill C-274, which the member for Beaches—East York voted for, actually addressed one of the issues, the issue of evergreening. That is one of the regulatory issues that has to be changed.

This budget has significant investments in health care, something that has been well noted. Health care is an important backstop in terms of Canadian culture. The fact is that Tommy Douglas, the greatest Canadian, helped to found this great nation's health care system. Health care has also been a tremendous source of economic investment and prosperity for the country.

General Motors in the United States is undergoing significant layoffs, around 25,000 people, because of some of the problems that GM has. The most notable is the cost of health care for GM's workers. In fact, the cost to General Motors in the United States is about \$1,500 per vehicle. The private insurance scheme in the United States has failed miserably. That is why U.S. legislatures have started to address the issue of evergreening. My bill did as well, but it was defeated in the last session of Parliament unfortunately.

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There is a need to rein in and control the incredible cost of drugs in the pharmaceutical industry. The costs are spiralling out of control because of patent issues related to evergreening. That is where there is an automatic injunction so that after 20 years, when a generic company is entitled to produce that drug for the Canadian public, the drug company can automatically say that others are infringing upon its patent without any proof whatsoever.

Imagine that. In any court anywhere in this country without any shred of evidence or proof, the company will automatically get a two year extension to its patent. No other industry has that privilege. We are the only country left in the world that has that provision. Even the United States under George Bush changed this policy. It is unbelievable. It is a scandal in itself.

With Bill C-43 and the NDP improvements in Bill C-48, we are putting significant revenues into health care. We want to make sure that we maintain the Canadian identity and cultural tradition of medicare for all people in Canada. We are investing in it significantly, but at the same time we are allowing ourselves to be fleeced. On top of that, when drug companies received the patent extension deal from the Liberals to extend it to 20 years, they were supposed to put 10% back into research and development which had to be done in Canada. They negotiated a deal where it was not compulsory. It was voluntary. Voluntary agreements with the pharmaceutical industry have not worked. They have never met that 10%, even when they include packaging as part of that research and development, and I do not see how packaging and research and development go together. Nonetheless, the companies do not even meet that 10% commitment.

• (2125)

That is why when we are talking about a budget, we are talking about investing in Canadians. It cannot just be about spending money. It is also about regulatory changes.

We did not like the corporate tax cut that was in the budget Bill C-43. We said that from day one. We said it was not acceptable. I did not mind the tax cuts for small and medium size businesses, but the large corporations have had record profits. A *Report on Business* survey once again had corporate profits surging 21% in the first quarter.

We have heard a number of different people in the corporate sector say that the sky is falling. They are trying to create hysteria that this minuscule amount of money for corporate tax cuts taken out of the system is going to collapse the Canadian economy. We have heard from them on a regular basis how disastrous this is going to be. Despite the \$100 billion in total tax cuts over the last 10 years, they say that this little piece of the pie, an insignificant increase in spending at 1.15% of total spending which is what Bill C-48 is going to add, is going to collapse the Canadian economy. They say we are going to lose jobs.

Ironically, what they said after they criticized the NDP amendment was that we need to put the corporate tax cut in. What they are saying is that they need choices. We do not accept their choices, especially when there is a 21% increase in their profits. That is fine. It is okay for profits to be good, but there has to be a balance. Right now in the corporate sector, let us look at the banks and insurance companies and the premiums that Canadians are paying. I do not

know many people in my constituency who are calling me to say that the banks are not making enough money and that if we give them a little more of a break they will cut back their service fees, increase staffing and open more branches. That is not happening. That is not what is going on. All I know is that I am constantly meeting with branches that are closing in my community. All I know is that consumers in my constituency are paying record prices for insurance.

I do not believe it is balanced by giving the corporations a break right now. I do not understand the notion that if they are going to get an additional profit it is going to feed the economy automatically. It does not work that way. It has not worked that way for the auto industry. Despite all the tax cuts that we have had, we have had to have government intervention on sectoral strategies and targeted investments. That is what they have asked for in infrastructure improvements in order to procure the few plants that we have over the last 10 years.

It is unfortunate that we are still fighting for an auto policy. We need to get some specifics on the table, so people can see greater accountability. When we invest in an auto facility there should be greater scrutiny in the way it is developed and the way the funding is applied. There is no problem with that, but the corporate tax cuts have not brought the plants here. They have been going to Mississippi, Alabama, Mexico, Brazil and China. It does not matter if we give them another percentile or two, it is not going to make them build another plant here. The companies are going to say that they want some training and infrastructure programs.

It comes back to what we are investing in in this budget, health care. They want health care. General Motors has \$1,500 per vehicle added into the actual production costs in the United States. In Canada, it is around \$400 for health care costs. That is about a \$1,100 savings. It is amazing.

Mr. Speaker, I know I have to wrap up my speech, but I do want to say that working together in Parliament can happen. I was pleased to be part of getting a change made to the last budget. Corporations were able to deduct penalties for pollution and crimes at the end of the taxation year. After being caught polluting our air and water, they would be fined through a criminal process. They were actually able to get some of that money back. The Liberals did not live up to their agreement to fix that. I moved a motion at committee, which was supported by the Conservatives and the Bloc, that installed another amendment to get them to fix that.

We do work together in Parliament at times and we can actually achieve results for Canadians.

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• (2130)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I appreciated the member's comments on the budget bill. I would like to come back to the issue of evergreening, because I know that the member has done a tremendous amount of work in that particular area to try to reduce those health care costs, which are going to what is an extremely profitable if not the most profitable industry sector in North America.

Canadians are having to pay for this at the same time that we are seeing waiting lists increasing and the actual quality of health care declining because of Liberal underfunding and Liberal inaction on these issues.

I will ask him directly. When it comes to evergreening, what would be the most effective way to reduce those costs so that we can put more resources into building a more effective public health care system and reducing those waiting lists?

• (2135)

Mr. Brian Masse: Mr. Speaker, the first thing we have to do is get rid of the automatic stay of injunction, where there are all these frivolous lawsuits. By the way, the generic companies win over 80% of those lawsuits at the end of the day.

These lawsuits delay the introduction of drugs into the market in a generic form, which costs provincial and federal coffers hundreds of millions of dollars each year. They cannot get the generic form. It is not available and they have to pay a premium price despite the fact that it is beyond the 20 years. We need to have some regulations changed.

There is no problem with the fact that if companies are going to invest in a new drug they should get a return on that investment and have patent protection for the drug. Sometimes there are games played on both sides, but the single biggest abuse of the system is that we litigate, we do not innovate.

We actually allow somebody to get an automatic stay of injunction and get multiple patent protections. That is what is amazing about this. They can claim that they changed the coding of the pill or the colour of the pill. They can add sugar. They can do any of those things and that is called innovation. They get patent protection automatically for another two years and the generic firms have to prove that they are not actually violating an infringement. That is bizarre.

In the United States they have one stay. They can still claim patent infringement but they have to prove it. They have to go to court and present a logical argument that their product is being infringed upon, as opposed to just getting a stay automatically. I think that is a fair system, because it gets rid of all the frivolous lawsuits out there that are related to this industry.

Once we do that, we get cheaper drugs on the market right away. We ensure that the provinces will benefit and be able to do bulk purchasing at lower rates. If we can fix some of the other regulations, maybe we can take care of some of those other problems around the research and development area that cause people concern.

But this is the first thing we need to do. It is an important notion to speak about, because what we are arguing as New Democrats is that

we cannot continue to just throw money at the health care system. There are regulatory reforms we can make that would increase savings, which can be put to actually making sure that we have shorter waiting times and people can get access to medicines more quickly.

People will be healthier and have greater wellness when they get access to the medications for their treatments. That would have a significant cost savings, not only to our medical system but to the individuals who get proper treatments on a regular basis, can afford their drugs and can take them the way they are prescribed. They are going to be healthier, live longer and be more productive in society.

This is something we can control through regulations. We are being fleeced far too often to sit on the sidelines. I cannot understand why we would allow this. I was very disappointed when my private member's bill was defeated, but I was not surprised. It is interesting, though, and I do know that there are other people in the House starting to think about it. After the vote, several members in the House came to me and said they could not support my bill but they would support me on "that evergreening thing".

They did not understand that evergreening is just a term used for the practice, but the bill dealt with the specific legislative changes for notice of compliance to be removed. They did not understand that, for whatever reason, but I am glad that some members are starting to think about this again.

Maybe they will understand that we can make public policy decisions that not only allow us to put our resources to better areas, but more important, allow people to get access to health care. That provides an opportunity for them to be healthier and not have to depend on the system.

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, I will be splitting my time with the member for Okanagan—Coquihalla.

I am grateful for the opportunity to speak on the budget bill today. I have been here since 1993, Mr. Speaker, and maybe you have been here longer. I know that there are certainly a few members who have. This is a very strange twist and turn story for the federal budget of Canada. It is the strangest story that I have seen since I have been here.

In fact, it is hard to tell exactly where the government is coming from. It seems to have two budgets now. The budget that could not be touched on February 23, according to the Minister of Finance, suddenly is open game, depending on what the government needs to stay in power. It is a desperation move that is costing Canadians now and will continue to cost them into the future.

I heard the other day that the Minister of Finance is suddenly talking about productivity, about the lack of Canadian productivity and how far we have slipped. He is a recent convert, I should say, but I welcome him aboard.

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This is a subject that we need to deal with. When I was on the finance committee, as well as when I was on the industry committee, we heard many times from a lot of Canadians that this is an area we should be concerned about.

The reason we should be concerned is that it affects our Canadian standard of living. I will outline that a little further as I go through this, but what it means is that real Canadians are hurting every day because the government is not allowing the creative forces, the competition and the natural abilities Canadians have to compete, because of too much taxation and too much regulation.

On June 9 Statistics Canada released a report that says labour productivity in the Canadian business sector edged up by 0.2% during the first three months of 2005 compared with the previous quarter, continuing its anemic performance of the past two years. In the United States, productivity has increased by 0.6%, three times the rate of growth in Canada. That is a consistent story. If we look at 2000-04, we see that Canadian productivity growth came in at 0.9% over those four years. In the United States, it was 3.8%.

What does this mean? For the average family it means that we are enjoying a standard of living that is something like 30% lower than that of our major trading partner and competitor, the United States. That is not good enough.

Per person, that translates into roughly \$6,000 Canadian. For an average family of four, that is \$24,000 a year. One might ask what that \$24,000 per family means if we compare it to a family in the United States. It would mean that the average Canadian family could put a payment of \$2,000 a month more on their mortgage. What I am saying is that this simply is not good enough, because the average family of four is lagging behind the United States by \$24,000 a year.

This is important because it is costing real people in terms of the standard of living. An article from the *National Post* of March 30, 2005 states:

Canada should put a premium on policies to improve its fiscal prudence and economic productivity, given the uncertainties surrounding exchange rates, global commodity prices and the continuing process of trade liberalization, the IMF said.

The story goes on. I have an article from the *Financial Post* of April 11, 2005. A respected University of Ottawa professor, Gilles Paquet, portrays Canada, and in unflattering terms, I might add, depicting it as “a risk-averse nation on the brink of becoming an ageing society”.

What does that mean? We know that our demographics are working against us. There are going to be fewer people working in the future, supporting a greater number of people who are going to be collecting pensions. Therefore, we have to get our standard of living up.

Business groups, chief executives, economists and, more important, David Dodge, the Bank of Canada governor, have sounded warnings regarding Canada's lagging productivity growth. Statistics Canada reported that last year in terms of productivity growth the country posted its worst performance in almost a decade.

● (2140)

I have to say it is not that the government has not had warning. A number of people have been warning the government for years that this is going to cost Canada.

The *National Post* article goes on to state, quoting Gilles Paquet: —a failure on the part of the elected officials to underline the importance to Canadians of productivity growth. “Leaders must be educators, persons called upon to reframe the citizen's views of the public realm,” the economist wrote. “Most officials in Canada have been passively recording the results in opinion polls, and have not shouldered their responsibility... alerting citizens to the importance of productivity gains and innovation.”

Jacqueline Thorpe wrote an article on April 28. She quotes Doug Porter, the chief economist for the Bank of Montreal. Talking about the budget of February 23 at that point, I think, he stated:

If this deal is an indication of the type of fiscal decisions Canada will see, then the currency market should instead react to the prospect of a near-term election as positive.

That was when there was a possibility of an election.

Right after the budget was tabled, the *National Post* asked, “What letter grade would you give the budget?” Porter responded, “We give it a C”. With the revisions, in the NDP-Liberal budget, now he says, “We give it a D”. This is a respected chief economist at the Bank of Montreal giving this government very much a failing grade with regard to its budget and budget fiasco.

Actually there is one more point. We had a gentleman at committee just the other day. I see the parliamentary secretary discussing this with you, Mr. Speaker. It was David Stewart-Patterson from the Canadian Council of Chief Executives. Here is what he said:

—no productivity growth, minimal growth in foreign investment, negative household savings and a manufacturing base that's struggling to stay afloat in a competitive, volatile, high dollar world do not bode well for the future prosperity of Canadian families.

He continued:

—lower taxes by themselves cannot ensure a prosperous future for Canadians, but if we want our economy to grow and our social programs to improve, we have to work harder at making Canada a place where more talented people want to live and work and where more investors want to create and grow businesses.

This is an important point. Investment is leaving Canada in droves. We have a net outflow of investment these days. Canadians are looking for better places to invest because this government's policies are driving them out of the country.

This is something we have been on for quite some time. I will go back to some of the reports that were done by the finance and industry committees when I was there.

This was the Conservative Party dissenting opinion to the prebudget process on December 14, 2004, in which we are talking about the record of this government not being that good:

A few basic statistics back up our contention that now is the time for major change—that more of the same is not good enough—that Canadians deserve better. First, during the past forty years Canada's GDP per worker has remained little changed compared with that of the United States—it remains stuck at about 85 per cent of the U.S. level.

...“Lest any Canadian thinks that the productivity gap is irrelevant, it more than accounts for the income gap of \$6,078 per Canadian.” Surely we can do better—having a family of four with some \$24,000 less income to spend than they would have in the United States is nothing to celebrate.

Government Orders

As for investment in productivity capacity, why is investment important? Because it creates jobs. The statement continued:

Throughout the hearings we heard that the productivity investment in Canada is lagging and that a number of key factors are the main culprits. Taxation levels affect the willingness of investors to build new industrial capacity in Canada. If taxation is too high and investment too low, the competitive abilities of Canadians cannot be unleashed. Countries like Australia and Iceland have shown the way and are benefiting from large gains in productivity investment—why can't Canada do the same?

Quite frankly, it is a very good question. It is the policies of this government over the last 12 years and the direction it has been taking that are sending all the wrong signals to Canadians. Cutting the corporate tax cuts that would put us on a more equal footing with the United States is a very bad signal to be sending to all the Canadians who want and need to invest in order to create jobs for Canadians.

Frankly, this government does not deserve to remain in power. The NDP budget is further evidence of its willingness to go to any lengths to cling to power. I think Canadians should put the Liberals out of their misery.

• (2145)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I was a bit confused when the member spoke about a competitive advantage. Earlier the member for Windsor West talked about the advantage that General Motors, for example, sees in having a strong public health care system here in Canada as a cost per car that is incurred which is passed on to consumers.

In the member's last point he spoke about needing to get back on to a level playing field with the Americans, whereas when we look at the corporate tax rates between the two countries, we already have an advantage over the Americans because we are already lower. The member might be confusing his points of rhetoric.

The second part deals with fiscal responsibility toward the taxpayer. We ran some numbers recently and it is quite expensive to maintain the House on any given day. It is approximately \$700,000 according to House of Commons officials. The Conservative and Bloc protest a couple of weeks ago cost us somewhere between \$1.4 and \$2.1 million to achieve we are not even sure what.

In terms of fiscal responsibility, I am wondering if the member would consider proposing a motion to his caucus members asking them not to accept their pay for at least those days in which they did not work and did not show up at committee. It seems reasonable and fiscally sound to say that if one is going to go on strike, which is the right of any worker in Canada, one does not expect to get paid for those days on strike by the company that does the hiring.

Could the member also answer the question relating to competitive advantage? As we have already gone through \$100 billion worth of tax cuts over the last decade, what exactly is the member looking for?

• (2150)

Mr. Charlie Penson: Mr. Speaker, I would like to thank the member for Skeena—Bulkley Valley for the opportunity to deal with the myth that the NDP and some of the Liberals keep perpetuating about the corporate tax advantage we have over the United States.

If that were the case, why would Canadians increasingly look to invest outside our country? They would naturally want to invest

here, but the government has not allowed the kind of tax rates that are required in order for Canadians to do that.

Quite frankly, the member is confusing the fact that we might have equal corporate tax rates, but the effective or the real corporate tax rate is something like one-third more than that of the United States. We have not even caught up and the United States is going to move again. We heard throughout the pre-budget hearings widespread concern that Canada is not on an equal footing with the United States. We heard it over and over again. I think that is a well documented fact.

In terms of the issue of why we should have parliamentary oversight and why we are putting the government through all this tough scrutiny, I think that is what Canadians deserve. That is why they sent me here.

The argument by the member for Skeena—Bulkley Valley that we should not be doing this because it costs money is similar to me suggesting that he should not get up and speak because the carbon dioxide that he gives off is contributing to global warming.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, I want to congratulate the members for Peace River, Edmonton—Spruce Grove and others who have in their usual cogent and analytical way broken down the budgetary process and shown clearly how the government would have been of benefit to Canadians if it had followed the advice which we had given.

We support Bill C-43 because we have concentrated on the budget and we have, with the skill of our members and by the force and persuasion of their arguments, and by Canadians backing us up, caused the Liberal government to see that improvements were necessary to Bill C-43. It was seriously flawed. It would have left our country and Canadians at a severe disadvantage in a number of key areas.

We are pleased that we did get the government to abandon its critically socialistic bent at thinking that the best way to advance and generate revenues into the treasury was to tax people and tax businesses as much as possible. By bleeding tax dollars out of Canadians and making them work harder to take care of an increasing tax load is not how the economy is invigorated. That has been proven wrong in every jurisdiction that has tried that particular process.

It is a matter of economic fact that when the tax load is reduced, yes, in the first year there may be some foregone revenue, it initiates a virtuous cycle. In fact, there will be more people working, whether it is because investment taxes are reduced and people do not mind investing in business, or because people think that they can keep more of their hard earned dollars to themselves. When that virtuous circle of more innovation is started with more creativity and more hard work, because people or businesses are paying a lower rate overall, we actually bring more revenue into the treasury for important social programs, such as health care and other programs.

Government Orders

The economic history books are filled with examples of how that works. It absolutely refutes the failed god of socialism that is embraced by the Liberals and the NDP. It refutes the vicious cycle that people such as John Maynard Keynes advanced for years. He said that if a person ever gets into trouble economically, all that person has to do is get into deficit financing. We would plunge the country into debt and deficit, borrow dollars, shoot that into the economy and everything would get invigorated and everyone would be happy. There is one problem with that. It is a two word problem called compound interest.

The government proved this, tragically, and especially through the Trudeau years when we saw the most radical increase in the deficit and debt in the history of our country. It was a vicious circle; it was not a virtuous circle. The Liberals just do not get it. Their idea is to always tax working people more. Tax them harder and tax businesses more and somehow it will create more. It simply does not happen that way.

On a provincial level, we can look at the Alberta tax cuts of the 1990s when the economy was turning down, the price of oil was down, and commodity wars were going on around the world. In fact, in that period of time Alberta lowered taxes and it increased revenue. It was an amazing thing. Predictable, but it still amazed people.

The same thing happened with the Reagan tax cuts. The people over there do not like to hear that. That started the same virtuous cycle of increased revenue. Of course there was also increased spending related to military spending. However, in terms of the revenue side of the ledger, revenues increased because more people worked, worked harder, and became more innovative because they were not being excessively punished for being hardworking, innovative and creative.

The Kennedy tax cuts of 1962 were, in terms of following and tracking that trend, the single most significant and deepest personal tax cuts of the century. They actually triggered a virtuous cycle that carried on for seven years. Then of course they were dampened by the democrat President Lyndon Johnson and his war on poverty, and the war that he launched in Vietnam. Thankfully, it took a republican to get the Americans out of there.

● (2155)

The members of the NDP and Liberal alliance just do not understand it. I am so thankful that our hardworking members were able to impress upon them and bring pressure to bear to recognize that the cycle of excessive taxation and excessive deficit is a vicious cycle.

They do not like to hear this either, but John Maynard Keynes was asked a question when the charts were put before him. It was pointed out to him that if we were to keep on that cycle of deficit financing and then have to deal with it through compound interest, even in the productive years, we would not beat compound interest. He was asked whether he thought that the economy would eventually collapse in the long run? Do hon. members know what he said, which was what these people do not realize? He said "Do you know what? In the long run we will all be dead". That is an absolutely irresponsible approach. That is John Maynard Keynes, the father of the failed socialist god that the Liberals and the NDP continue to worship over there.

We were able to correct that in Bill C-43 somewhat. The member for Peace River has shown how Canada is still disadvantaged. We were also able to ensure that the Atlantic accord came to be. It was Conservative members, especially from Atlantic Canada, who promoted the necessity for the Atlantic provinces to receive back a little bit of the promise of Confederation which drew them into Confederation in the first place. It was something that they had not been receiving under the Liberals. It was the hard work of our members that got that in place. We can support that in this particular budget.

We saw the environmental path the government was taking, especially with the NDP-Liberal alliance. After years of talking about Kyoto and after years of saying the government had this figured out, Canadian taxpayers' dollars are going to be used to pay polluters in other parts of the world, like China which is not even buying into Kyoto, to continue to pollute so that we could have credits here to help certain businesses continue to pollute. If that is not a bizarre approach to dealing with environmental problems, I do not know what is. I am thankful that with the hard work of our members here, we were able to correct that.

In terms of the gas tax provisions, we are finally giving some of those federal gas tax dollars back to the municipalities. That again goes all the way back to October 2003 when we proposed it. All of us have constituencies that have needs. There are development needs in the city of Penticton. This is desperately needed infrastructure money. There are needs in the water systems in Naramata. There are growth needs from Summerland to Peachland and Westbank. I am talking about Westbank, British Columbia, not the Middle East, and the demands on infrastructure are incredible.

It is not all about big cities. These smaller jurisdictions desperately need these dollars as well. They are growing too. The city of Merritt is growing at an incredible rate and needs those dollars. Near Merritt there is the city of Logan Lake. It does not sound like a large urban centre, but that city needs a firewall. It is located in a forested area and needs to protect itself from the devastations that we saw two years ago.

These are the kinds of areas where those federal gas tax dollars need to go. They need to go back to cash starved municipalities. We are pleased that members of our caucus were able to initiate the idea and then ensured that the Liberals carried through with it.

We still have some concerns. There will be some nose holding in terms of Bill C-43 because a number of areas have not been addressed that the Auditor General wanted to be addressed.

In the area of government waste, which we identified in the last election, there is some \$6 billion still not being attended to. Three auditors general in a row used the same phrase. They kept asking, who is minding the store? That is a tremendous indictment against the government. The billions of dollars of government waste is not being addressed. It is tragic and it puts an unnecessary burden on Canadian taxpayers. That must be addressed.

Government Orders

The fact is that there are still large funds that are off-book, as the Auditor General calls it. The government has said that it does not want anybody looking at how these giant funds are audited. We are actually not allowed to see it. If the sponsorship fund is an example of what goes on in funds that the Liberals do not want anybody to see, it is all the more reason to look at those funds.

● (2200)

If my colleagues will forgive me, I will give a word of credit to the NDP members for doing what they did. It cost \$4.6 billion to buy 19 votes. We should do the math. That is about a quarter of a billion dollars per person. The money that went into the sponsorship fund was about \$250 million. There are about four million or so taxpayers in Quebec. That means the people in Quebec are only worth \$60 apiece. The Liberal-NDP extorted a quarter of a billion dollars apiece. I give them some credit for that even though the things they want to spend the money on is a real concern.

I congratulate the hard-working members of our caucus who were able to bring to bear and improve the budget enough that we can support it. There are things in it that we have initiated and they will be good for Canadians.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I would like to thank the hon. member for noting the budget improvements.

The official opposition members had their own strategy and they were entitled to it. They were working at that time with the Bloc to bring down the government. We tried to make a better budget. I thank him for the notation that 19 of us were able to secure some improvements to education, the environment and pensions. We believe those are important issues for Canadians.

Maybe he could reflect upon this. The difference is we did this as a collective to secure resources and to secure an investment back to all Canadians. His party had individual members leaving for positions. I would like him to comment on that situation where they decided to negotiate advancement for themselves go to the Liberals. They also decided to tape meetings.

Maybe the member could enlighten us about whether his leader was complicit in part of this. The reality is there seemed to be some type of negotiations or vote buying, which reflects poorly on the minister involved, the Prime Minister's staff and the Conservative member. Now we have the Ethics Commission investigating it. I would like to ask him about that because it has clouded this entire budgetary process.

I think Canadians are looking at that element of Parliament and scratching their heads. It does not matter who was going to make the offer. Was it the Conservative member who was trying to get something or was it the government?

That is entirely different than trying to amend a budget to make it more reflective. That is what we tried to do and we were successful at it. We amended the budget by removing \$4.6 billion from a set of priorities with which we did not agree. That is why we voted against Bill C-43. Had the Conservatives at that time chosen to vote against Bill C-43, we would have had an election. They did not and that is fine. They had their own reasons and I do not why. They changed their minds during that time period.

It is important to note that we were able to get money to invest in the environment, health care and education.

I would like the member to comment about the fact that he has individual members who seem to be involved in taping and crossing the floor instead, for the benefit of themselves and not for others.

● (2205)

Mr. Stockwell Day: Mr. Speaker, nobody ever said that coherence had to be a hallmark of any particular commentary here and that certainly has just been demonstrated. However, I think I should try to address some of the comments. There were no questions other than rhetorical ones.

I think what happened in the commentary process was the member made a couple of statements. I think when he realized what he had said, he thought he had better get a diversionary project going because if we zeroed in on the comments he made, he was going to be in trouble.

First, he talked about the Bloc and voting alliances with it. You will know, Mr. Speaker, because you are of course so good in your position and you also know the facts and figures. The records show that no party has voted more with the Bloc Québécois than the NDP. That is a statistical fact. It is the Bloc-NDP alliance that has characterized their movements here.

Second, I am glad the NDP raised the issue of tapes. The records showed something else very clearly. They showed that we had the chief of staff from the Prime Minister's Office and a minister of the Crown offering goodies for votes. I am pleased that the entire tapes have been given to the RCMP.

However, we cannot escape this fact. I am sure that is what the member wanted me to address because NDP members have the cozy alliance. They have crawled into bed with a party that has been called corrupt. We have the NDP-Liberal alliance. They did not just have to hold their noses. They had to blindfold themselves and put their fingers in their ears as they crawled in with the most corrupt government that exists in Canadian history. I gave them credit for the \$4.6 billion buyout. What I cannot give them credit for is they bought into an unplanned expenditure. There were some items mentioned, but it was unplanned.

That was the type of NDP thinking that took the Ontario government down economically and also ruined the social programs. It is the same type of unplanned spending that brought British Columbia down when the NDP was ruling there in fits and starts. Gladly, the electorate has recognized that and rectified both of those problems.

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, it is my pleasure to join the debate on Bill C-43.

I will be splitting my time with the member for Vegreville—Wainwright.

We should start from the beginning of why most of us came to Ottawa. We came here because we were extremely concerned about the debt which was being built up in the country.

Government Orders

If we go back in history to 1969, there was no debt. By 1972, we had about \$18 billion of debt. By 1984, we had about \$180 billion of debt. By 1993, we were up over \$400 billion. Today we are now \$530 billion in debt. A lot of that is because of the way government is run, the way budgets are done and the way money is spent in this place. When we came here, the budget was about \$140 billion. Now we are close to \$200 billion. Obviously, the government is out of control.

However, what I really want to concentrate on are the environmental aspects of this budget and what they include.

First, regarding the record of the government, we are now 28th out of 29 OECD countries in 25 areas of evaluating the environment. We still have three cities dumping raw sewage into the ocean. We have over 300 boil water warnings. We have Toronto with a record 20 smog days, which is the highest it has ever had, and this is only June. We have brownfields in every municipality across the country. We have identified some 50,000 contaminated sites.

I do not think I need to go on. The environment commissioner probably sums it up best. In her sixth report she said that the government had a lot of talk. In every budget it talked a lot about the environment, but it has accomplished nothing. As a result, we are 28th out of 29. That is why we have the dismal record.

What about this budget? In this budget there are three main areas that are covered under the guise of climate change and the famous Kyoto accord that the government signed onto. Let me look at those three sections specifically because I do not have a lot of time. I would like to show members how the government plans its environmental agenda.

First, let us look at section 13 which is the climate fund. The government will put \$10 million into a climate fund this year. Next year it will be \$50 million. By 2008-09, it will be \$300 million. By 2009-10, it will be \$340 million. After five years, there will be \$1 billion in this fund.

The government will then establish a bureaucracy and that bureaucracy will then buy credits. Ideally, it makes reference to domestic credits, but any expert in this area will tell us that we will end up having to buy foreign credits. We should really look at what that means.

We have a lot of bragging going on. The government will buy credits on only green projects. It will fix the Ukrainian pipeline so it will not leak and that will save so many problems. It will go to Zimbabwe and set up some environmental projects because it will be cheaper to buy credits from there.

In reality we are going to have the government off buying foreign credits with no real monitoring and with no ability to tell whether it is a green project or what is involved. We will be giving money to companies that will end up competing with our Canadian companies and our government will be funding that. We will build layers of bureaucracy and they will have to be good Liberals. We then have the basis for another sponsorship scandal, Shawinigate, whatever we want to call it, for which the Liberals are so famous.

There will be costs to our corporations and to taxpayers that others will not have. Our major competitors, the U.S. and China, will not have those costs. That will be a problem.

● (2210)

When buying hot air, it is fine to ask what good that will do but it is also fine to ask what it would do. Those are questions that quite often get asked so I will give a couple of examples.

Let us suppose we give tax credits to corporations that do a good job on an environmental innovative technology made in Canada. What would that mean?

Let us talk about clean coal technology. Do members know that in China 81% of its electricity is from coal; in India 79% comes from coal; in the U.S. 57% comes from coal; in Alberta 70% comes from coal; and, in Ontario 25% comes from coal?

If we became world leaders in clean coal technology and we gave tax credits for corporations that developed that technology and then we transferred that technology to the Indians, to the Chinas, to the U.S., I am sure members can imagine what that would do for the environment if we were to deal with the CO₂ problem. That would be a made in Canada solution. We would do it through credits as opposed to the method of shipping money off.

I have often said that instead of buying these foreign credits, we should just get the numbers for these Swiss bank accounts for these green projects and send it directly to the Swiss bank.

I could talk about CO₂ sequestering. Obviously it is being done. If we sequester CO₂ in a place like Fort McMurray, we would eliminate 60% of the CO₂ being released in Canada.

Now, if we gasify it and put it in the pipeline, put it down an oil well, we increase our recovery by 30%. They are doing it in Weyburn, Saskatchewan. They are doing it in Germany and they are doing it in eight states in the U.S. If we lead in that technology, think of what we could do for the environment when we transfer that CO₂ sequestration around the world. We would fix the environment and we would give tax credits to those companies that develop it. It is made in Canada and we become world leaders.

I think members get the point of the sorts of ideas that we would implement as opposed to this shipping money off to the Swiss bank accounts.

Let us look at section 14, the greenhouse gas technology investment fund. This basically is where large final heavy emitters can buy credits and put them into this tech fund and in exchange they would get emission credits. That all sounds really good and so our large final heavy emitters will buy those credits from the government.

Government Orders

Let us think about this. This would be administered through a 12 member board. We know what the credentials for the board will be: "What have you done for the Liberal Party lately? How many times have you run for the party? What ridings will receive this tech fund? What companies will get it?" We know it will not be places where some of us come from because obviously that would not help get any vote, so let us not try and hide this.

We are telling corporations that they can buy credits and contribute to the tech fund or we will fine them. We will set up a carbon tax and we will fine them.

What we tried to do and what our finance committee did was to move amendments to this section, and we were pretty successful in getting some of those amendments. What kind of amendments were we looking for? We wanted accountability and transparency. Is that not a unique concept? My goodness, they would now have to open up their books.

We wanted to get the \$15 cap extended beyond 2012 because obviously long term planning is what companies need.

We wanted to get input from the environment committee. What a unique concept that would be, getting input from the people working in that area. We wanted the reports of the advisory board made public. We also wanted the LFEs to be able to transfer credits.

Finally, in the third section, using CEPA. What is CEPA? CEPA is the Canadian Environmental Protection Act. What is that all about? Well CEPA handles arsenic and those kinds of toxic substances. CO₂ is plant food, juice for photosynthesis. The government wanted to use the regulations under CEPA to put a carbon tax on companies releasing carbon. Mark my words, the government will bring that back.

• (2220)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I thank my hon. colleague for his comments and for bringing the environmental context into this debate which is always important.

I have a comment that is a piece of information and then a question.

A number of weeks ago, in a similar debate around budgets and the climate change plans being put forward, he indicated that the Conservative Party had a policy and a plan in terms of how to address the climate change issue. I believe the words he used were "imminently forthcoming". I would like an update on where that is now. If it has been made public, then that may be true.

Thanks to the member and some of his colleagues on the environment committee, the Canadian Press is now reporting that the governor of North Dakota will be putting a temporary hold on the Devils Lake diversion project. This is somewhat due to the environment committee's unanimous support of a motion we put forward that called on the Canadian government to use whatever means necessary to stop this. I think it was a good move for Canada and it showed how members of Parliament, working together, can actually get something done. I thank the member for his support on that. Perhaps he could comment briefly on the Devils Lake issue.

Secondly, I wonder if he could report on where the plan is. I do not want to harbour old memories of listening to the Liberals talk about the forthcoming plan week after week and I hope we are not following a similar trend. I would just like to know the date or timeline as to when we will see the plan come forward so we can have a debate about the various options. The NDP released our plan five months ago to rave reviews.

Mr. Bob Mills: Mr. Speaker, regarding the plan, yes, we have an extremely detailed plan and it will be part of our policy, but we do not trust the Liberals as the NDP do.

The Liberals will steal whatever they can and they will trash whatever they decide to trash. It is much better to hold on to our cards and wait until we can nail them with the policy. That is something we have learned from being around this place. The NDP members will learn that as well, not to trust the devil who will ultimately nail them. They will find out exactly what that will be like come fall.

I will be touring through B.C. in a couple of weeks time and I would love to visit the member's riding if he would invite me.

With respect to Devils Lake, the problem really comes down to the IJC not really being a very functional board and not really dealing with the issues of the day, whether it is the St. Lawrence River, the Great Lakes, the Columbia River, the Sumas River in British Columbia or the whole Devils Lake issue. I just do not believe the problem has been dealt with very well. I do not believe the government has dealt with it very well.

The government did have the opportunity in 2002 to interact and get the IJC involved but it chose not to. I believe that should be brought to everyone's attention. I think ultimately we will win that case because we will work together on it. It is something we must work together on and base it on science. There should be no inter-basin transfer without having the science in place as to the cause and effect of what is going to happen environmentally.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I would like to start by saying that I do appreciate the opportunity to speak on this legislation. I understand that I may be the last speaker tonight.

It has certainly been interesting to listen to the remarkable man from Red Deer, for example, our hon. colleague who is the environment critic for the Conservative Party. It has been remarkable to listen to him and hear his plans for the environment of this country. We know there is hope for improvement in the environment under the guidance of this gentleman. When he becomes the environment minister in a Conservative government led by our leader, the hon. member for Calgary Southwest, I know that the environment will be on its way to improvement. The member is a remarkable man and a remarkable environmentalist. It is something to look forward to.

We are here tonight speaking on Bill C-43, the Liberal budget bill. This is the bill that was put forth by the Liberal finance minister. We are not speaking tonight about Bill C-48. Bill C-48 is the bill that was put forth by the New Democrat finance minister.

Government Orders

The leader of the New Democratic Party somehow now has become a finance minister, the second finance minister for the Liberal government. The Liberals and the NDP have presented Bill C-48, which is the bill that the Conservative Party will not support. We will not support that legislation. There are billions and billions of dollars, somewhere over \$4 billion, in the New Democrat budget, which, sadly, is supported by the Liberals just so they do not have to face an election. The Liberals will do anything to avoid an election. Bill C-48 is not the bill we are debating tonight. That is the budget bill we will be dealing with tomorrow, as I understand it.

We do support Bill C-43, not that it is a great budget, because it certainly is not, but on balance when we went through it we recognized a lot of things that we have been proposing for some time. When I say "recognize" I do not say that lightly, because there is a resemblance. In some areas, the Liberals are headed in the same direction that we have proposed, but of course it is a half measure. They have gone only part of the way and it is certainly not the way the Conservative Party will do it. Bill C-43 was moving in the right direction on issues that we feel are important. Therefore, we are supporting the bill.

When we look at tonight's debate and the debate on this bill and other legislation over the past several days, there is something that we cannot help but note. We have Liberal members of Parliament who stand up day after day, speech after speech, and say, "We have done this. We will do this". It sounds so good. It just sounds good. The Liberals truly are masters of saying things that appeal to people across the country. They say those things, but what they say is so different from reality. This is something that we cannot help note.

We can look at any of the major issues that Canadians feel are important. Health care is an example. I heard Liberal members say today, "We are going to fix health care. We can still fix it". As for the Supreme Court decision which will now allow private delivery, the Liberals say they can fix it so that we do not need it. They say, "We have put \$21 billion into health care". That is what they say, but of course the reality is that they cut \$25 billion from health care when the current Prime Minister was finance minister. The Liberals cut \$25 billion in transfers to the provinces over about a five year period. Of course they do not mention that.

More disturbing than that, because the amount of money that is put into health care really is not going to determine the success of the program, is the reality is that after 12 years of this Liberal government, health care is worse today than it was when the Liberals started. So why would Canadians believe them when they say suddenly today that they are going to change things to make it better?

The reality is that our health care is so bad in this country now that the Supreme Court of Canada ruled last week it cannot be counted on to deliver a reasonable level of health care to Canadians. Therefore, the court said, we must allow private delivery. That is the reality. The Liberals say how wonderfully they have done, but the reality is that it is so bad we have to allow private delivery. The Supreme Court has ruled that.

• (2225)

On the foreign affairs agenda, the Liberals stand in the House and say again and again that Canada is the greatest country in the world,

that it has stature in the world, that it is a real player. Of course, we are all proud to be Canadian. This is the greatest country in the world, but sadly, the fact is that Canada has lost its stature on the world stage.

There is something that demonstrates that better than anything else. I am a member of the Canadian NATO Parliamentary Association. I travel about three times a year to meetings of the NATO parliamentarians. Every February we go to NATO headquarters in Brussels and I have continued on as a Canadian representative to the OECD in Paris.

We receive economic forecasts from the OECD. In the past these economic forecasts have talked about the G-8, when we thought Russia was becoming a player. Russia was dropped from that list because Russia has not been able to control its organized crime and really does not belong on the list of recognized economic states, so it is the G-7 that the OECD has talked about over the past several years.

A sad demonstration of what has happened to our country under the Liberal government is that this year the economic forecasts were for the G-6, not the G-7, but the G-6, and Canada was not even on the list of countries referred to in the economic forecasts. The G-6 was referred to, not the G-7. That is a sad commentary on what the government has done to our wonderful country. A respected world body like the OECD no longer considers Canada worthy of being in the top group of countries. It is a sad commentary.

On the agenda of taxes, how many times has the government said it was going to lower taxes? The most notable example was in the year 2000 when the Prime Minister, who was the finance minister at the time, said he was going to reduce taxes by over \$100 billion. That was in 2000.

I encourage people to look at their paycheques from 1999 and compare them to the ones from 2001. I invite them to say that their taxes have gone down. Of course, they are not going to say that because taxes have not gone down. I invite them to look at their payroll deductions for 2005 and compare them to the ones for 1999. They will see the sad reality that the \$1 billion tax cut the finance minister said was put in place does not exist. It does not exist. If people compare their 1999 and 2005 pay stubs, that \$100 billion has somehow disappeared. That is a sad commentary.

The Liberals say things that sound so good. It makes many Canadians want to vote for them, but the reality is something entirely different. In health care that is the case. In foreign affairs that is the case. In taxes that is the case.

I do not have to talk about the environment because the environment critic made the point very well. From what government members say about the environment, it sounds as if they are great environmentalists. It almost makes people want to vote for them on the environment. However, when they talk about the reality of what is happening in our country with the environment, it is entirely different. The reality is entirely different from what the government says.

Government Orders

In my constituency, agriculture is an extremely important industry. The agriculture minister and other Liberal members stand in the House and say over and over again that the government is doing so much for agriculture, that agriculture is in great shape in this country. The fact is that after 12 years of Liberal government, the farmers of this country are having more problems and are in worse shape than they have ever been.

The government says how good things are in agriculture and what a great job it has done, but the reality is entirely the opposite. All one has to do is talk to the farmers to find out the truth. What Liberals say is one thing, but the reality is something entirely different.

I could go on and on but my time has expired. The Conservatives will support Bill C-43 because it is at least a step in the right direction, but the NDP budget bill, which we will be talking about tomorrow, is another situation entirely. We will not support it. We will do everything we can to defeat that budget bill.

● (2230)

Mr. Peter Goldring (Edmonton East, CPC): Mr. Speaker, I want to thank my colleague for his speech and to comment on Bill C-43, which of course we acknowledge that we do support, but there was one notable absence in Bill C-43. It was the absence of funding for affordable housing and there were reasons for it.

I want to refer my colleague to another promise made and promise broken. It was a Liberal red book promise in the year 2000. That red book promise was for \$680 million which was to create up to 120,000 units of affordable housing by the year 2005. Budget 2003 added another \$320 million. That \$1 billion should have proportionately created, according to the Liberals' figures, possibly up to 200,000 units, but guess how many units it created. It was not 200,000 units, not 120,000 units, but less than 25,000 units out of the \$1 billion that was allocated across Canada. Those are the numbers.

Small wonder that there was no new money in Bill C-43, because even the Liberals recognized that it was a wasteful expenditure, but guess where it did show up. It is in the NDP bill, Bill C-48. Here comes another promise for building more affordable housing, only

this time the minister will not tell people how many houses they expect to build, because quite frankly, he does not know and past history certainly indicates that it is correct that he does not know.

By putting another \$1.6 billion into an already unworkable plan on top of a broken promise that was made on committed money before, another promise made another promise broken, is there not a pattern here? I would like my colleague to comment on promises made, promises broken.

● (2235)

Mr. Leon Benoit: Mr. Speaker, far be it from me to give some deep answer on affordable housing when the member who asked the question is by far the most knowledgeable person in the House of Commons on this issue. The member from Edmonton is the member who has tried to ensure that any money going into affordable housing is actually going to do the job. For me to stand here and to give an in-depth answer on this issue would be telling very little to the member who knows far more about it than I do .

What I will say is that he is absolutely correct that out of the \$2 billion promised in the last few years, we have seen fewer than 25,000 houses in total. For the member's city, how many housing units have been built for Edmonton's share of the over \$2 billion? There have been 647 housing units. That is just unbelievable, but the member from Edmonton certainly knows that.

The member knows that next year the Conservative Party and its leader as prime minister will do much better. The Conservative government with the member from Calgary as prime minister will deal with affordable housing in a reasonable way, not \$2 billion to give fewer than 700 housing units in the city of Edmonton. That is not money well spent.

The Deputy Speaker: Seeing no other members rising, pursuant to order made earlier today the question is deemed put and a recorded division is deemed requested and deferred until Thursday, June 16, at 3 p.m.

It being 10:38 p.m., pursuant to order made earlier today, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 10:38 p.m.)

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