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OFFICIAL REPORT
(HANSARD)

Tuesday, January 30, 2007

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, January 30, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1005)

[*English*]

PETITIONS

MARRIAGE

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I have the honour this morning to present, on behalf of a good number of constituents in my riding of Huron—Bruce, a petition dealing with the issue of marriage. They are petitioning this Parliament to reopen the issue of marriage and to repeal or amend the Marriage for Civil Purposes Act in order to promote and defend marriage as the lawful union of one man and one woman to the exclusion of all others.

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QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

The House resumed from January 29 consideration of the motion that Bill C-36, An Act to amend the Canada Pension Plan and the Old Age Security Act, be read the second time and referred to a committee.

The Speaker: When this matter was last before the House, the hon. member for Nanaimo—Cowichan had the floor and there are eight minutes remaining in the time allotted for her remarks. I call, therefore, upon the hon. member for Nanaimo—Cowichan.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, before the House adjourned yesterday I said that New Democrats would support Bill C-36 going to committee but that we strongly felt that a number of issues in the bill needed to be addressed.

Many seniors in my riding are facing dire circumstances and, in terms of livability and affordability, this would have been an opportunity to look at some other measures within the bill. It was a chance to actually fix some of the problems that are occurring with CPP and OAS.

I also want to talk about housing. I have heard some heartbreaking stories from seniors in Lake Cowichan in my riding of Nanaimo—Cowichan who have told me that when it comes time for a couple to go into assisted living or long term care the couple is often separated. One member of the couple needs to move to Duncan where the person can get the care that he or she needs. We now have a senior travelling from Lake Cowichan to Duncan on a daily basis to look after his or her loved one. That is just one of the many issues facing our seniors and we need to look at where we are investing our energy.

A group of women in British Columbia called Women Elders in Action, WE*ACT, has put together a very good document about pensions in Canada, “Policy Reform Because Women Matter”. One of the things it talks about is that a quarter of a million seniors are living under the low income cut-off. Many may ask what low income cut-off means.

The low income cut-off is the most consistently used measure of poverty in Canada. Several years ago Statistics Canada found that average Canadian families were spending about 50% of their total income on food, shelter and clothing. It arbitrarily estimated that families spending 70% or more of their income, 20 percentage points more than the average on the basic necessities, would be in dire circumstances.

Let us think about the fact that 70% of our income would go to what most of us would consider the basic necessities. We have a significant number of women in Canada who are living under the low income cut-off. In Canada I would suggest that it is probably something that most of us would find unacceptable.

Canadian men and women work hard all their lives and when they reach the age of 60 or 65 they fully expect to retire with some dignity and to have access to a pension that ensures their quality of life, which means that they do not have to struggle to have their basic needs met, like food, security and shelter.

Government Orders

According to WE*ACT, from 1990 to 2000 about 65% of people receiving old age security and guaranteed income supplement were women compared to 35% of men who tend to rely more heavily on occupational pension plans and RRSPs for income.

I need to re-emphasize that figure of 65%. We have a significant number of women in this country who, once they reach the age of 65, are living in desperate poverty. Many of these women have spent much of their working life in low wage jobs or in non-standard employment which is a lovely word to describe the fact that women are often in part time, seasonal or contract employment. This means that they have never had the opportunity to contribute to a private pension plan and therefore are totally reliant on Canada pension, old age security and the guaranteed income supplement. As well, many of these women have had employment gaps and do not have the full years of entitlement.

Some drop-out provisions have been made but many of these women have also been looking after aging parents or have had the primary responsibility for child-rearing. The fact that they have been in non-standard employment, low wage employment or part time employment significantly affects the quality of their retirement years. In addition, women traditionally outlive their spouses so they often end up single and relying again on substantially reduced pension plans.

Why would this matter? I acknowledge the fact that many men who retire are also poor but a substantial amount of research talks about where women go so does the rest of the community. In the WE*ACT report, according to Esping-Andersen there is a strong case for a woman-friendly social contract because improving the welfare of women means improving the collective welfare of our society.

With this opportunity to look at CPP and OAS, it would seem critical that we actually look at the people who are living in these dire circumstances in our society.

This report from 2004 made about 23 recommendations and a number of these recommendations were never acted upon. The report included a recommendation for reforming the public pension system to ensure people had adequate living conditions. Some of the recommendations talked about private occupational pensions, some taxation considerations and the need for indexing, and then some overall recommendations around policy changes to support these other changes.

A number of things are really important, and I will not read the full details, but they talk about providing education on all aspects of pensions that is accessible and understandable to women of all ages. They talk about providing problem solving counsellors for people who have questions or concerns and a 1-800 number that is easily accessible and, I might add, staffed because we know Canadians are struggling to access the 1-800 numbers provided by the government services. People often have lengthy delays in accessing information. They also talk about providing seniors with a list of government programs for which they might qualify upon making application to receive the pension and ensuring they are informed of all future changes to pension policy in Canada, including analysis of the differential impact on men and women.

We also need to look at affordable child care, adequately paid maternity leave, parental leave and so on, but we also need to look at pay equity so that by the time women reach the age of receiving CPP and old age security they have been in jobs that recognize the value of women's work. It would be timely to revisit the important pay equity report that came out a couple of years ago but which has never been implemented.

Although New Democrats will be supporting this going to committee, we see that there needs to be some substantial changes to this legislation to ensure that fairness and affordability are there for all Canadians when they retire.

• (1010)

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I am pleased to speak on Bill C-36, An Act to amend the Canada Pension Plan and the Old Age Security Act. It gives me the opportunity to speak on behalf of the many seniors in Victoria whom I met last December and this January. I met seniors who advocate on behalf of other seniors, like those in the Greater Victoria Seniors organization or the seniors at the James Bay New Horizons Society. These seniors are worried about their pensions and their ability to cope with inflation.

Seniors make up 18% of greater Victoria's population. There are approximately 55,500 seniors and of that number approximately 5,600, largely women, are living in poverty. It is disgraceful that our seniors in Canada and in Victoria have to live month to month. That should not happen in Canada.

This bill is largely a housekeeping bill to modernize the administration of benefits, with several clauses on interest amounts owing to Her Majesty. It is a lost opportunity to make substantive changes in the lives of seniors. It was an excellent opportunity to fix some of the problems facing seniors. I would like to speak to a few of the issues that were raised with me.

Speaking about the bill's provisions on the interest on amounts owing to Her Majesty, there is nothing in this bill about the interest on amounts owing to pensioners from miscalculations on old age security, the guaranteed income supplement and CPP between July 2001 and March 2006, when it was fixed, as my colleague, the member for Hamilton Mountain, pointed out to the minister. For that, it seems, we are going to have to wait and to continue to badger the Conservative government to get action for redress.

There are over four million seniors who rely on OAS, GIS and CPP for their incomes. While past changes and some increases in payments have helped alleviate some of the most dire poverty faced by many Canadian seniors, there are still too many falling between the cracks of our support systems in Canada. In fact, 165,000 seniors have no income other than OAS and GIS benefits.

Government Orders

I also want to raise the issue of the income disparity between men and women that my colleague has just referred to. The income disparity throughout their lifetimes is of course reflected in women's retirement income. Women's lesser wages and varying degrees of participation in the labour market affect their contributions and thus payments from CPP.

As an example, I would like to stress that data demonstrating gender differences in coverage show that the average monthly retirement pension paid to pensioners aged 65 to 69 was \$533 for men and only \$299 for women in that year. Nothing in this bill addresses this issue. There have been many reports providing some solutions to this problem, as has been pointed out by many speakers before me.

There is nothing in this bill, either, to address the under-subscription of OAS and GIS. It is necessary, still, to apply for these benefits. Many seniors who are either not able to apply or not well enough informed lose this important source of income. This is not insignificant. The sums in question are considerable. The 50,000 seniors who were eligible for OAS but did not apply in 2004, for example, sustained a total income loss of \$250 million per year. It is often women who fail to apply for these benefits.

● (1015)

Last year, Parliament adopted the seniors charter. If we want to do more than pay lip service to the rights enshrined in the seniors charter, we must begin to explore all possible means of creating better income security and well-being for those who have worked hard all their lives.

Recognizing some of the problems faced by seniors in B.C. and their inability to advocate on their own behalf, 15 seniors' organizations formed the Seniors' Advocacy Steering Committee in British Columbia. Echoing the seniors charter, they passed a motion asking for the establishment of a seniors' advocacy group. We ask the Conservative government to support the motion and to begin by creating a seniors advocate, as already approved by Parliament. This simply complies with the will of Parliament.

There is a demonstrated need for public education and awareness initiatives on the rights of seniors, as we have already pointed out. There is a need for an ombudsman for seniors with respect to all government services and programs.

We know, for example, that there is a need to better coordinate provincial and federal programs. I would like to give a specific example from Victoria. Some of my constituents report that they are regularly advised by the provincial government to apply for federal CPP disability instead of the provincial disability program. However, people on CPP disability have been refused access to at least two programs that are available to those on provincial disability, for example, the homeowner grant that helps to pay a portion of property taxes and the monthly bus program.

This illustrates that an ombudsman or a seniors advocate could help to bridge those gaps. Seniors should not be denied these services just because they are on federal or provincial disability. It is cases like these, as I have said, that demonstrate the need for a seniors advocate.

We must put words to action. We recognize older Canadians as creative, active and valued members of society. We know what contributions they make in each of our communities to social cohesion, family support, mentorship and community volunteering. We have enshrined the right to income security for every senior living in Canada. I believe that it is time to pass to action through amendments at the committee level. I hope the committee will review some of the problems that have been raised, take them seriously and review, for example, the existing process for receipt of income support.

It is also time to act on a national home care program. I know from speaking to some seniors in my community that they want to live as independently as possible for as long as possible. The absence or the cost of home care, which is prohibitive for many people, force them into higher cost facilities or into hospital.

It is time for the government not just to pass simple administrative housekeeping bills, but to really give follow-up with serious action and to redress and correct the reality that many seniors in Canada are living in poverty and isolation. That should not happen. Their contribution calls for more fairness for all.

● (1020)

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I thank my colleague for her remarks on this important issue. I was lucky enough to attend a meeting the other day with seniors who were talking about health care and pensions. Some of the things they told me about their personal experiences and others that they represented included how seniors, women seniors primarily, were living in poverty, were having a hard time paying for their medications and were looking for affordable situations in which to live.

One of the things they talked about was home care, which is so desperately needed in my riding and in this country, as we have heard from other speakers, so I would like to thank the member for mentioning home care and how it relates to assisting seniors and some of the costs that seniors have to face.

Women especially are traditionally lower paid. We know that women still earn 73¢ for every dollar that men earn. With regard to improvements to our pension system and opportunities to access it in a more timely fashion with respect to the GIS, could the member elaborate on some of those things that would go a long way to assisting seniors and also would help them to live a dignified life in their old age?

Ms. Denise Savoie: Clearly, Mr. Speaker, economic vulnerability is not just about insufficiency of income, but also about loss of dignity, isolation, and social inclusion. I remember very vividly an older man whom I met in January. I stopped by his house and felt bad because he had such difficulty coming to the door, but he said that he wanted to speak to me. It seems that he was struggling on a very limited pension to remain independently in his home while suffering from very serious arthritis and having difficulty moving.

Government Orders

That is an example of where a national home care program could allow seniors to live out their days in their homes with support. It would also act in a preventive way. Someone going into a home from time to time could prevent more serious problems from occurring, problems that are far more costly to the system, and it would allow seniors to remain in good health for much longer.

• (1025)

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, I would like to ask the member if she realizes that we are talking about trying to get a bill that will make it easier in the future for seniors to access benefits. We seem to be getting carried away by the situations that some seniors are in.

The situations she is talking about and bringing up in regard to this bill are situations that I hear a lot about in Blackstrap. A lot of seniors indeed do not have good access to health care. There are stories of seniors who lived in a community for years and could not be put into an old folks home there because of the amalgamations of the health districts; they were swept away into a community that is over 100 miles away from their families. And because of Saskatchewan's NDP government, the roads are not very good, so people cannot even visit their relatives. I am talking about the member's counterparts in that province.

As for the health care she is describing, that is true. It is there. The seniors are indeed having some day to day struggles, but in our province our provincial government is responsible for that, and many of the seniors are very upset because of some of the conditions they are living under and some of the communities they have—

The Deputy Speaker: We have run out of time, but I will allow the member for Victoria a brief response.

Ms. Denise Savoie: Mr. Speaker, I am glad to hear the member raise some of these issues. While reading the bill this week, I was worried that the Conservatives were living in a parallel reality. I am glad they are hearing some of the same concerns.

There is a lot in this bill about interest on amounts owing to the Crown, but very little on amounts owing to pensioners. We know that due to miscalculations pensioners in Canada are owed a very large amount, yet the Conservative government refuses to address that issue.

[*Translation*]

The Deputy Speaker: Resuming debate, the hon. member for Repentigny for his maiden speech in the House.

Mr. Raymond Gravel (Repentigny, BQ): Thank you, Mr. Speaker, for allowing me to join those of my colleagues who, since yesterday, have been speaking on Bill C-36.

I extend special thanks to the hon. member for Laval, who spoke yesterday. I listened carefully to her speech. Until just recently, she was the critic on this issue, which I have now taken over. I am pleased to rise today to address Bill C-36.

First, I will take a moment to thank the people in my riding of Repentigny, which I represent here in the House of Commons. I wish them a happy new year. The time is still right in January to extend our wishes.

I also beg the members' indulgence for my raspy voice. I have caught a bad cold, a man's cold that is apparently difficult to get rid of.

I pledge to my constituents of Repentigny that I will spare no time or effort in representing them well in this House and vehemently defending their rights. My colleagues from the Bloc Québécois and myself will continue to doggedly defend the interests of all Quebecers.

It is my pleasure to stand in this House today to speak on an issue as important as seniors. Before getting into politics and joining the Bloc Québécois, in my former life, I had daily contact with people of all ages, and seniors in particular facing poverty.

Humbly and with the means available to me, I tried to help them. I started by listening to them. I comforted them, I am convinced of that. And I got a better feel for what kind of hardship they were experiencing.

I recall that a month before I went into politics, a woman came to see me in the parish where I was working as a priest. She was in tears. She wanted to move out of her niece's home, because her niece was mistreating her, but she could not afford to live anywhere else. She was on a waiting list for a home of her own. Obviously, I could not solve her problem, but I was able to help her just by listening. I tried to give words of comfort to people suffering from poverty, because the poor really do suffer. I wondered why there was so much poverty among the elderly and why governments had never recognized what a scourge poverty is and tried to eradicate it. The elderly built Quebec and Canada, and I wondered why we did not help them more.

I would like to quote part of a column Pierre Foglia wrote last week in *La Presse* about the death of Abbé Pierre:

Abbé Pierre was the last in a long line of good people who indignantly refused to accept poverty. ... Now that Abbé Pierre is gone, all we have left are good people.

I wondered why Foglia said that. I know that Foglia felt and still feels today that there are many good people in our society who are doing something about the growing inequalities. But Abbé Pierre was special: he responded with indignation. Foglia also wrote:

Without a sense of indignation, we become accustomed to doing good works instead of working for social justice.

It is not enough to do good works; we also need to have a sense of indignation about the bad things done in our society. I do not claim to be another Abbé Pierre, nor do I claim to be of the same calibre, but I think that that is more or less the main reason I got into politics. Poverty makes me as angry as it made him, especially when it affects the elderly. And if, together, we can improve the lot of our fellow citizens, then I will not have entered politics in vain.

Government Orders

During my recent election campaign, I had the opportunity to tour my riding for the first time. I visited various community organizations as well as seniors' residences. I had the privilege to sit down to dinner with seniors a number of times. And like any good candidate, I went door to door. I saw that many elderly people do not live in any kind of luxury.

• (1030)

I was shocked and even appalled to see such deserving people living on so little, knowing that the government was hiding the extra income to which they had every right. At that moment, I became convinced—and I remain convinced to this day—that my decision to enter politics was the right one and that we, my colleagues in this House and I, could find a way to help vulnerable seniors.

I took the time to talk to these people. I did my very best to inform them of the current and former governments' conscious omission and to tell them that they are eligible for the guaranteed income supplement. I promised to do everything in my power, with the support of my Bloc Québécois colleagues who have been fighting to defend and improve Quebec's rights for so long, to spur the government to action on this issue and ensure that every senior is informed and, above all, receives the guaranteed income supplement and any other income they are entitled to. This has become a personal commitment for me.

Let us not forget that for many years now, the Bloc Québécois has been devoting a lot of energy in this House to reminding the government of its responsibilities and duties toward our seniors, who are often the most vulnerable members of our society, the people who built the country we live in, the people whose quality of life often depends on the level of care they receive. That quality of life is often dictated by their income.

In 2001, the Bloc Québécois criticized the Liberal government's mismanagement of the guaranteed income supplement program. We implemented a major initiative that has enabled us to find 42,000 of these people so far. Often, these people were society's neediest and many of them were deprived of the money they should have been collecting for years through the federal guaranteed income supplement. Thanks to our efforts, about \$190 million has been redistributed to some of the poorest seniors in our society. The Bloc Québécois is also asking the government to acknowledge its mistake and give full, not partial retroactive reimbursement to all of the seniors it swindled.

I would remind the House that in December 2001, under the Liberal government, the House adopted the report on the guaranteed income supplement by the Standing Committee on Human Resources, Skills Development, Social Development and Status of Persons with Disabilities. In its report, the committee painted an interesting picture of the situation and made a number of recommendations. I do not intend to repeat the committee's recommendations, but the fact remains that, although Human Resources Development Canada has been aware of the under-subscription of GIS since at least 1993, the problem persists today. I would remind the House that we are now in 2007. It is very sad to think that, for the past 14 years, Human Resources Development Canada, HRDC, could have and should have been helping tens of thousands of people among the least well-off in our society. Instead,

it chose to turn a blind eye and deliberately ignore these people, who are so desperately in need. It deliberately chose to take no action.

Let us first take a closer look at the problem surrounding the guaranteed income supplement. The *raison d'être* of such a program was, first and foremost, to give low-income retirees an additional benefit on top of their old age security. In order to receive it, eligible individuals must apply for it every year when they are filing their income tax return. This is what constitutes the greatest injustice, because many seniors are unable to fill out the forms or even understand their contents.

This bill to amend the Canada Pension Plan and the Old Age Security Act finally corrects the irregularities that our seniors have been facing for more than 14 years. However, it still raises a number of issues that remain vague, even though we, the Bloc Québécois, continue to tackle them with vigilance. I have the opportunity to rise and speak here today, and I am privileged, along with my colleagues in this House, to analyze Bill C-36, introduced by the government, which, overall, leads us to believe that this government knows that our seniors have been cheated for far too long.

• (1035)

We understand that the primary objectives of Bill C-36 as a whole are to ensure the availability, accessibility and obtainability of the amounts owing to all potential beneficiaries. We are, however, bitterly disappointed to note that the Conservative government is not undertaking to give beneficiaries the full retroactive amount.

If a Canadian citizen owes money to the government, though, for whatever reason or to whatever department, we all know just how far the government will go to recover the amounts in question. Why should there not be the same commitment to these seniors who have been cheated for so long?

We in the Bloc Québécois believe that a responsible government would refund the total amounts that its predecessor or it itself had voluntarily or involuntarily failed to pay for so long. A responsible government, by means of this quite legitimate gesture, would acknowledge a problematic situation that it had created itself, and also thus acknowledge the outstanding contribution made by those very individuals, our seniors, through their hard work and dedication, to the development of Quebec and Canada.

Furthermore, this Conservative government, with this bill, wishes to create different classes of Canadian citizens. I will come back to this point later.

The government offers all Canadians—except in Quebec where we have our own plan, the Quebec Pension Plan—a federal-provincial pension plan, the Canada Pension Plan. In addition, the first pillar of Canada's retirement income system is the old age security program and more specifically, the benefits based on income, that is, the guaranteed income supplement and allowance, which are generally paid to seniors aged 65 or more.

Government Orders

The guaranteed income supplement is a non-taxable monthly benefit, which is paid to low-income beneficiaries of the old age security pension. The benefits gradually decrease until they reach zero as the beneficiary's net income reaches a certain level. Since this supplement is in addition to the old age security pension, we may ask: who is entitled to it? First, people must be 65 years of age or older and, second, must be Canadian citizens or legal residents of Canada at the time the pension is approved. Third, they must have resided in Canada for at least 10 years after the age of 18.

This bill will make it easier for the most disadvantaged seniors to receive the guaranteed income supplement by no longer requiring them to reapply annually. The application will be renewed automatically and the guaranteed income supplement for couples will be based on one and the same return.

This bill will allow seniors who suffer a sudden reduction in employment or pension income during a fiscal year to submit an application for an income supplement based on an estimate of their employment and pension income.

Yes, this bill will amend and fine-tune certain sections of the Old Age Security Act in order to deal with inconsistencies. Yes, it will introduce some measures amending the Canada Pension Plan, which does not at all affect Quebec and its constitutional areas of jurisdiction.

However, how can we, the Bloc Québécois, support expanding restrictions on new citizens who have immigrated to Canada? As I was saying before, for the Bloc Québécois, there cannot be different classes of Canadian citizens, no matter what their background.

In addition, as I mentioned earlier, why would the government only pay retroactivity limited to 11 months, as provided in the act governing the guaranteed income supplement and the allowance?

We are asking the committee to examine the obligation to pay the full retroactivity. This policy would allow for the entire eligibility period to be covered in full.

The Bloc Québécois will ask the Privacy Commissioner to testify with regard to the broadening of the third-party group to which the contributor's personal information may be forwarded. The Bloc Québécois will ensure that amendments to current regulations will not restrict access to the guaranteed income supplement.

The Bloc Québécois is also committed to continuing its longstanding fight with the federal government to have it put in place all the elements required to ensure that seniors who qualify for the guaranteed income supplement are able to receive it.

• (1040)

With regard to interest charged on overpayments, the Bloc Québécois will ensure that the bill is fair for all contributors. Finally, the Bloc Québécois will ensure that the statute of limitations in the case of recovery of overpayments by the government is proportional to the period for which individuals can make a claim for an amount due to them. While the government does not propose to offer full retroactivity for the guaranteed income supplement, it appears to abolish any time limit when it comes to the money that is owed to the government.

We should not stick our heads in the sand and ignore the fact that there is poverty in our midst. Let us also recognize that poverty is a part of the daily life of a great many people, as much in Quebec as in the rest of Canada. I personally rubbed shoulders with poverty not long ago while working as a priest. I was outraged and I am still outraged to see this scourge continuing to affect the lives of so many people, especially the most vulnerable people, those who are older.

If my colleagues have not seen this scourge, they have only to go out into the streets. They will see that there really are such people. They need only walk about their ridings; and if they are nervous about doing that, let them come to my riding. I will be happy to show them.

In closing, let us take some time to reflect and to think of our own parents, who worked all their lives; who raised families, sometimes large families. It is in large part because of them that our life today is what it is. Let us think of these seniors who did so much for us and for our country. Let us ask ourselves whether they do not deserve more respect from their government, whether they are not entitled to receive this minimum that the government wants to give back to them. Let us understand that we are not talking here of people who are well off, to whom we are offering a little extra. No, we are talking about people who struggled all their lives; who worked hard all their lives and who have had trouble making ends meet. Often, these people deprived themselves for the good of their family, for the good of their children. They deserve a minimum of respect from the government.

For the sake of dignity, out of respect, and in recognition of our senior citizens, I call on the government to carefully consider the recommendations made by the Bloc Québécois. These recommendations are no more than the justice and fairness to which our older citizens are entitled. We must never forget that justice is the first of all values; it comes before even love. We can not love someone if we do not treat him or her with justice. Thank you for having listened attentively.

• (1045)

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, first I want to congratulate and thank the hon. member for Repentigny. He gave us his appreciation and analysis of the situation, and I want to stress the quality that he displayed in telling us about his experience and in sharing with us his rather exceptional course.

My colleague described the plight of those seniors who are affected by this injustice on the part of the Canadian government, an injustice that has prevented them from having access to the guaranteed income supplement. He showed very clearly how the government acted, so that these people would become ineligible for these benefits through their own actions.

Without getting into the sordid aspects of life, I wonder if my colleague could tell the House about the impact of such a measure on the most vulnerable seniors in our society. Indeed, the first criterion to qualify for this supplement is that the person must have a low income. In other words, we are targeting the most needy. With Bill C-36, an effort is being made to allow these people to now have access to this guaranteed income supplement. However, they were robbed of \$3 billion, and I am not using excessive language here.

Government Orders

I wonder if the hon. member could elaborate on this point and remind us of the impact that these measures have had on the elderly.

Mr. Raymond Gravel: Mr. Speaker, thank you for allowing me to respond to my colleague from the Bloc Québécois.

As a parish priest I would often visit homes where seniors lived in the basement in abject poverty. These people experienced a great deal of insecurity. They were unable to pay for electricity or cover daily expenses. They lived in extreme poverty at a nephew's home or even with strangers. Often I had the sense that they were being abused. Some people would take away what little benefits these seniors received and save money at their expense.

Seniors would confide in me. It pained me to see their situation and I am certain that some seniors even passed away in these conditions. I often conducted funerals for very poor people and I think that for a 75- or 80-year-old widow or widower—especially widows, since there are more women than men in this situation—it is not healthy to live in insecurity, or to live in a basement 24 hours a day.

I have met a number of people like that. Often they would just cry. They are people who do not want to bother anyone. They would ask me not to talk about it with the person who took them in because they would be mistreated even more. I encountered this often. It always brought to mind what Lacordaire said in a famous statement he used. He said that when people leave us we must remember them. There are two ways of remembering. We can remember in our mind by recalling past events. However, Lacordaire said we might forget some. But, if we remember with our hearts then we cannot forget because the heart is the organ of love and this allows us to bring people back to life and make them immortal.

For everyone who died in distress and in poverty, I often quoted Lacordaire to say that we must not forget them. We must remember with our hearts to keep them with us and to immortalize them. I think this can have an impact on society as a whole.

• (1050)

Mr. Robert Carrier (Alfred-Pellan, BQ): I too wish to congratulate our new colleague from Repentigny, Mr. Speaker. I think that we all stand to benefit from his life experience and his empathy for people across Quebec, and Canada as well I hope.

I wanted to tell him that what struck me most in this bill was the exception concerning new immigrants, these new Canadian citizens who, while having been recognized by our government remain excluded from the guaranteed income supplement. I think that is a great injustice. My riding regularly welcomes new Canadian citizens. The same must be true in the ridings of many of my colleagues. I know how hard these people strive over the course of many years, landing in a country where they have to be sponsored, to ensure that they have sufficient income.

Are we intent on penalizing them for the longest time possible, especially once they have been recognized as Canadian citizens? I would like to know what my hon. colleague thinks of this exception concerning our new Canadian citizens who have been officially recognized as such.

Mr. Raymond Gravel: Mr. Speaker, referring this bill to committee will allow us to review all these types of exception, be

it people coming to Canada from abroad or seniors, whether Canadian-born or immigrant. I think that there is a degree of fairness, a degree of justice that is required. If these people have suffered injustices, these injustices must be remedied. If our seniors in this country are vulnerable, so are those coming from abroad. At committee, we will be able to see whether these people have suffered any injustice; we will have an opportunity to look at changes that could be made to Bill C-36.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I too would like to pay tribute to the fine performance of the previous speaker, the hon. member for Repentigny, who is the Bloc Québécois' new critic for seniors. As the hon. member for Alfred-Pellan said, I think that this appointment will bring a sensibility to the House that was previously lacking and will impart a much higher tone to the debates on this subject.

It is a great pleasure for me to rise today on Bill C-36 which will correct, at least in part, one of the greatest injustices done to older people in Quebec and Canada.

There are several reasons why it is a particular pleasure for me, including the fact that this may have been the battle into which the Bloc Québécois member who preceded me in Saint-Maurice—Champlain, Marcel Gagnon, threw himself the most, that is to say, the battle for seniors and for the guaranteed income supplement.

I am very pleased today to see that his constant efforts over many years have now resulted in this matter reaching the public stage and the production of a bill—a bill that still needs to be improved, of course, but that still does much to correct a situation that so occupied him.

The statistics tell it all. Some 42,000 people in Quebec out of the 68,000 in 2001 will now receive the guaranteed income supplement. It will amount to as much as \$6,600 a year per person.

There is another reason why I am especially happy with the progress made in this regard. The riding that I represent, Saint-Maurice—Champlain, was determined in late 2005 to be one of the 10 poorest in Canada. It is also a riding in which the number of older people is constantly increasing. These people found themselves impoverished because they could not access a program that would have helped them improve their situation, including among others the guaranteed income supplement. The result was even more poverty in the riding I represent than would otherwise have been the case. We had poverty that was fixable. The fact that it was not fixed is due to the negligence of the previous Liberal government, all to the detriment of our most disadvantaged citizens, as a number of other speakers have pointed out.

That inaction on the part of the Liberal government is truly troubling. The Department of Human Resources and Social Development had known since 1993 that many older people who were eligible for the program were not enrolled in it and were not receiving the money they were entitled to. There were 68,000 people in Quebec who were not enrolled. They did not know that they had to register.

Government Orders

That is absolutely scandalous. We say that we live in a developed, democratic society, when at the same time what we were seeing was scandals, speaking of the time between 1993 and today. This was quite common in the riding I represent, Saint-Maurice—Champlain. Friends of the party in power received millions of dollars under a program called the sponsorship program. Everyone knows this, and I see nothing wrong with pointing it out. The sole purpose of that program was to buy the conscience of Quebeckers. Meanwhile, that same party knew that there were people who did not have access to money that they should have been receiving. Nothing was done to correct this.

• (1055)

Millions of dollars were spent, handed out to friends of the party, money that was turned back over to the party on top of that. Older people, who built Quebec and Canada, were abandoned, as if those people did not need that money. Better that it should be wasted and we should help our friends.

Personally, I think it is appalling that during the same period there was a two-tier system. There were other people who did not have access to this program for a variety of reasons: in some cases, because they were illiterate; in others, they were disadvantaged by physical limitations, language barriers, problems with social integration or homelessness. Some people were living in places that were too remote, others belonged to aboriginal communities. In large majority, and at higher rates than for others, those people did not have access to the guaranteed income supplement.

Nor is the present Conservative government necessarily exempt here. When we see that illiteracy was one of the things some people did not have access to the guaranteed income supplement, we may wonder whether the recent cuts made by the Conservative government to funding for literacy groups will not have a similar effect on this program or even on other programs. People do need assistance, particularly older people, who account for a very large majority of illiterate individuals.

This is why I am serious in asking the Conservative government to review the cuts to funding for literacy groups announced last fall. These cuts could once again lead to unfairness, such as we saw with the guaranteed income supplement.

The guaranteed income supplement program is still a paradox. To me, the program's title, "guaranteed income supplement program", seems to be just a front. For many years, no one had any guarantee that he or she would be getting benefits to improve his or her precarious financial situation. As we know, this program is for the elderly. They called it the guaranteed income supplement program, but many people did not get that guaranteed income.

Why did the government use the term "guaranteed" if the program was not going to apply to everyone? If we say that a program is guaranteed, then the guarantee must be universal. Those who designed this program should have taken all necessary measures to allow and guarantee automatic access for those who qualified, namely Canadian citizens over the age of 65 whose income is insufficient. Indeed, this program is linked to people's tax returns.

Again, one wonders why it was called the "guaranteed income supplement program". I find that the principle of universality was

not applied and that we did not facilitate access to this program, in order to help society's most needy.

I will conclude by going back to a few recommendations, particularly the one where the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities recommended that retroactive payments be made to those who were deprived of the guaranteed income supplement.

As the hon. member for Repentigny mentioned, the Bloc Québécois will maintain pressure to ensure full and total retroactivity. After all, these people were not deprived of only half of their benefits; they did not suffer a partial prejudice. The prejudice they suffered was total because they did not get their benefits.

Once again, I think that the Bloc Québécois has done an excellent job. We will keep up the good work in the coming months, so that this legislation can be satisfactorily amended and passed.

• (1100)

[*English*]

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I congratulate my hon. colleague on his presentation on this issue. We in the New Democratic Party as well are concerned about opening bills like this without substantive changes that can make a difference to Canadians in all places in the country.

My experience in discussing Canada pension plan issues with my constituents in northern and remote communities is that the system is not working for them. Quite clearly the cost of living is so high in those areas and seniors are living on fixed incomes under the Canada pension plan. The plan does not recognize the geographic differences that affect the cost of living for individuals. It is a real question of fairness.

In the community of Tuktoyaktuk, the cost of living is probably 200% more than the cost of living in cities such as Edmonton or Montreal. Our seniors are in dire straits. I do not know if that fits with other rural communities across the country, but would the hon. member comment on whether this pension system is working fairly across the country? Canada is such a large geographic area and the cost of living cannot always be equalized. How does the hon. member feel about this?

• (1105)

[*Translation*]

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

Obviously, a number of inequities exist in our country, and particularly in Quebec. There are probably inequities associated with the guaranteed income supplement or the old age pension.

For example, at present, the greatest inequity in Quebec has to do with the equalization system. We currently have a major fiscal imbalance, which the Bloc Québécois would like to see corrected as soon as possible.

In my opinion, the greatest inequity stems from the equalization program. That program is entirely unsatisfactory for all Quebeckers, not just for seniors.

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Added to that is the inequity affecting some of our seniors, and we must certainly question several programs intended to distribute the wealth throughout Quebec and Canada.

[*English*]

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, when I hear members say that they would like this legislation looked at further for substantial amendments, I wonder if they understand that it is not so easy when it comes to making substantive changes or amendments to the CPP because we have to have three-quarters of the provinces or the orders in council and three-quarters of the population to agree. To get all of these provinces together to make these changes would be a somewhat formidable task. That is why we are anxious to move forward with this legislation because that has been done to get the provinces to agree to this point to bring these changes to the act.

I wonder if the member would like to comment on whether substantive changes should be done, if this would be so easy, because even if this legislation passes, we still have to go back to the provinces.

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Speaker, I would like to add that I certainly support the bill.

I hope to see some improvements to certain recommendations, particularly the recommendation concerning retroactivity. I am aware that Bill C-36 is a first step, which will allow us to eventually go even further with respect to providing support for seniors.

I firmly believe that this is an interesting bill and that it constitutes a first step, since it corrects several injustices. However, we must not think that our work can stop as soon as the bill is adopted. The Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities must continue its in-depth study to determine whether there are other ways to improve the situation of our seniors.

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, I would like to congratulate the member for Saint-Maurice—Champlain on his speech.

It is almost a year since I was elected as a Bloc Québécois member. In my previous life, I was a social worker, and I managed a community organization that worked with vulnerable and disadvantaged seniors. We had a service called the tax clinic, in which we helped and encouraged seniors to fill out their income tax returns. Every time, we were very surprised—because the volunteers were well trained—that we had to tell seniors that they could apply for the guaranteed income supplement. To my great astonishment, I met several dozen seniors who had been entitled to it for a number of years but who had not sent in the form.

When you meet the elderly you are often struck by the anxiety they feel. A simple government logo on a letter can frighten them, because they do not really know how to communicate with offices to get access to forms and other documents.

I am giving you very tangible evidence of the need for legislation like this. However, I would like my colleague to explain, once again, why it is so important to provide for complete retroactivity. Because

there are still a lot of seniors who have not been paid back or who are affected by the fact that information was not communicated appropriately.

• (1110)

Mr. Jean-Yves Laforest: Mr. Speaker, I thank my colleague for her question. The Bloc Québécois has indeed made the question of retroactivity a priority.

I would point out again that the elderly are one of the most vulnerable groups, as the member explained. They are vulnerable, first, because of pressure from society and from government bodies. That pressure means that for them it is very often much too complicated to file applications. They always imagine that they are not entitled, that they will not be covered because of some exception. Often, because of bad experiences they had in the past, their first reaction is not necessarily to seek out people to help them, in order to get access to money that would help them, in this instance the guaranteed income supplement.

It is extremely important—to point this out one more time—to provide them with full retroactive payment. In fact, these people were entitled to that money for a number of years and did not receive it. We know that money is important, particularly for older people, who are much more fragile. Obviously, we talk a lot about the health of older people. Their health is much more fragile, and often having better income also has a positive impact on their health, because they are able to obtain additional services. Sometimes, because they do not have the income they need, some seniors will go without medications when they need them.

That is one more reason for the guaranteed income supplement to be paid to everyone entitled to it, obviously, but also for it to be paid retroactively to people who were entitled to it for many years.

[*English*]

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, I would like to thank you for the opportunity to speak to Bill C-36.

This is an important legislative proposal, the amendments to the Canada pension plan and the Old Age Security Act. I wish to speak to the impact of the proposed changes to the Canada pension plan for people living with disabilities in Canada.

Canada's new government understands the need to ensure that people living with disabilities are given the support that they need. People with disabilities are our friends, our families and our constituents.

We campaigned and were elected on our commitment to stand up for Canada. Canadians were offered the priorities of our Conservative government and found that we hold all the same values dear. We all want a government that makes careful use of public resources to ensure that they are there to help our families and friends who need it.

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The new government is getting things done for our friends and for our families with disabilities. For instance, budget 2006 committed enhanced assistance for persons with disabilities. This was done by increasing the maximum annual child disability benefit to \$2,300. We expanded the eligibility for the same benefit. We boosted the maximum refund for the medical expense supplement to \$1,000, and HRSDC has put together labour market agreements and the opportunity fund for persons with disabilities.

Canadians want what we are all looking for. We want a government that understands that the federal government and provinces need to work together constructively. Canadians can take heart. The legislation comes as a result of a healthy and renewed relationship that our new government has forged with our provincial partners.

Most Canadians recognize the importance of the Canada pension plan to their income security. Along with old age security, the Canada pension plan provides Canadians with the foundation upon which to build their retirement income. Together, Canada's public pensions deliver about \$54 billion in benefits to Canadians every year.

However, the Canada pension plan is much more than a retirement pension. Through its disability program, the Canada pension plan provides basic coverage to approximately 295,000 Canadians with severe and prolonged disabilities and to 90,000 of their children. Indeed, the Canada pension plan is considered the largest long term disability insurance program in Canada.

Every three years the ministers of finance review the Canada pension plan to ensure that it remains financially sound and to make any necessary adjustments. The triennial review also provides an opportunity to see that the Canada pension plan evolves to meet the changing needs of Canadians throughout their lives. It also exemplifies that the CPP's accountability and transparency is there for Canadians.

The most recent review, completed in June, confirmed that the Canada pension plan is on solid financial footing, but the review also showed that together we could all do a better job of recognizing contributors with long term attachment to the workforce by making their CPP disability benefits more accessible.

Federal and provincial finance ministers understood that it was time to address an issue that has been raised as a concern by people living with disabilities, their representatives and members of the House. The ministers listened to the people who came to them. They took on the issue. They showed leadership that had been lacking by pursuing this change.

There has always been a minimum qualifying period for CPP disability benefits since they were first issued in 1970. Over the years this qualifying period has been amended on several occasions. For example, from 1987 to 1997, applicants needed contributions in two of the three years or five of the last 10 years to qualify for disability benefits.

In 2003 Parliament heard from long term contributors who were ineligible for benefits because of the change requiring contributions in four of the last six years that was introduced in 1998.

●(1115)

What followed was a report prepared by the chief actuary regarding Canadians with a long history of workforce attachment and who were denied CPP disability benefits on the grounds that they had insufficient contributions. The study found many of these applicants had contributed for two or three years of the minimum qualifying period but had not done so for a fourth year. Without that fourth year of contributions they could not qualify for benefits under the existing rules despite in some cases more than 30 years of overall contributions.

Imagine a woman who has worked steadily for 25 years and has contributed faithfully to the Canada pension plan, including for three of the last six years. She feels that these substantial contributions will give her access to disability benefits when she needs them. Suddenly a major medical condition takes her out of the workforce and then she discovers that she does not qualify. She needed to contribute to the CPP for one more year before she could qualify. Imagine her sense of disappointment and frustration. Despite her lengthy contributions to the Canadian workforce her Canada pension plan disability benefit was not there for her when she needed it.

As I said at the outset, Canadians elected Conservatives to stand up for them. They elected us because they knew we understood them and their concerns. We were elected by Canadians because they knew we would get things done and we are getting things done. The government is acting to ensure that thousands of Canadians who are long term contributors to the CPP are not left alone to fall through the cracks. We stand with them and we are standing up for them.

I am pleased to say that Bill C-36 is a positive response to the desire for greater fairness expressed by the Minister of Finance. It is an obvious response to the needs of persons with disabilities whose concerns were too long ignored.

Under the proposed legislation, applicants with 25 or more years of contribution would become eligible for benefits if they contributed in three rather than four years. All other applicants would still have to make contributions in at least four of the last six years and of course all applicants must still meet the medical eligibility requirements.

What does this legislation mean for Canadians? It means an additional 2,000 long term contributors with severe and prolonged disabilities would be eligible to receive benefits by 2008. By 2010 the new beneficiaries could total about 3,700. Close to 1,000 children of these beneficiaries could also receive benefits.

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Through this legislation the Government of Canada is sending an important message to long term contributors to the Canada pension plan who are forced to leave the workforce because of a severe and prolonged disability. It says that Canadians have told us that the current disability program does not meet their needs. It says that we have heard their concerns and we are acting on them.

This legislation is part of the government's commitment to greater accountability and to action that restores the public's trust in government. It says the government balances the social needs of Canadians within an accountable and transparent fiscal framework. The legislation change is fully affordable at the current CPP contribution rate and will not compromise the financial sustainability of the plan.

It pleases me that other members of the House are in fact agreeing to support this important bill that will help our Canada pension plan. It also tells me that everyone, along with our new government, understands that seniors have made contributions and continue to make huge contributions to our country. Seniors know that Conservatives and the House share the same values and concerns as they do, and that these are the values and concerns of all Canadians. We all understand that sometimes the world changes and that we need a government that will ensure that seniors are not left behind.

• (1120)

We recognize a commitment to the Canada pension plan, old age security and the guaranteed income supplement as fundamental guarantees of income security in retirement years. We promise to ensure that seniors have the respect and integrity that they deserve. Our pension plan has been integral in dramatically reducing the level of poverty among seniors. Back in 1980 almost 21% of seniors lived on low incomes. Today, because of changes that were made, we have reduced that number to less than 6%.

To address presently changing needs of seniors, we are making significant investments across a full range of seniors programs, from health care to housing, from retirement savings programs to assistance for caregiving. We have shown support in budgeting for seniors: \$64 billion a year on programs for seniors, including our public pension programs.

Our public pension programs are something Canadians can rightly take pride in. Our public pension system is recognized worldwide as one of the best. It plays a vital role in ensuring the economic well-being of thousands of Canadians.

Today seniors are generally healthier, better educated and economically better off than in previous generations. Today's seniors are looking for new ways to contribute to their country. Seniors work longer, volunteer more, and play an active role in the communities across Canada.

As the baby boomer generation marches toward retirement, we need to take steps to prepare for the growing number of seniors. I am one of those baby boomers and I am concerned that in the next 25 years nearly one in four Canadians will be a senior citizen. The aging of our population means that we cannot take our cherished public pension programs for granted.

We understand that the future of these programs is a matter that affects all Canadians. This is why our new government is strengthening our social foundations. Standing up for seniors means ensuring these programs are there for seniors now and in the years to come. As well, Conservatives and all Canadians understand that the retirement income system, the Canada pension plan and old age security are key pillars of Canada. These pillars must be maintained and cared for if they are to be counted on to maintain and care for the needs of Canadians.

Something also important to Canadians are the changes proposed in the bill that will improve the way governments administer pension programs. Together these amendments strengthen fairness and accountability. In the past, concerns have been raised that eligible seniors may not be receiving the guaranteed income supplement because they were not aware of the program and did not apply. Much has been done already to remedy such situations. This legislation, however, goes one step further.

To explain, under the proposed changes seniors apply for GIS at the same time as they apply for old age security. No separate application form would be required. In addition, as long as seniors file a regular tax return they will automatically receive the GIS benefit in any year they are entitled to. They would never need to reapply. This cut in red tape makes sense. It is the kind of sensible thinking that our new government has put into creating "Advantage Canada". In a nutshell, it means that all eligible seniors should receive the GIS as long as they file a Canadian tax return.

The same sensible thinking is what led our new government to propose amendments to the Canada pension plan that are found in the bill that I spoke about earlier, making it easier for long time contributors to qualify and working Canadians who are attached to the workforce. Canadian seniors, men and women whose hard work helped build this country, deserve to have a government that stands up for them and I am proud to be a part of this government. I am proud that we are taking steps to put in effect the existing full funding provision of the Canada pension plan.

• (1125)

The new provision adds transparency to the existing provision, which requires any changes to the plan's benefit be paid for in full so their costs are not passed on to the future.

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This is what Canadians want to know, that CPP is on sound, financial footing now and for future generations. This change would help get that done.

Our new government will also be modernizing service delivery, to ensure electronic services for pensions are available for seniors across the country, a simple, practical thing in this modern age of technology. However, a change to the legislation was needed to enable seniors to apply for benefits online.

These amendments would also close loopholes and prevent misrepresentation, which ends up costing all taxpayers.

Enhancements to our retirement income system are one of the ways we are helping to improve the quality of life for Canadian seniors. As I said earlier, the government is doing even more. Let me give a few quick examples.

We are reaching out to seniors across the country, thanks to our new horizons for seniors program. Through this program, we are helping to harness energy, skills and leadership of seniors and projects that make a difference in their communities. Consider the grandfriends program in Prince Edward County, where seniors are giving back to their community by acting as storytellers to children.

Canada's new government promised new measures to provide tax breaks for older Canadians, and we got it done in budget 2006. Starting in 2007, seniors couples can split their pension income. We increased the age credit amount by \$1,000 to \$5,066, retroactive to January 1, 2006. We doubled the amount of eligible pension income that can be claimed under the pension income credit from \$1,000 to \$2,000, starting this tax year.

Through these tax measures, we are putting back into the pockets of our seniors who have already contributed to so much in our country.

Our new government is standing up for those who have spent their lives raising families, saving for their retirement and building up our nation. We are standing up seniors because we are committed to protecting what is great about Canada.

With the proposed amendments in Bill C-36, we will be helping to ensure that all Canadians, young and old alike, can rely on the Canadian pension plan and old age security as key pillars of their retirement income.

This important matter crosses party lines. I am happy and pleased to say that everyone in the House wants what is best for seniors. That is why I am thankful that hon. colleagues in the opposition, along with us, have given their stamp of approval to this important legislation.

• (1130)

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, several of my colleagues have previously drawn attention to the extreme poverty in which most seniors live. Very often this poverty is caused by the fact that they do not even know they are entitled to a guaranteed income supplement.

At present, there is a bill tabled before this House. This bill is designed to correct certain imperfections in the current law. I listened

carefully to the presentation by the Parliamentary Secretary to the Minister of Human Resources and Social Development and the member for Blackstrap.

I would like her to explain why this bill, which aims to correct an injustice, does not go so far as to ensure real justice by granting full retroactivity to those who in any case will realize they were entitled to the guaranteed income supplement.

The bill limits retroactivity to just 11 months. By what accounting or human logic can the present government place this limit on retroactivity? As many have pointed out, when money owed by citizens or businesses to the government is involved, retroactivity is full, regardless of the number of years the government has been owed the debt. Can she explain to me what human logic and sentiments are behind this limit on retroactivity?

[*English*]

Mrs. Lynne Yelich: Mr. Speaker, I like to think that we are talking about prudence in our public coffers, how money is spent and how programs are delivered.

Our chief actuary estimates that the number of beneficiaries will double by 2030, I believe. The old age security program is not supported by contributions. It is supported by the public purse, by the general revenue. It is \$28 billion per year, which is 14% of our total government expenditures.

Think of a program of taxpayers dollars coming out of general revenue. If we put that in perspective, I would think that we are doing this in the best interests of the people who are paying into that fund. To compare it to the government trying to collect taxes is a little different. Those taxes are being paid into that fund and those persons are getting out of paying into something that they rightfully owe, and that is their taxes to the general revenues.

I would hardly compare those two, but I would try to put in perspective what this costs us. It is quite generous to go back one year because the guaranteed income supplement is calculated in the current tax year. I would like the member to think about it before we talk about retroactivity any more. I would like him to think about what this would mean.

Why would we spend our resources and time trying to go back? How many years would we go back? How many of these people would still qualify or would have just qualified for one year? All the work that we would have and the resources to go into that would in fact be better spent by continually trying to find good programs and provisions in the act. Some of these changes are going to cost us some dollars and some tax money.

I hope he will understand this. We talk about old age security and guaranteed income supplement. When we talk about the general revenue, 14% of the general revenue is spent on old age security, or \$28 billion a year.

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•(1135)

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I have heard the concern from other members of the House this morning on what they see in their communities with regard to seniors living below the poverty line and the hardships they are facing.

I am glad the parliamentary secretary feels that the Conservatives were elected because they understood the concerns of seniors and that they did not want to see any seniors left behind. However, as we have heard from other members, seniors are falling through the cracks, and I have seen this myself.

We know that women who earn less than men are doubly impacted. Aboriginal women even earn less so there is a double whammy for them.

When I read that about a quarter of a million seniors are living below the poverty line, there is nothing in increases in income for the OAS and GIS. Could the parliamentary secretary tell me if the government will be increasing the supplements to seniors so they can live with dignity and have a better opportunities? We know that living in poverty also creates more health problems.

Could the parliamentary secretary commit that the government will raise the OAS and GIS for seniors?

Mrs. Lynne Yelich: Mr. Speaker, I started to articulate earlier about some of the scenarios that had been put before us today on some of the conditions in which seniors live. Many of these conditions are the result of poor management on the part of provincial governments.

I just came off a three week tour of my riding of Blackstrap. I went through senior citizens homes in rural Saskatchewan. Hospitals are being closed. We are not being heard in rural Saskatchewan. Our province seems to be ignoring this. This is why I hope we can pass legislation like this to at least do what we can. The federal government can only do so much for these seniors. Some of the conditions seniors in Saskatchewan are living in today are the result of very high medical costs in the province. Some drugs are not covered. Some of our hospitals and senior residences are closing. Some people are being taken out of their communities.

One of the official opposition members said yesterday that sometimes seniors needed support. It is not all about money. Some of it means good community support. I would like to take every member of the New Democratic Party to Saskatchewan for a tour to see how some people live under the NDP government there. I am trying to put some stories together to show that it has ignored its seniors and its people.

The federal government is listening and we are—

•(1140)

The Deputy Speaker: I am sorry to interrupt the member, but we have one more question we want to fit in.

The hon. member for Chambly—Borduas.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I invite the member and parliamentary secretary to actually answer the question from the member for Alfred-Pellan.

I am disconcerted to see that when she is asked why the Conservative government refuses to pay the guaranteed income supplement to seniors—to which they are entitled retroactively—she answers that we have to be careful with public funds. This is quite disconcerting.

The primary function of the guaranteed income supplement is in fact to be careful with the finances of our most disadvantaged citizens in order to help them. That is something she is not taking into consideration.

This was a right and it is still a right. This right should be retroactive because seniors have been deprived of it. Owing to their isolated situation, they have remained unaware of this right.

I would like the parliament secretary to answer the question properly. If she does not do so, I invite her to listen again to what she said, because it does not make any sense.

[*English*]

Mrs. Lynne Yelich: Mr. Speaker, I am not sure how far back they want to go, but we do offer retroactivity. This has been done in a prudent manner and with the good guidance of the finance minister. Our department is doing what is prudent with retroactivity. The program is trying to duplicate what is done in other provinces. That is what retroactivity does. It is in the best interests of those who make the decisions on retroactivity.

When the member talked about retroactivity, I understood him to say that it would go back a long time. I do not think that would be possible. How far back would one want to start retroactive payments? We do that already. We are trying to look forward. We want to ensure this does not happen again. The positive parts of the bill will make it so this never happens again.

I invite the member to help us ensure it does not happen again by finding a way to reach those people who are not registered through the income tax system. If the member could help with some solutions—

The Deputy Speaker: Order. Resuming debate, the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, there are days when what we do in this House is agreeable and other days when it is less so. Today, I believe we are having a positive and constructive debate on this legislative measure. Several years ago, I saw the Bloc Québécois member for Saint-Maurice—Champlain, Marcel Gagnon, take the offensive against a federal government that was very insensitive in dealing with this question of the guaranteed income supplement.

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Let us remember that it was discovered that 272,000 people in Canada, including about 68,000 in Quebec, were not receiving the guaranteed income supplement, not because they were not eligible for it, or because they had been denied it, but because they had not been given the means to apply for it. This was the result of the somewhat obsessive war on the deficit.

The rules for employment insurance were tightened considerably, such as an increase in the number of weeks to qualify for benefits, a reduction in the number of benefit weeks to which people are entitled, and a reduction in the percentage of benefits, and this was done to take money out of the pockets of the worst off in order to pay down the federal deficit. The federal government also used the guaranteed income supplement for the same purpose.

This whole scandal was brought out into the light of day and Mr. Gagnon, along with all the Bloc members, set out on a tour of Quebec. We organized meetings in senior citizens clubs and with the Association québécoise de défense des retraités. We also held meetings with younger people who realized that their parents did not have access to this program because they did not have the information they needed. It was then that we realized just how terrible the situation had become. It took some time for the federal government to react.

In contrast, there are some issues on which the government acts much more quickly. When we owe money on our income tax, for example, the government reaches as far back as five years to recover the money that is due. However, when the federal government owes money to older people for the guaranteed income supplement, the maximum retroactivity is 11 months.

Once again today, in the debate on this bill, which will improve the situation on a number of counts, full retroactivity is still being denied, not to people who are 30, 35, 40 or 50 years old but to people who have contributed to our society throughout their whole lives, people who often are in very difficult personal situations.

Speaking about people who found themselves in this situation—and I recall meeting some—they were, for example, women who had never worked outside the home and whose husbands assumed responsibility for all financial matters, women whose husbands brought home the pay cheque and who were left with nothing when their husbands died. For many years, these women were not entitled to the guaranteed income supplement, although they would have been if we had only instituted an automatic assessment of their rights a few years ago. Often they have lived three, four, five or eight years in unacceptable poverty. If we had only taken the attitude that the guaranteed income supplement should be paid to anyone who needs it, if our policy had been based on that philosophy, we would not be here today discussing this bill. At least we can say now as parliamentarians that, even though it is many years late in coming because of the federal government's slowness to institute changes, we are finally going to correct part of the problem. The automatic calculation feature will really help to correct the situation and ensure that people receive the guaranteed income supplement in due course.

What is the guaranteed income supplement for the people who are listening to us and do not know? There is an old age security program in Canada to provide an income to people who have reached 65 years of age. In addition, the guaranteed income

supplement was developed for people who have no income other than this federal government income because we know very well that the basic amount is not enough for today's cost of living. Even with the guaranteed income supplement, I can assure the House that people who receive the maximum are not wasting it. Fortunately, our seniors are accustomed to economizing and they manage ultimately to reach a satisfactory standard of living. There has been an improvement in the income of older people in comparison with 60 years ago. There has been an increase and that is very good because these people really deserve it.

• (1145)

However, a few corrections are in order. I would like to give you an example of something that does not appear in the bill. I realized that there was a problem, a fundamental flaw, in the indexing formula for old age security. It is calculated on the basis of a basket of goods and services purchased by the average Canadian consumer. Seniors have expenses that most people do not. They have to buy special equipment for their homes. For example, they may need an additional handrail in the bathtub.

There are other kinds of expenses, such as the cost of medication and alterations to the home. Many of these expenses far exceed the nominal inflation we see happening today. If old age security is indexed at 2%, that means people will systematically be losing money. Yet they adapt. It can be very frustrating to receive a cheque for \$.55 or \$1.05 more every three or six months while at the same time, the extra bills come in for medication, unexpected health issues or a death in the family. All such situations must be taken into account, and I would like the federal government to study this matter.

Instead of determining the inflation rate based on a conventional basket of goods and services, the government should use a special basket for seniors. This would ensure indexing that corresponds to the increase in their cost of living, not that of average Canadians. This bill aims to improve a number of things in this regard. It is pretty good, but it should go further. One good thing about the bill is that it mentions ongoing renewal, clarity of legislation and waiving the requirement for a renewal application for the guaranteed income supplement and allowance benefits once an initial application has been made.

Government Orders

In contrast to many government programs, people who may be 75, 78, 80 or 85 have to reapply each year. We will change that. It makes no sense that it has taken five years to reach this point, but the bill before us will at least take care of that. The bill also contains provisions to ensure that the legislation is clearer and more consistent and to reflect its true intent. This means that this was not done in the past. As my colleague said earlier, the true intent of the legislation is to provide income for people who have no other source of income and who absolutely need that money to live. The legislation is not intended to save the government money; it is not intended to pay people as little as possible; it is intended to give people what they are entitled to. We hope that the legislation will reflect this intent. There is also a need to simplify the reporting of income for couples and seniors.

For example, for seniors who apply for income-tested benefits and who have suffered a loss of income due to the termination or reduction of employment or pension income, this change would facilitate the application process by requiring that seniors report estimated pension and employment income only. This means that there will be a sort of safety net when unforeseen circumstances arise, so that we can make adjustments during the course of the year. Often, in practice, seniors are faced with a sudden expense. They withdraw money from an RRSP to pay it, and this amount is added to their income for the previous year, which reduces the amount they receive in the current year. We regularly see such cases in our riding offices, and we need to find ways to make the program more flexible, so that people are not penalized by such situations.

Spouses will no longer be required to provide marital and income information that has already been provided by their spouse or common-law partner. In practice, there will be one less obstacle. However, this transmittal of personal information must be carried out properly. With past practices, caution was required to ensure appropriate processing. What happened with the guaranteed income supplement also occurred with American pensions. As I was explaining earlier, it was during the same period where as much money as possible had to be collected and as little as possible was to be disbursed.

• (1150)

That was the 1994-95 period, under the former Liberal government. At that time, it was decided that an additional tax would be applied to American pensions. In the end, citizens in the same situation were penalized.

This situation has yet to be corrected. I hope that the federal government will examine this issue in the coming weeks and months so that justice may also be served for these individuals.

The Bloc Québécois believes that Bill C-36 will make it easier for disadvantaged seniors to access the guaranteed income program by providing for automatic renewal of guaranteed income benefits to couples on the basis of a single tax return. This is an interesting aspect of this bill. It is one of the reasons why the Bloc Québécois will support this bill.

The bill will allow seniors who have had a sudden drop in their employment income or their retirement income during a fiscal year to apply for the guaranteed income supplement based on an approximate statement of their employment and pension incomes.

As I was saying earlier, this is another positive point. In a way it provides a credit or evaluation opportunity during a year when a senior's financial situation suddenly deteriorates. The situation can be adjusted immediately rather than waiting until the following year. What people buy with their old age security or guaranteed income supplement cheques is real. They are not stashing it away. This money is for covering daily expenses.

It can be shocking to go into homes or residences where seniors live in Quebec and Canada to see how people have to come up with small miracles to make ends meet with the money they receive. If there is a sudden change in their income or an unexpected expense in the family, for the couple or the person living alone, that is a major problem. The bill provides another positive aspect in that regard.

The bill also clarifies some sections of the Old Age Security Act in order to correct inconsistencies. This is also important. It also makes changes to the Canada pension plan. This does not affect Quebec or its constitutional responsibilities in any way. We are being vigilant and want to ensure that Quebec's jurisdictions are protected.

Generally speaking this is a bill that will improve the situation. However, there are a certain number of items we would like to go over in committee, unless the government comes back with another bill. The first item is the way this bill broadens the restrictions on immigrants who are new Canadian citizens. We will have to look at the impact of such a measure because the Bloc Québécois cannot agree to having different classes of Canadian citizens, regardless of their journey to get here.

In this case, we are talking about sponsored immigrants, that is those who were able to come here with the help of a sponsor. Under the bill before us, there could be situations where the income provided by the sponsor could be taken into account in the calculations with regard to the guaranteed income supplement while, technically, I think the person should simply be deemed entitled to the GIS. People who act as sponsors are not all millionaires.

Immigration here often means that a factory worker brings his father or his mother to this country. The person settles here and meets the eligibility requirements with regard to the number of years for example. At some point, if the money provided by the sponsor has to be taken into account in calculating the guaranteed income supplement, it penalizes the sponsor. In some way, the senior's personal situation is actually hurting his or her family's situation. I think this issue could be addressed in committee.

There is another aspect that was raised several times by my colleagues and that really needs to be addressed by the government. It is the last key element needed to make the system totally fair, and I am talking about retroactivity. Currently, retroactivity is limited to 11 months. Why 11 months for the guaranteed income supplement and five years for taxes owed to the government? This double standard is unacceptable.

Government Orders

The parliamentary secretary mentioned earlier that sound management of public funds will be a factor. That is the same argument that was used by the Liberals when they did not want to make changes to the GIS.

• (1155)

They argued that doing the automatic calculation every year would involve significant costs and that they did not know what they would amount to, and that we had to be careful.

As a result of pressure, the representations made by the political parties and the initiative of the Bloc Québécois, that argument was refuted with regard to automatic calculation. The question of retroactivity should now be dealt with in the same way. Let us be honest: the only reason why the government is refusing to do this is that it will have to pay out large amounts of money to make up for the negligence of the system.

An injustice or inequity must not be tolerated simply because a significant expense will be incurred. If there are errors that result directly from automatic calculation and a person is entitled to retroactive payment for a number of years, it would be entirely reasonable for retroactive payment to reflect a five-year period or the maximum period. If the right thing is done properly and at the right time, instead of being 11 months it may be 14 months, 18 months or two years. It may not be as drastic as that in all situations. There is a way of developing a system that is tight enough that the overall cost will not be too high at the end of the road.

What we have today is the result of the rather disastrous management of the past.

At present, in terms of retroactivity, there is certainly a larger amount owing. I think it is on the order of \$3 billion for all of Canada. However, if the system is managed properly and we go ahead with a tight system, that amount will decline and it will be much lower in the years to come. This is therefore an important factor.

The Bloc Québécois will take the opportunity offered by debate on this bill to continue its battle and to tell seniors that they should be entitled to this retroactive payment. Yes, we are going to continue working to ensure that everyone who is entitled to the guaranteed income supplement is able to receive it.

This system was developed in Canada to enable these people to receive a certain amount of money, but it also helps to keep the economy going. We have to remember the time when neither the old age pension nor the guaranteed income supplement existed. People did not live nearly as long. Some people's lives involved much greater hardship than they do today. Part of that situation has been remedied. Now, we must continue to improve the system. That includes retroactivity and appropriate indexation for seniors.

We must examine more thoroughly the poverty issue of women living alone, for example, or when one of the spouses dies. When the husband dies and the wife remains alone, the surviving spouse must suddenly face major additional expenses.

Is the current survivor's benefits program adequate? Could an additional effort be made? We must examine these conditions as a whole. The bill we are debating today will not resolve all these

issues. However, the committee must feel very comfortable about broadening these recommendations to make suggestions along these lines.

Concerning the expansion of the third party group to which the contributor's personal information could be provided, we must ensure that the testimony of the Privacy Commissioner is heard.

The Privacy Commissioner will have to examine the best way to ensure that personal information can be provided to various government stakeholders. Does this respect the protection of personal information? Does the individual give his or her authorization? To what does he or she give it? How will it be used? We will have to ensure that no action exceeds the limits.

The provision of personal information collected in the guaranteed income supplement reports and the direct link with the taxation agency must not be made to the detriment of the individual, and the latter must be informed of the type of exchange. We will then be able to guarantee that statistics will not be used improperly. The changes to regulations must not limit access to the guaranteed income supplement. The Bloc will keep a close watch on this.

• (1200)

Automatic assessment is very nice, but some sort of regulation before approval should not make qualification more complicated. We will follow this closely, because our seniors deserve that respect. There must be a spirit and a policy.

I will conclude by saying that this has been a long-fought battle. Marcel Gagnon, a former member of the Bloc Québécois, did extraordinary work on this issue. Today, he must be pleased that part of the result has been achieved, but he expects an equal measure of fairness on the retroactive side. Thank you.

[*English*]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, this bill is of special interest to residents in my riding, especially the disability eligibility provisions.

This past month a constituent of mine came to my office and told me a very sad story. He contributed for some 25 years to the Canada pension plan. He was hurt on the job and went on worker's compensation for two years. Of course those two years do not qualify under the total years worked under Canada pension plan. He then struggled to go back to work for three years but was then diagnosed with inoperable terminal cancer. He does not qualify for disability benefits. Now in his waning years he does not have the income that he needs to at least make his life reasonably comfortable. The fact is that this is not an uncommon experience across Canada and many individuals are in the same position.

Since the member and his party seem to support this legislation, is his party also prepared to expedite the passage of the legislation through committee stage, third reading and then through the Senate?

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•(1205)

[*Translation*]

Mr. Paul Crête: Mr. Speaker, as I indicated in my speech, and as my colleagues pointed out earlier, the Bloc Québécois is in favour of this bill. We intend to support it. There will be no filibustering tactics to prevent this bill from being adopted. However, I would personally like the committee to hear witnesses on the various issues that I raised, including making retroactive payments to those who should have been receiving guaranteed income supplement benefits over the past two or three years.

My point is the same as the one made by my colleague with his example. If someone who has been making sacrifices for two or three years because his or her income was low—and if that person qualified for the guaranteed income supplement, it is because his or her income was indeed quite low—suddenly finds out that he or she should have been getting the supplement, it seems to me that we should be able to come up with a solution to deal with this situation. The committee could hear witnesses on this issue, and also people with disabilities or health problems. We should ensure consistency among all the government policies, the Canada pension plan or the Quebec pension plan—in the case of Quebec—and the super-annuation system. Just because these programs are interrelated does not mean that if we give benefits to one group, we should deprive others from benefits that they are already getting and that they also need.

The Bloc Québécois has taken this issue seriously for many years and has fought very hard for it. One of my best moments as a member of Parliament was to take the initiative of organizing a tour and ask if public servants would come with me and meet people who did not know what the guaranteed income supplement was, even though they should have been getting it. Dozens of Bloc Québécois members did likewise. This enabled us to make very good contact with people who have dedicated their lives to their families, to our society. Whenever we would meet 50 or 60 of these people, there would be two or three or four in that situation. Sometimes, someone aged 33 or 35 would be present at the meeting and would tell us that he or she was going to check things out, because his or her parents were not getting the guaranteed income supplement when they should be receiving it. This kind of positive action has produced interesting results. Today, it is reflected in part in the bill. Consequently, we will support this legislation, but we will expect the government to continue to work to ensure that the program becomes fair in every respect. This will be achieved by ensuring full retroactivity.

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Speaker.

First I want to congratulate my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup on his speech in which he aptly outlined all the problems related to income benefits for seniors.

Among all the roles he has played in the House of Commons for the Bloc Québécois, my colleague was at some point responsible for human resources and social development. I know he was very interested in having this injustice corrected for seniors who were entitled to those payments and was very active in that regard.

Earlier, the parliamentary secretary mentioned in her response the complexity of making those retroactive payments as a reason for refusing to make the payments. My colleague mentioned the fact that, in 2001, there were 272,000 people in Canada who had not received those retroactive payments, including 68,000 in Quebec. Having those numbers means that it was possible to identify those people who did not receive the retroactive payments. Therefore, identification is not the problem.

I know my colleague has also examined the whole issue of recovering money owed. For example, when someone has committed a fraud in the past or has inadvertently withheld money from the government, these sums are recovered retroactively and it is often done in entire communities.

Does my colleague believe that it is indeed a problem or are there ways for the government to ensure justice for these people?

•(1210)

Mr. Paul Crête: Mr. Speaker, I thank my colleague for his question.

Indeed, there remains one door to open. As for arguments such as those of the parliamentary secretary, let us hear no more of them. The government has a responsibility to ensure that its programs are administered fairly.

In fact, 272,000 people were identified. They were not receiving the guaranteed income supplement although they were entitled to it. The same applies to probably some 68,000 people in Quebec. Some of those people were located and a certain number received retroactive payments of up to 11 months when that was possible. However, there are cases where people were owed sums of money covering a period of two, three, four or five years. Had those amounts been paid—it is sad to say—some seniors would have been able to live out their lives with dignity. On that issue, there is no administrative argument for denying that right. We must find ways to make it happen.

If a decision was made to reach agreement in good faith with these people just as the Canada Revenue Agency is prepared to accept a compromise to some degree when someone owes money to it; if the federal government adopted a similar attitude to deal with retroactive claims that would be significant progress.

Let us accept as a starting principle that these people are entitled to retroactive payments and let us provide a retroactive period that is much greater than 11 months. If that happened, seniors in Quebec and all of Canada could consider that they are being treated fairly. Until then, we must continue to ensure that every person who is entitled to the guaranteed income supplement can receive it. We must ensure that this bill deals fairly with the issue of permanent residents. In addition, we must ensure that the next budget contains a statement about retroactivity of the guaranteed income supplement. There is no reason not to do so. The minister has one or two months to think about it.

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We could then feel that as parliamentarians we had done our work. It is important to create wealth in a society; but we will be judged on the way that wealth is shared. At present, that wealth is not being distributed fairly. It is being done to the detriment of the most unfortunate members of our society. We have a particular social responsibility on this side and we expect the government to move on this matter.

In any event, on the Bloc Québécois side we have begun the battle. We will continue to fight and we will not let up until the people have obtained justice in terms of the retroactive payments that are owed to them by the federal government.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, it is my pleasure to speak on this issue today. It stems from a government bill, namely Bill C-36, to amend the Canada Pension Plan and the Old Age Security Act.

We are pleased with this initiative, but only to some extent. As previous speakers have mentioned, this is an initiative to make access to the guaranteed income supplement simpler and more practical by streamlining the process. This is something we have been calling for for many years, but have been systematically turned down by both the previous government and, for the past year, this government.

Because it deals with the old age security program, this bill also affects the benefits paid to pensioners, and particularly the guaranteed income supplement.

A problem arose, which my colleagues have raised, where low income seniors had to meet two criteria: age—they had to be 65 years old—and the number of years of residence in the country. These were the two criteria for applying, provided, of course, they had limited income. In this respect, however, regulations were made, which restricted and, in many cases, prevented access to the supplement.

My hon. colleague pointed this out earlier. In 2001, there were 272,000 people in Canada who were denied access for objective reasons that I will get into later. In Quebec, 68,000 individuals were affected. Our colleague Marcel Gagnon, who was the member for Saint-Maurice—Champlain at the time, fought tirelessly to have more of them receive the supplement, providing them with information about their rights and helping them, naturally, with the appropriate procedures.

The objective reasons I referred to were of the following nature. People were told they had to reapply each year. Many were not even aware that they were eligible for this supplement and, thus, did not apply for it the first year. Others did not know about the requirement to reapply annually.

Which of these people were the most vulnerable? It was those in poor physical health. Often it was also a matter of mental health. And there were actual physical limitations. Among those identified are people who have never worked or who have not filed income tax returns because they did not have any income or so little income that they did not think they needed to file a return. Aboriginals have been particularly affected, as have residents of remote communities, semi-literate people, those who do not read either of Canada's official

languages, persons with disabilities, people suffering from disease and homeless people.

We see that there is a range of people who are, I would say, disabled concerning their obligations to obtain one of their rights. A further complication was added to prevent them from obtaining this right. Over the years, especially since 2001, a major offensive has been led against the previous government for it to correct the situation and, for the past year, against the current government.

So how does that translate into money?

• (1215)

It was between 1993 and 2001 that people began to become aware of the situation—and it continues now, but less significantly. Seniors have been deprived of \$3.1 billion. These people are among the most disadvantaged in our society.

What surprises me is that this does not seem to have touched the members of the previous government very much, because they took all those years to make an effort to correct the situation. In the present government we can observe some sensitivity to correcting the situation for people applying now, but no sensitivity for the people who have been deprived of this right. The situation is serious.

I do not want to be too hard on the present government, but when it was in opposition, some of its members were outraged by this situation, just like us. What happens when these people begin governing the country? How do people end up changing their attitude to such an extent? Why, when people are in power and can correct such a large injustice, do they not do so?

The two main political parties in Canada, who have until now taken turns in government, seem to have quite a particular propensity for attacking seniors.

We must also look at the problem as a whole. One of the recurring problems is the lack of will to support older workers who are forced out of the labour force because of massive layoffs.

There was the POWA, the Program for Older Worker Adjustment, but it was abolished in 1997. POWA helped workers aged 55 and over who lost their jobs and were unable to find new jobs for various reasons, the first of which being the unwillingness of employers to show generosity in hiring older workers first. That means that these people cannot find work because of their age. Some of them worked in the same trade for 20, 30 or 40 years and it is not easy for them to learn a new one. Furthermore, an average of 20% of the people laid off these days are 55 and older.

Since 1997, the year the Liberals abolished the POWA, we have been fighting to get an income support program for older workers.

The present situation contributes to the impoverishment of seniors who retired because they reached retirement age or because they were laid off. And here, I am referring to some massive layoffs.

Last week or the week before, the government announced the creation of an expert panel to study the situation. In fact, the government made that commitment last year, during the budget debate.

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•(1220)

It was even part of last year's budget amendments. Ten or eleven months ago, the government made the commitment to proceed very quickly with this study and was supposed to report to the House when Parliament resumed after the summer recess.

Despite the fact that, whenever we asked questions about this during the last year, the current minister's predecessor told us every time that the study was underway, that progress was being made and that we would soon see results, we learned a week and a half ago that nothing had been done and that the government was setting up a committee now to do this study. Obviously the House of Commons was not told the truth, and that is a polite way of putting it. We were told something that was not the truth because it was false to say that the study was underway when it has not even started yet.

The second problem with that committee is that workers are not represented. It is made up of representatives of organizations that do not necessarily have that expertise. Surprisingly, the human resources and social development committee toured the country last fall to examine the issue of employability in Canada. One of the issues dealt with at that time was precisely the employability of seniors. How is it that we are being told today that this committee will do exactly the same work without even waiting for the results of the work currently done by our committee, which should be released before we adjourn in the spring?

It is rather amazing to see the extent to which the government will resort to delaying tactics not to honour its obligations to seniors who lose their jobs in massive layoffs. It systematically refuses to provide income support to those people, which tends to confirm what I was saying earlier about this government's tendency to target seniors.

Back to the guaranteed income supplement. It is time for the government to deliver. The parliamentary secretary said that we have to manage public funds carefully. Then she said that it will be very difficult to reimburse the money owed to these people because they are so hard to find. Her statements do not hold water.

The first demonstrates not only a lack of sensitivity but also a lack of empathy toward the poorest people in our society because everyone knows that whatever she says about keeping public funds under lock and key, we have a government that has generated budget surpluses for the past 12 years. On September 25, the Government of Canada announced a \$13 billion surplus for the past fiscal year, yet it has responsibilities to seniors who often do not have enough income to pay for basic necessities, such as food, housing, clothing and a reasonable standard of living.

This morning, our colleague from Repentigny shared with us a very moving account of his previous job experience helping these people. He told us about the suffering and the isolation they are forced to endure. This isolation is caused in large part by their low income, which makes it impossible for them to contribute to society in any way.

•(1225)

The parliamentary secretary also said that it is hard to find these people. But if we know how many of them there are, we must know where they are. When it was a matter of finding a way to bring money into government coffers, they had plenty of ideas, plenty of

ways to do it. For example, when it came time to bring in the GST and the QST and other provincial sales taxes, they found ways. In Quebec, a harmonized sales tax was implemented. Quebec passes on the Canadian government's share: 6%. Why have we not done something similar for seniors?

Many of these seniors are forced to ask the province of Quebec for help, either through the Quebec pension plan or social assistance. Why is there no agreement? Why have we not considered that the Canadian government could correctly identify these people by their income and that Quebec also had records that could be used to conduct the appropriate verifications to ensure that the guaranteed income supplement is given to those who qualify? Why has this not been done? The answer seems just as clear to me today as in the past. There is a lack of political will, which stems from the ideology of the two political parties, one after the other, an ideology based on supporting the wealthy people of our society and the people who contribute to society by providing jobs.

We know that a minister who temporarily became Prime Minister was able to take advantage of retroactivity for his business beyond the 11 months allowed for seniors. There was no skimping on the number of years and this was done for other businesses, too. When it comes to making exceptions for corporate taxes, there always seems to be a way. The answers we are given do not pass muster and are completely unacceptable in the current context, considering the injustice committed against our seniors.

In closing, I would like to point out that I limited myself to this aspect because my colleagues discussed possible amendments to allow our eligible seniors to access the guaranteed income supplement program. I deliberately discussed retroactivity in particular because I believe that if we do not include a provision in this bill to allow for retroactivity, we would simply be maintaining the same injustice, which is entirely unacceptable.

We, the Bloc Québécois, want no part of that. We encourage our colleagues of the other parties to come to their senses, to embrace justice, to embrace their sensitivity, and finally grant our seniors the right to receive their guaranteed income supplement benefits, which they should have been receiving since 1993. Thank you.

•(1230)

[*English*]

The Acting Speaker (Mr. Andrew Scheer): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Andrew Scheer): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

The Acting Speaker (Mr. Andrew Scheer): I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities.

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(Motion agreed to, bill read the second time and referred to a committee)

* * *

• (1235)

SALES TAX AMENDMENTS ACT, 2006

Hon. Carol Skelton (for the Minister of Finance) moved that Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts, be read the second time and referred to a committee.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I welcome this opportunity to begin the debate at second reading of Bill C-40. This bill contains a number of amendments to update the operation of our tax system, some of which have been previously made public either by news release or by way of a notice of ways and means motion.

Before I outline the measures contained in the bill, I would first point out that the consultative process that led up to the introduction of the bill is an excellent example of successful cooperation between government and the tax and business communities toward achieving our common aim of improving our tax system. Adjustments have been made to the legislation as it was originally proposed in response to representations from both tax and business communities.

On behalf of Canada's new government, I take this opportunity to thank those interested parties who brought forward their views on the many issues addressed in the legislation. Bill C-40 reaffirms this government's commitment to making our tax system simpler and fairer not only for individual Canadians but for Canadian businesses as well.

I would like to take a moment to comment more broadly on how the legislation proposed in Bill C-40 links to this government's goal to ensure that Canada has a fair and competitive tax system.

Canada has long been recognized internationally as a country that treats its citizens fairly, which is one of the reasons that many people from all over the world come here to fulfill a dream of a better life for themselves and their families. Canada's new government believes in helping those dreams come true by creating new opportunities for Canadians wherever they live. That is why in our first budget we took action to help families and individuals as well as businesses by lowering taxes, rewarding effort and making Canada a better place in which to live and work.

One of our core priorities was to reduce taxes. We did that first by reducing the GST. We also provided other significant personal and corporate tax relief on the investments that will create jobs and boost Canada's economy by improving incentives to work, save and invest, and we are doing more.

The Minister of Finance recently announced a tax fairness plan for all Canadians. This plan will help restore balance and fairness in Canada's tax system to ensure our economy continues to grow and prosper and to bring Canada in line with our trading partners.

Families and businesses still pay too much tax in this country and our government will continue to reduce taxes for all Canadians. This new government firmly believes that a fair, efficient and competitive tax system plays a key role in creating a stronger, more productive economy. The measures contained in this bill reflect that belief. I will outline the initiatives contained in the legislation and in doing so illustrate how they support this government's goal of ensuring that we have a fair tax system.

The bill is divided into three parts. Part one mainly implements proposed measures relating to the goods and services tax and the harmonized sales tax. These measures are aimed at improving the operation of the GST-HST in the affected areas and ensuring that the legislation accords with the policy intent. Part two contains measures relating to the taxation of wine, spirits and tobacco. Part three of the bill is related to the air travel security charge.

Starting with part one, the GST-HST measures, a number of these initiatives have been previously announced by way of press release or by notice of ways and means motions. The proposed GST-HST measures in the bill fall into a number of main areas. The first is health.

An important priority for Canadians and Canada's new government is our health care system. The Government of Canada is committed to providing support to provinces and territories to help ensure that all Canadians have access to timely, quality health care. To make sure that happens, transfers from the federal government to the provinces and territories in support of health are at their highest levels ever, approximately \$21.3 billion for the Canada health transfer and wait times reduction transfer.

This will ensure stable, predictable and increasing support for Canada's health care system. In addition to transfers, the Government of Canada provides some \$6 billion annually in its own areas of responsibility, including first nations and veterans health, health protection, disease prevention, health related research, and medical and caregiver tax credits. The legislation contained in the bill complements these investments by helping to ensure that Canadians receive the health services they need.

For example, Bill C-40 proposes to continue indefinitely the GST-HST exemption for speech language pathology services. It also exempts health related services rendered in the practise of the profession of social work. These amendments are consistent with the government's policy criteria for inclusion of a particular health care service on the list for those that are GST-HST exempt. That is to say, if a service is rendered in the practise of a profession that is regulated as a health care profession by the governments of at least five provinces, the service is exempt in all provinces.

Government Orders

•(1240)

In addition, the bill proposes a tax free status to the sales and importations of blood substitutes known as plasma expander.

Under the current GST-HST legislation, the supply of blood and blood derivatives is tax free, whereas synthetic blood products, such as plasma expander, are not tax free as they are not of organic origin. To maintain consistency in our tax system, the proposed amendments will also ensure that blood products, such as plasma expander, receive the same GST-HST treatment as that of blood derivatives.

The bill would also restore the tax free status of a group of drugs that are commonly used to treat a variety of conditions such as seizure control, anxiety and alcohol withdrawal.

Once again, the proposed amendment in Bill C-40 would ensure consistency with the government's policy criteria of ensuring that no sales tax applies throughout the production-distribution chain in a case of federally regulated drugs that can only be sold to a consumer under a prescription.

Another GST-HST area dealt with in the bill is agriculture. The Government of Canada recognizes the vital role that farmers play in our economy. To help those hard-working Canadians, the government has established a number of tax measures and other programs that support our farmers. For example, farmers do not need to pay the GST on a list of selected major items used exclusively by farmers. This includes pesticides, feed, all fertilizer and certain farm machinery and equipment. This so-called zero related list is intended to relieve farmers of possible cash flow problems that might arise between the terms of payment of tax on high price items and the receipt of an input tax credit.

The amendments in Bill C-40 would help ensure consistency between the GST-HST treatment of different farm products that can be purchased, imported and sold by farmers on a tax free basis.

Bill C-40 also deals with GST-HST as it relates to business arrangements. Canada's new government recognizes the important role played by small businesses in our economy. After all, they are the main job creators in Canada. Accordingly, we are committed to ensuring a favourable environment that allows these businesses to prosper and expand.

I mentioned at the outset that measures in the bill result from consultations with the tax and business community.

Time does not permit me to go into all the details but suffice it to say that Bill C-40 contains a number of provisions mostly intended to simplify or clarify the GST-HST administrative requirements for businesses in Canada.

Ensuring the efficient operation of our sales tax system is important to the government. To that end, Bill C-40 contains miscellaneous housekeeping changes to sales tax legislation that update provisions, correct ambiguities or ensure consistency. As well, the bill contains GST-HST administrative amendments concerning the discretionary power under the act for the Minister of National Revenue.

Finally, three Atlantic provinces have harmonized their sales tax system with that of the federal system. Bill C-40 contains rules

related to the operation of the harmonized sales tax. One such example proposes to modify the existing new housing rebate for the provincial portion of the HST in the province of Nova Scotia. As announced by the Government of Nova Scotia, this rebate will be targeted to first time homebuyers and capped at a maximum of \$1,500.

As I mentioned at the outset, Bill C-40 is comprised of three parts. I will now outline the details of the second part. This section contains measures relating to the taxation of wines, spirits and tobacco.

By way of first providing some background, a comprehensive review of the federal framework for the taxation of alcohol and tobacco products culminated in new excise tax legislation. This new framework modernizes the legislative provisions governing the taxation of spirits, wine and tobacco products and introduced an updated administrative and enforcement framework that reflects current industry practices.

The proposals contained in Bill C-40 implement a number of technical amendments to the excise framework. The amendments constitute refinements that would improve operation of the legislation and more accurately reflect industry and administrative practices.

The excise legislation has also been amended to implement a minor change to bring it into compliance with the specifications of the Framework Convention on Tobacco Control, an international treaty on tobacco control sponsored by the World Health Organization.

•(1245)

This brings me to part three of Bill C-40 which deals with proposed amendments to the air travellers security charge.

While time does not permit me to outline all of the proposed amendments, it is important to point out that the majority of these amendments come as a result of the consultation process with interested parties. I would, however, like to describe in more detail one of the proposed amendments. This is the one that deals with an exception for the air travellers security charge for charitable flights.

Immediately after the security charge was introduced, it was brought to the attention of the previous government that certain charities arrange free air transportation services for persons who otherwise cannot afford the cost of flights for medical care, as well as "flights of a lifetime" for physically, mentally or socially challenged children.

Government Orders

Canada's new government has responded to these concerns with this proposed legislation. Specifically, Bill C-40 proposes that the air travellers security charge will not be payable for air travel that is donated by an air carrier at no cost to a registered charity as long as the charity donates the air travel to an individual, also at no cost, in pursuit of the charitable purpose. This measure would help charities, like the Children's Wish Foundation of Canada which is dedicated to fulfilling a favourite wish for children afflicted with a high risk, life-threatening illness.

The measures contained in Bill C-40 that I have outlined today propose to refine, streamline and clarify the application of our sales tax system. At the same time, the bill reflects this new government's commitment to ensure that our tax system is efficient and, above all, fair.

I, therefore, urge hon. members to support the bill.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I will speak in favour of two elements in the bill, the first one being the last element mentioned, which is helping poor children to go on trips of a lifetime. Who could argue against that?

The second element is the excise tax changes, particularly on breweries. We have an excellent brewery in Yukon that makes Yukon Gold, Chilkoot Amber and so on. We have been lobbying for this change for a long time and I will be strongly supporting that particular change.

Mr. James Bezan: Mr. Speaker, I, like the hon. member, am also pleased that we are moving forward in removing the excise taxes, the GST and HST that surround things like breweries and the alcohol provisions and making things a little more streamlined.

In particular, dealing with the whole issue of charitable donations of flights, the Children's Wish Foundation is a foundation that I have worked with. It does a great service for families who have children who are very sick. The foundation ensures those kids get to live out their dream by taking them to their places of fancy and fantasy and to have that enjoyment as an entire family, not just for the single kid but the entire family.

With the fundraising activities that we do in my riding we have sent many families around the world. I look forward to working with those foundations and being able to ensure the security charge is removed.

[Translation]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I would like to thank my government colleague for his presentation on Bill C-40. Given my interest in transportation, and since I am a member of the Standing Committee on Transport, I would like him to clarify for me the air travellers security charge. How will this bill truly guarantee adequate security for air transportation? Will it actually improve security or simply provide tax breaks?

[English]

Mr. James Bezan: Mr. Speaker, there is no doubt that in the past there was a need to enhance security at airports which is why the security charge was introduced that all travellers pay. That definitely goes to assisting in offsetting the cost related to the increased screening that we must do at airports. The service is provided today

by over 4,000 professionals who ensure that we have safe travel across the country.

The bill deals with removing that charge on the tickets that are charitably given to families who are participating in programs like the Children's Wish Foundation and living out their dreams. For that reason, it was only practical that we remove that charge to ensure that the entire cost for these kids to fulfil their fantasies is removed and that they are truly charitable from one end of the system to the other, not just from the airlines but also that it is charitable on behalf of the government.

● (1250)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I am pleased to speak today to Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts. As the title suggests, this probably is not the most exciting or gripping topics that we have discussed in this place but it is, nonetheless, an extremely important one, as my colleague on the other side of the House has already indicated.

Much of the bill has to do with bringing previous legislation in line with the original policy intent of the government. Much of the bill has to do with implementing previously proposed legislation that, as has been indicated, required further study. This has been done in consultation with affected individuals and industries which, as I understand, was the procedure followed in this instance and most appropriately.

Bill C-40 has three main components which I will deal with separately. The first includes new measures related to the goods and services tax and the harmonized sales tax. The second part contains amendments to the Excise Act, 2001 and other acts with respect to the taxation of tobacco, spirits and wine, a subject matter that will be of interest to more than just those in the House. Finally, the bill contains measures that affect the Air Travellers Security Charge Act.

I will begin with the first part. The bill would confirm the GST-HST exemption for speech language pathology services. Speech language pathologists can include occupational therapists, physical therapists, therapist assistants, public health nurses, child psychologists and others. Typically, they provide services to young children with communication disorders and adults in rehabilitation centres.

We on this side are glad to see that this has been done. We are also glad that the Liberals' draft GST exemption for these services will be implemented. Clearly, speech language pathology services should fall under the act of GST-HST exempt health care services.

The bill also says that the sale and importation of a blood substitute, known as plasma expander, will be zero rated for GST purposes. As my colleague from the other side has pointed out, plasma expander is a blood substitute product that is used primarily to maintain circulatory blood volume during surgical procedures or trauma care. As we all know, Canadians are very generous when it comes to our health care system and donating their blood but there is also always a pressing need for more, and that is why the Liberals proposed this change in a previous budget and began consulting with affected industries.

Government Orders

Bill C-40 would also broaden the specially equipped vehicle GST-HST rebate so that the rebate applies to motor vehicles that have been used subsequent to being specifically equipped for use by individuals with disabilities. This would broaden the previous government's initiative which ensured that individuals and organizations, such as municipalities, non-profit or charitable organizations and school authorities, would qualify for the rebate on purchases when payment becomes due after today or when the vehicle is imported.

The bill also affects the harmonized sales tax in Nova Scotia where the government has called for the provincial tax portion of the home buyer's rebate to be limited to \$1,500. It is good to see that this bill that the government has brought forward finally acknowledges the fact that a GST-HST rebate on new housing does in fact exist.

Last spring, when the Prime Minister was touring the country lauding the savings that a 1% GST reduction would provide for a new homeowner, he conveniently happened to forget that the existence of this value program already was there. As a result, I think he somewhat inflated the amount of savings a new homeowner could expect.

• (1255)

In Newfoundland, I believe the Prime Minister pulled out of his hat a savings figure of \$2,000 on a \$200,000 home. In reality, of course, the savings are some \$650 less due to the GST rebate on new housing, but facts and correct figures tend to be lost on the government when it wants people to think it is lowering their income taxes when in reality it is doing just the opposite.

It would be our position that adjustment to income taxes is perhaps a more progressive way that would remove the inequities, in particular for the working poor and those on fixed incomes, other than treating the GST this way, but we also support the reductions to the GST that have been suggested.

The final Liberal budget in 2005 announced new funding over five years to enhance federal tax compliance and enforcement in the tobacco industry. We set aside new money for enhanced markings of tobacco. I am glad to see that this bill extends requirements to identify the origin of tobacco products to all products, including those for sale at duty-free shops or for export.

I can tell members that, from comments made by those who have discussed this issue with me, tobacco contraband needs to be addressed in a serious fashion. That is why we allocated \$8 million to fight tobacco contraband two years ago. I certainly hope that the current government will take up that very cause.

The final part of the bill also focuses on an initiative announced by the previous Liberal government and confirmed in this bill. It will ensure that certain air travel donated to charities through air carriers is not subject to the air travellers security charge. I think it is worthwhile to repeat what has been said previously in explanation of this by my colleague.

In the months following 9/11, the previous Liberal government jumped into action with a series of measures to improve public safety, secure our borders and ensure that the lives of Canadians and Canadian businesses could go on with as little disruption to daily life as possible. As a result, the government of that day strengthened

Canada's borders dramatically. We increased security at Canadian airports with as little disruption to passengers as possible.

The air travellers security charge was levied to help pay for these upgrades. While no one particularly enjoys a new tax, I think most Canadians would agree that in February 2002 we did the right thing by instituting the air travellers security charge in order to protect Canadians.

As a side note, the current government, which at the time was comprised mostly of the Canadian Alliance Party, voted against the security charge and in fact against the creation of the Canadian Air Transport Security Authority. Liberals, however, did believe that Canadians would be willing to pay a little more to ensure that air travel in Canada was as safe as possible. As a result, I am proud to say that Canadians are in fact safer.

Furthermore, as new technology was installed at airports across Canada and new security procedures created, the cost of the program diminished as time went on. Accordingly, the Liberals used their last three budgets to lower the air travellers security charge three times so that Canadians would need to pay only what was necessary to ensure their safety on flights.

As was mentioned, this was another initiative that was started by the previous government. Lowering barriers such as the travellers security charge on donated seats, then, is an excellent way to ensure that businesses such as airlines can help charities carry out their excellent work. In Canada, there are currently over 80,000 registered charities, the vast majority of which are honest and hard-working organizations that provide valuable services for Canadians.

I am sure that Canadians were dismayed this fall when the current government chose to eliminate the charities advisory committee. The committee was comprised of members of the charitable community as well as Canada Revenue Agency employees. Together they worked to ensure that charities were aware of their obligations under the Income Tax Act. They worked to ensure that Canadians could be confident that when they donate their hard-earned money to a charitable cause, the bulk of that donation actually goes toward the cause.

• (1300)

Furthermore, the charities advisory committee proposed new and interesting changes to Canada's tax laws, such as eliminating the air travellers security charge when an airline donates a seat to a registered charity. I cannot recall if this proposal came from that committee, but I do know that committee members had many proposals such as this one before them and made recommendations to that effect. I do not believe that the saving of a few thousand dollars by the government in eliminating the committee is in the best interests of our charitable sector or Canadians at large.

Government Orders

As I said at the beginning of my remarks, this may not be the most exciting or glamorous fare that the House has had to discuss, but as we can see from what has been said thus far, these measures are all very vital and important. The vast majority of these initiatives are either a result of the consultation process set up by the previous government or a direct result of funding provided by us.

Accordingly, I am happy to support the bill, as my party will be, at second reading and further study it when it arrives at the finance committee.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have one comment on the excellent speech by my colleague. I understood from his speech that the government was in favour of reducing housing costs for Canadians, which is very admirable, but of course that is what the EnerGuide program did. The Conservatives cancelled that program and then brought it back with a smaller amount of money, so that does not help Canadians. More important, the government brought it back without the special provision and program for low income people. I would like to ask my colleague if he believes that makes any sense.

Mr. Alan Tonks: Mr. Speaker, one of the areas that I also wanted to mention but had not was the provision with respect to HST-related rules. The government of Nova Scotia limits the availability of the current Nova Scotia first time buyers' rebate. I know that my colleague was not referring to this, but this is an incentive within the bill that will be targeted at low income wage earners.

To get to the point of the question, it is a question of equity. It is a question of what will be an incentive to those who need it most. The EnerGuide program was one that under the previous Liberal regime in fact was targeted. In its implementation, it was taken up by thousands of Canadians who fell within those income brackets. This was an incentive for them to purchase green products and to renovate and upgrade the standards of equipment in their homes, from furnaces through to laundry machines and so on.

The member is right in the inference that he draws. There still is a lot of work to be done with respect to the EnerGuide type of approach and trying to focus it on wage earners in this country who most need the incentives.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, while the hon. member may be correct in saying that this is not the most exciting or glamorous topic to come to the chamber of recent date, his elocution and delivery bordered on glamorous. I want to compliment him for that delivery.

However, I felt that because of time and because of the many details of this bill, he glossed over something. He started to talk about it but did not elaborate upon it. It is simply the idea that this is a very detailed bill on housekeeping, on matters of direct taxation, non-progressive taxation, which we know as the sales tax in general, and yet we on this side, along with the previous government, would certainly have preferred to concentrate on cuts to income taxes.

Could the member elaborate upon the point he started to make, which was essentially that it is much fairer to Canadians to concentrate on cutting income tax, which is levied on increased income, rather than on the HST, GST and other matters, notwithstanding his positive comments about this bill?

● (1305)

Mr. Alan Tonks: Mr. Speaker, the whole notion of ad valorem taxes as they compare with progressive improvements to be made to an income tax regime have been with us as long as I can remember. One is caught in a trap if one starts to argue the qualities of one over the other, when in fact I think Canadians generally would accept the assumption that a tax that is progressive to the extent that it is aimed at and works for those wage earners and salary brackets in the lower income percentages is one that works for them.

While I did not have time to go on with respect to the comparison of the GST ad valorem approach as opposed to income tax, I think my colleague can certainly draw the inference that I particularly, and I think our party, support the fairness with respect to using the income tax as the basis for equity for and fairness to Canadians. That is not to say that the GST or ad valorem taxes do not have their place, but we should remember that the very people for whom we propose to use the funds that come from that source are the ones who will be harmed by it in the end. They are the ones who are least able to afford the luxury goods and the big ticket items that, for example, the GST as a tax is aimed at. It is counterproductive.

However, that is not to say, and it is certainly not to detract from this, that all governments should not be attempting to reduce the burden. I personally and our party, I know, favour using the income tax as the most fair and equitable way to achieve that end.

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, given that this is my first opportunity to address the House since the holidays, I would like to start by wishing you a happy 2007.

I would also like to wish my honourable colleagues and the citizens of my riding a happy and profitable new year.

I would now like to give an overview of Bill C-40, which is now before this House. I will first summarize the main reasons why the Bloc Québécois supports Bill C-40.

This bill addresses shortcomings associated with the GST and the excise tax. Bill C-40 removes taxes from certain medical services, which facilitates access to these services. The bill reduces the burden of taxation on charities. It also contains measures that help small wine producers. It tightens legislative provisions surrounding the sale and production of tobacco in an effort to counter smuggling. Bill C-40 reduces the air travellers security charge and will reflect the Quebec situation. That was required. For all these reasons, we will support this bill.

To briefly put things into context, this bill is divided into three large parts. It is aimed, first, at instituting corrective steps to improve and specify certain measures having to do with the collection of the GST. It also amends the act in order to zero-rate particular products and services. It turns then to the excise tax, laying out certain measures related to the taxation of wine, beer and spirits. Finally, it amends the rules on the air travellers security charge.

Government Orders

In the first part of the GST-HST-related measures, we find five categories or broadly distinct measures. The bill amends the rules on health, charities, business arrangements, and governments and contains certain provisions changing the way in which the GST is applied.

The first of these measures has to do with health-related rules. The bill amends the act so that speech-language pathology services are henceforth effectively zero-rated. This change confirms the tax-exempt status of these services. It will make it easier for young people with language problems to access such services.

This change will also help older people who have suffered strokes to access services that enable them to continue living in dignity.

In this same measure, the government also exempts health-related services provided in the practice of the profession of social work. This too will make it easier to access private social work services and permit people who have the means or have insurance not to pay taxes any more when they purchase the services of social workers.

Then the government zero-rates sales and importations of a product that can be used to some extent as a blood-substitute. Plasma expander makes it possible, for example, to inject a blood substitute during treatment for severe hemorrhaging, very serious burns or open fractures. Although it does not contain any red blood cells or the anticoagulants found in bagged blood, it provides an alternative during crucial treatments for seriously injured patients.

The government is also going to restore the zero-rated status of a group of drugs collectively known as benzodiazepines. These include medications such as Valium, Ativan and other similar drugs. They are used primarily to treat anxiety, for alcohol withdrawal or as a preanaesthetic medication.

● (1310)

Lastly, the government will offer a GST rebate on motor vehicles that have been used after being specially equipped for use by individuals with disabilities.

The second principal measure, which forms part of the same group, concerns charities. Some amendments will ensure that the exemption of supplies by charities of real property under short-term leases and licences extends to any goods supplied with such real property. This will mean less financial pressure on charities as they carry out their social mission.

The third measure concerns business arrangements. The amendment to the GST legislation provides transitional GST/HST relief on the initial asset transfer by a foreign bank that restructures its Canadian subsidiary into a Canadian branch. This measure will act as an incentive to foreign banks in Canada to restructure their subsidiaries as Canadian branches, which will promote more competition in the Canadian banking sector.

The bill removes technical impediments that hinder the use of existing group relief provisions under the GST/HST. This amendment simply clarifies the rules of application of the legislation that are already in effect. In addition, the bill simplifies compliance by excluding beverage container deposits that are refundable to the consumer from the GST/HST base. This will make it easier for businesses to manage collection and will lighten the regulatory

burden associated with deposits, with a view to promoting more recycling and environmental protection.

This is not a very impressive measure from the current government, but it is a step in the right direction for the environment. We hope that this government will go a bit further and take a more serious approach to the environment. On the whole, this seems promising.

On a more technical level, the bill permits an agent to claim a GST/HST deduction for bad debts, and to claim adjustments or refunds of tax, in respect of sales made on behalf of a principal where the agent collects and reports tax.

Another measure extends the existing agent rules under the GST/HST legislation to persons acting only as billing agents for vendors.

Another measure will better accommodate special import arrangements between businesses in certain situations where goods are supplied outside Canada to a Canadian customer. We will also ensure that GST/HST group relief rules cannot be used to exempt from GST/HST otherwise taxable clearing services that are provided by a group member to a closely related financial institution who will then re-supply those services on an exempt basis to a third-party purchaser outside the group.

The measure also clarifies the treatment of the right to use certain types of amusement or entertainment devices, such as the playing of a game, when it is provided through the operation of a mechanical coin-operated device that can accept only a single coin of twenty-five cents or less as the total consideration for the supply. Finally, it confirms the policy intent and Canada Revenue Agency's existing practice that no GST/HST or provincial sales taxes on a passenger vehicle are included in calculating the maximum allowable value for input tax credit purposes.

The fourth measure relates to governments. First, it will exempt a supply of a right to file or retrieve a document or information stored in an electronic official registry. That will thus allow municipalities and government agencies to supply information to citizens at a better cost, which in turn will increase access to information.

● (1315)

The new legislation will also ensure that a small supplier division of a municipality is treated in the same manner as a municipality that is a small supplier. Thus, the fairness of treatment will be respected.

Government Orders

The fifth measure, always in the same group, deals with the change in the implementation processes of the legislation. First, the bill will provide the Minister of National Revenue with the discretionary power to accept late-filed applications for the GST new housing rebate and the Nova Scotia HST new housing rebate for owner-built homes, where exceptional circumstances have prevented an application from meeting the normal filing deadline. Second, the Minister of National Revenue will have the discretionary power to accept late-filed elections between closely related financial institutions for adjustments that they are required to make for the provincial component of the HST.

As for the exchange of information, the bill authorizes the Minister of National Revenue to exchange GST-HST information with foreign governments that are signatories to the Convention on Mutual Administrative Assistance in Tax Matters. Thus, the government will be better able to fight tax evasion.

Finally, the bill gives the Chief Statistician of Canada the discretionary power to provide statistical information concerning business activities to the provinces similar to an existing provision in the Income Tax Act. This new power will give provinces a better access to income statistics, which will allow them to better focus their public policies. This is the first group, which is quite technical, as is the bill as a whole.

Part two of the bill contains a series of measures dealing with excise taxes. Those measures amend the Excise Act 2001 to implement minor refinements that will improve the operation of the act and more accurately reflect current industry and administrative practices. They also implement related and consequential amendments to the Access to Information Act, the Customs Act, the Customs Tariff and the Excise Tax Act.

Since it is very technical and we do not have a lot of time, I will not go into detail. The first of the principal measures deals with tobacco and seeks to give greater precision to certain provisions contained in the Excise Tax Act in order to better defend against the smuggling of tobacco products and facilitate collection of taxes on tobacco. The bill includes measures to extend the requirement to identify the origin of tobacco products to all products, including those sold at duty-free shops or for export, consistent with the Framework Convention on Tobacco Control, an international agreement. It also specifies that cigarettes, tobacco sticks, fine-cut tobacco or cigars, but not packaged raw leaf tobacco, may be supplied to the export market or the domestic duty-free market.

The second measure concerns alcohol. The bill has two main objectives. First, it authorizes provincial liquor boards and vintners to possess a still or similar equipment, for the purpose of analyzing substances containing ethyl alcohol without holding a spirits licence. This measure aims to avoid the administrative burden and cost of requiring provincial liquor boards and vintners to obtain a permit. In addition, to encourage the growth of the wine industry in Canada, the government will defer payment of duty by small vintners who sell wine on consignment in retail stores operated by an association of vintners until the wine is sold. As a result, when small producers offer their products in a store operated by a producers' association, they will not have to pay GST until the product is sold. This measure encourages our home-grown industry and the Bloc Québécois is very happy about that.

I would like to make a small aside concerning the wine industry in Quebec. That industry is represented by the Association des Vignerons du Québec. In 2006, the association was made up of 42 wine growers operating in the regions of Québec, de Lanaudière, the Eastern Townships, Montérégie and the Basses-Laurentides.

● (1320)

Unfortunately, as you can well imagine, no Quebec wine is produced in Montreal, in the region where I live and where my riding is located. To make up for it, we enjoy these Quebec wines that keep on getting better year after year. In any event, I try to do my part.

More than 100 hectares of vines are harvested annually. Nearly 300,000 bottles of wine are produced every year. The main products are white wine, ice wine and fortified wine.

As far as the application of the bill is concerned, as in the previous section, the new legislation permits the Minister of National Revenue to exchange excise tax information with foreign governments that are signatories to the Convention on Mutual Administrative Assistance in Tax Matters. The bill also adds a discretionary power for the Chief Statistician of Canada to provide statistical information concerning business activities to the provinces similar to an existing provision in the Income Tax Act.

Finally, the third part includes measures on the air travellers security charge. These were implemented a few years ago after the unfortunate events of September 11. These measures have to do with the air travellers security charge and are in part 3 of the bill. They include the announced relief measures and minor changes to the Air Travellers Security Charge Act.

There are two main measures. The first is tax relief. The bill relieves, in particular circumstances, the air travellers security charge in respect of air travel sold by resellers or donated by air carriers. From an administrative point of view, the bill provides authority for the Governor in Council to add, delete or vary by regulation the schedule of listed airports. Thus, the bill will change the status of three of Quebec's airports in order to ensure that standards meet market demand.

So the bill is going to remove La Grande-3 and La Grande-4, in Northern Quebec, from the list of airports subject to the surtax arising from the Air Travellers Security Charge Act. This measure reflects the very special nature of these airports. However, the amazing increase in air traffic at the Mont-Tremblant airport has meant that the minister has decided to include it in the list of airports now subject to the Air Travellers Security Charge.

Government Orders

This is a very technical bill and the Bloc Québécois supports its principles because of the various measures it contains. We are also glad that some measures concerning the GST act have not been included. These are some of the measures announced by the government concerning its intention to abolish GST refunds for foreign visitors. I have to say that we are very pleased that this is not included in this bill because we think that it is a bad measure and that it would punish the tourism industry in Quebec unduly. We hope that the government will have the wisdom to forget this measure entirely and that we never have to debate it in this House. It would be a huge problem.

I would like to end simply by saying that we are going to support this bill because it is designed to correct the technical shortcomings and differences pertaining to other laws, including the GST act and the one on Excise Tax. The tax is going to be removed from certain medial services so as to facilitate access to them and lighten the tax burden for charitable organizations.

● (1325)

There will be measures to support small wine producers; to tighten up legislation on the sale of tobacco products with a view to counteracting smuggling; and to adjust the Air Travellers Security Charge to the situation in Quebec.

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I would like to congratulate my colleague from Jeanne-Le Ber on his excellent speech. We can see the great experience that he has gained as deputy critic for finance.

It seems obvious to me that this is an interesting bill that responds to many demands. However, concerning the provision dealing with vintners, which simply defers a goods and services tax until the wine is sold, when products are on consignment in stores operated by an association, does he not think that the bill could go further in order to encourage our local wine producers, who bring so much to our country and who also create jobs?

Would it be possible to look at a GST exemption for the production of these wines?

Mr. Thierry St-Cyr: Mr. Speaker, I would like to thank the hon. member for his excellent question.

It is clear that we could do more to support the small wine producers in Quebec. Nonetheless, this is a measure that goes in the right direction.

For the small producer, the stock that is sometimes divided among several outlets can be a major burden. Not having to pay the tax in advance on the products in stock is certainly an advantage, but the situation could be further improved.

In another bill, the government answered a longstanding demand from the Bloc by changing the excise tax regime for microbreweries and wine producers. We think that measure will help microbreweries and wine producers in Quebec.

Of course, the Bloc Québécois will continue to put propositions forward and we hope that the government will continue to implement them for the benefit of Quebecers.

● (1330)

[*English*]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, the member is the critic for finance and is doing an excellent job. Does he believe the government should reinstate the rebate of GST for travellers from overseas who come to Canada to attend conferences?

My riding may perhaps be the only one in the country where the biggest private sector employer is tourism. Getting rid of the exemption for the GST has certainly hurt the tourism industry across Canada. An extensive study has been done on that. At the same time, the government cut marketing for tourism and money for museums, which is very important for tourism.

Does the member agree with those cuts and should they have perhaps been reinstated in this bill?

[*Translation*]

Mr. Thierry St-Cyr: Mr. Speaker, much of my answer was already in my speech. This measure was announced, but so far no legislation has been passed. That is why I said in my speech I was happy to see that it was not included in the bill. I hope that it will never be introduced in the House. I do not think that it is good to eliminate the exemption for tourists who come and purchase products here and then take them back to their country of origin.

What is particularly striking in this government proposal is that it is based on unreliable data. They say that the program is ineffective because—if memory serves—only 4% of travellers make use of it. Obviously, though, this is not the right way to assess the program's effectiveness. We have to do our calculations properly.

First, when a group of people travel together, usually only one person claims the credit. When a family of four buys a certain number of items, they obviously do not fill out four applications when they reach the border, just one. The government's figures are therefore wrong.

Second, we need to compare the amount of the credit that is requested in dollars with what travellers are actually entitled to request in dollars. If a tourist comes to Canada to spend a weekend in Montreal and returns to the United States without having purchased any goods, he will obviously not apply for a credit to which he is not entitled. This does not mean, though, that the program was ineffective. We would have to be able to make the comparison in dollar terms to assess the effectiveness of the program, and we would also have to discuss it at the Standing Committee on Finance.

Third, there is the entire marketing aspect of this provision. Companies rely on it a lot. For example, they use the postal rebate.

Companies that offer a postal rebate know very well that there will always be a large number of consumers who never claim it. They buy the product because they are entitled to a postal rebate, but then forget to claim it. This does not mean that the marketing strategy was unsuccessful. The same applies to the GST visitor rebate: the fact that people do not claim it does not mean that the program did not work.

*Government Orders**[English]*

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I appreciate the opportunity to join in the debate.

Let me begin by saying that we have a lot of paperwork here. It is a big bill. There is the bill itself and the explanatory notes that go with it. The bottom line is, though, that most of this is indeed housekeeping. It happens in all parliaments and all governments that from time to time there is a need to bring things up to speed, to perhaps reflect an unfairness that has been identified that does justify its own bill. Often it is a matter of other changes that have been made and now we are catching up with the legislation, either with numbers or words. Primarily, that is what we found here.

Once we get into committee, we reserve the right to acknowledge that there may be problems that have not come to our attention. Certainly, we would encourage anybody impacted, any industry, any business, any individual anywhere who is affected by this in a negative way that we have not yet sussed out, by all means to give us a shout. It will go to committee and we will get a chance to deal with it there.

It would seem on the surface, as my colleague from the Bloc has pointed out, that this is indeed a housekeeping bill and by rights should not warrant us all getting ourselves twisted up in this minority government. We have bigger fish to fry and more important things to deal with. However, it does give us an opportunity to speak to what has happened so far.

I agree with much of what my colleague from the Bloc had to say. We view it very similarly in that some of the best things about it is what is not in there. The whole notion of cutting the rebate for tourists coming here and allowing them to apply for the GST rebate was a foolish suggestion, absolutely foolish. It is amazing it got as far as being announced in the throne speech that it would be put in the original budget document. It is a really dumb idea.

Number one, it is not that much money, and second, as has already been pointed out, not everybody applies for it. It is more a matter of being a selling point to say that it is available to people, particularly when conferences, conventions, trade associations meet with local officials to determine where they can get the best deal. If we are comparing Canada to any other country, this is an opportunity for our competitor countries to point out quietly that Canada used to be pretty good, but look at some of the things it has done now. That hurts. It hurts more than the reality of the money that is lost, actually.

Conversely, it has the ability to be used as a marketing tool to say to the world that we have a beautiful country, we are very fortunate, we are blessed, and we offer the world to come and enjoy. People should come and visit with their families. Whether it is for business, pleasure or a combination, Canada is a place that should be on the short list of convention destinations. Leaving the rebate in place is a part of being able to sell Canada around the world.

We should make no mistake, to a community like my home town of Hamilton, conventions are a huge part of our local economy, more than people might think. Again, it is because of the proximity to Toronto. I have nothing to say against our good friends in Toronto, but costs are a little higher there and we are able to provide some things that Toronto cannot at a lower price. It still provides us with

access to Niagara Falls, a world renowned beauty, as well as all the media centre that exists in Toronto, so there are a lot of good reasons why Hamilton is an important destination, usually for medium sized conventions and conferences. For the truly large ones, it makes sense they would go to the larger capitals of the country.

However, it is important to Hamilton and it is important to Canada. It is good that it is not in here. Let us hope we never hear from it again. We do not want to hear about it because it is a bad idea.

It is interesting, when we look at the website of the hon. the House leader of the government, there is a news release dated September 6, 2005, which of course was before the election. I would just take a moment to point out that the government of the day, the Conservatives, had a lot to say when they were in opposition about taxes in terms of gasoline, stating all they would do, rightly pointing out that the Liberals were not doing anything, but making all kinds of commitments.

• (1335)

I will read it in part. It states:

Part of the gas price is a series of provincial and Federal taxes. Two components of the Federal Government's taxes on gas are actually quite offensive. For some time, we have been calling on them to be eliminated. The first is best described as a "tax on a tax". The feds impose both an excise tax (the gas tax) and they also impose the GST, just like they do on everything else. Fair enough, so far. But unbelievably, the Feds actually charge the GST on the excise tax portion of the gas price, as well as on the commodity. You actually pay the GST on the provincial and federal excise tax as part of the gas price, a tax on a tax.

It goes on and on. It makes another point about the evils of what is in place right now. It condemns the Liberals further for doing nothing, which is accurate, and then it goes on to say all the great things a Conservative government would do. Well, they are not in here. The Conservatives are good at the promises when it comes to gas and taxes, and like usual, they make a much better argument on paper than they do in law and this is another reflection of that.

I might also add that the big economic move, the last big real supposedly huge change that the government made was to cut the GST. The Conservatives are going to talk about that in the upcoming election, whenever that is. They are going to go on and on, but what is surprising for the average Canadian is that it cost us almost \$5 billion a year. A tax cut is a tax expenditure. When we make a choice to have a tax cut, it is exactly the same as saying we could spend the \$4.5 billion on health care, on child care or cleaning up the environment.

When we put a tax cut in place, it is a trade-off for a whole host of things that would impact Canadians' lives. That is not going to happen. I ask any Canadian watching to think about how many times in his or her life since that change was made has the reduction in the GST made a noticeable difference in his or her disposable income. I would say that for the most part, unless one made a really big major purchase, one is not going to see it.

Government Orders

If one is in the position to make a purchase like that it is not for the most part where we need the stimulation in the economy. That is certainly not where we need extra money. We need more money in the hands of ordinary working Canadians. Those who do not have jobs need some means of having money in their pockets to survive.

The close to \$5 billion could have been far better spent on investments that would really improve the quality of life for all Canadians, not just the select few who are going out to replace their 50-foot yacht with a 60-foot yacht.

When the government talks about planning to do that again, I remind colleagues in the House that they are planning to do another cut sometime. Just remember, that as appealing as it might sound at first, taxpayers should ask themselves as citizens whether that last tax cut really improved life in any noticeable way, put any extra money in their pockets or allowed parents to give their kids a little extra money for what they need. These are the priorities for Canadians.

The next time we start talking about the second round, we intend in the NDP to ensure that we talk about not just how much it costs for this GST tax cut that is supposed to be coming but to also put beside that the alternative of what could be done with \$4 billion to \$5 billion a year at a time when so many Canadians are facing so many challenges. That money could be much better spent, much more along the lines of the NDP budget that we brought in a year and a half ago where we diverted money from profit-making corporations into investments in housing, education and in terms of environmental cleanup. Those are the priorities.

• (1340)

When we talk about this innocuous bill, it is important to talk about what is not in it that is both good and bad unless and until we get into committee and somebody points out to us a huge problem that we have not yet identified. And that could be, I say that very openly. Unless that happens for the most part, we have a bill that need not tie up this minority government and keep us away from the priorities that we have all identified, not the least of which is cleaning up the environment in Canada and ensuring that we have a national agenda that addresses properly greenhouse gas emissions.

Those are the priorities. The government has our support in principle at this point. However, on the notion of another GST cut, if there is \$4 billion or \$5 billion available in the budget, that money can go to more important priorities than just making sure that the very well off in the country get yet another tax cut.

That is not what is needed. What is needed is investment in the areas that we have responsibility for that can actually improve the lives of Canadians from coast to coast to coast. That should be the priority of the House. To that degree, we intend to move forward with that understanding on Bill C-40, unless of course things should change. As we all know, in a minority Parliament they could.

• (1345)

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, when the member talks about how little the two cent cut was in GST, I would like him to come to Saskatchewan and tell our premier that. His gift to the taxpayers of Saskatchewan was to close hospitals and

shut down schools, and the roads are turning into prairie trails. What did our premier do? He took two cents off the sales tax and never made investments back into our province.

While our population is declining and our producers are having a difficult time with some of the difficulties with our agriculture safety nets, our premier does nothing but take two cents off the PST, the provincial sales tax. How does that square up with the member's philosophy?

Mr. David Christopherson: Mr. Speaker, inasmuch as she might like to have a provincial debate on Saskatchewan here on the floor of the House of Commons, that is not going to happen. The reality is that the governments in the provinces will govern as they deem in the best interests of their citizens.

However, let me say two things. First, it does not change one bit the fact that in our opinion, as the national NDP caucus, if we had up to \$5 billion to invest, it would not be in a GST tax cut. That would not be our priority. There are other priorities for Canadians. Second, in terms of the agenda of the Government of Saskatchewan versus the agenda of the Conservatives of Canada, I will take the NDP agenda in Saskatchewan 10 times out of 10 over this agenda.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, the member mentioned the GST and I would like to ask him a short question. When the 1% cut in GST came in for low income people who could not afford to spend money on things to reap that benefit, it was not that helpful. However, the day the GST cut came in the income tax went up for low income people from 12% to 12.5%. I would like to ask the member, does he think that was fair, was that in the spirit of the generosity of Canada, and was that was good public policy?

Mr. David Christopherson: Mr. Speaker, I would agree with the member that if we look at what has happened overall in Canada in the last 10 to 15 years, there was a major article over the weekend either in *Maclean's* or the *Toronto Star*. It might have been by Thomas Walkom. It was really good and talked about—

Some hon. members: Oh, oh!

Mr. David Christopherson: Mr. Speaker, some of the government members are laughing and they would when these sort of things come up and we talk about unfairness because, quite frankly, if I were on the side that had everything, I would laugh if I heard someone representing the other side because we would not want it to take hold would we? The reality is that in Canada under the Conservatives and the Liberals, the old adage—and it is old—still rings true: the poor are getting poorer and there are more of them, and the rich are getting a lot richer.

The tax cuts that have taken place in the last decade in most governments have benefited the very wealthy far more than they have benefited the poor. When the government talks about tax cuts, nine times out of ten the real benefit is for those who already have. It is so tough for an ordinary working family, let alone someone who is in poverty, who cannot find employment, who cannot find hope anywhere, to have a voice in this place other than the odd little crumb that gets tossed overboard and the government says, "See? We care about the poor".

Government Orders

What we really need is fundamental change in terms of fairness. The question is, is everybody in Canada being treated fairly by our tax system? The answer is no.

As we see the Conservative government's agenda so far and its plans going into the future, I say to the hon. member who asked me the question that they are not going to change. They are not going to benefit the very people he was asking about, but indeed, the government will take care of its Conservative friends. It will make them very happy and will help them to continue putting money into their war chest and hence the laughter and hence the Conservative agenda.

The poor are not served well—

• (1350)

The Acting Speaker (Mr. Andrew Scheer): Order. Questions and comments. The hon. Parliamentary Secretary to the Minister of Public Works.

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I believe that in 2007 the NDP is going to celebrate the 75th anniversary of the creation of the CCF and the NDP. I want to congratulate the member for Hamilton Centre for giving a speech demonstrating why in 75 years the NDP has never formed the government of this country.

He mentioned the fact that in our budget we cut the GST. We did and we are proud and we are going to do it again.

In our budget we cut taxes 29 times, and it was not just cutting the GST. We did help families, the very people that he brags and talks about, people who need help and who need support from the government. We are standing up for them.

I know for a fact that my sister and my little niece, Abby, love the fact that our government is giving her \$1,200 a year. Our family loves the fact that they are going to get \$500 to alleviate the costs of amateur sport. Businesses in my riding love the fact that they are going to get the tax credit necessary to help trades.

We had 29 tax cuts to help small businesses, to help families, to help kids, and to do the things that this country needs to keep moving in the right direction.

In 75 years the NDP has been wrong in every major economic decision in this country. The NDP was on the wrong side of the free trade agreement, the wrong side of NAFTA, the wrong side of this budget, the wrong side of tax policy. I congratulate the NDP for pointing that out so those members can stay in that little corner over there for 75 more years.

Mr. David Christopherson: Mr. Speaker, that is interesting and it is fun and I appreciate the time that the parliamentary secretary has taken, but there are a couple of things.

First of all, your \$1,200 a year, sure, who is not going to be happy if they get a cheque for 1,200 bucks a year, \$100 a month? Are people going to say no? But that does not address the need that hundreds of thousands if not millions of women in particular are facing in terms of trying to find adequate, healthy child care that is affordable so they can go on and build the kind of life that you

already have. Your \$1,200 was a buy-off. It was not a child care system.

The Acting Speaker (Mr. Andrew Scheer): I remind the hon. member that it was not my \$1,200. The member should address his comments through the Chair and refer to the hon. parliamentary secretary by either his title or by his riding name.

Mr. David Christopherson: Thank you, Mr. Speaker, I am sliding back into Queen's Park ways. I apologize and will try to be more vigilant.

The member talked about the fact that he is pleased we are over here and that we have not formed the government. We would have liked that opportunity and we still strive toward that, but were it not for a small and sometimes smaller NDP caucus in this House, were it not for the fact that the NDP and the CCF were here, we would not have the Canada pension plan. We would not have our universal health care plan. We would not have an employment insurance system that is meant to help unemployed workers.

Some hon. members: Oh, oh!

Mr. David Christopherson: Mr. Speaker, there they go again. The government members are laughing again, but it is not that funny to the Canadians who benefit from those programs, because the Conservatives are not going to lead on those issues. That is why it took the NDP and the CCF being in the House to bring about those changes that affect the lives of hundreds of thousands of Canadians.

Whether or not we ever end up in the cabinet room, I am a proud New Democrat. I am proud of the impact we as a small caucus have had on the national agenda in helping millions of people who otherwise would not have a voice in this place.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, my hon. colleague mentioned the visitors GST rebate program and the fact that it is going to be scrapped. Some correspondence which has come to my desk recently from a small businessman in my riding says that according to a study the government will actually be losing money and not saving money on this program.

I wonder if the member could comment on this, please.

• (1355)

Mr. David Christopherson: Mr. Speaker, that is why I commented earlier that it makes no sense to do this. It makes no common sense; it makes no dollar sense.

The reality is that the amount of money involved is relatively small when we talk about the GDP of Canada or our national budget. Its impact from a marketing point of view, its impact in terms of making Canada an appealing destination point for a whole host of reasons including conferences, conventions and outright tourism means that this was a non-starter.

All we can hope for is that given it is not in the bill, the government has reconsidered and it will not be brought in as it is a bad idea from all perspectives.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, for a while I thought the NDP was going to claim authorship of the Constitution and one of the books of the Bible.

*Statements by Members***STATEMENTS BY MEMBERS**

I am pleased to continue the debate on Bill C-40. It is a tax amendment bill. Many have called it a technical amendment bill and it certainly is that.

One of the points I would like to make is that it is never possible to make tax policy changes in a vacuum. Even though this bill may be regarded as technical, Parliament must always be vigilant, as should taxpayers, to make sure that tax changes, however small they are said to be, do not radically change the strategic direction of tax policy unless it is the will of Parliament to do so.

On at least three occasions not involving this bill, the government appears to have made three separate policy moves to alter tax policy, I feel, in a vacuum, in a way that has had negative impacts.

One of them was the possibility of revoking the GST rebate for visitors. Reference has already been made to this. The government appears to have walked from that, but the very fact that the statement was made may have altered the perception of visitors to Canada and travel agents who organize visits to Canada. That was a mistake, frankly. The amount collected in that tax is relatively small.

I realize one of the reasons for considering the revocation was the extent to which fraud had taken up some of those resources, but again, it is a small amount of money and it is probably worth the enforcement costs to make sure our visitors feel they are welcome in Canada and welcome to spend here in Canada. That was a mistake.

Another mistake, as my friend from the NDP discussed at some length, was the 1% reduction in the GST. That reduction is small to many Canadians. One could class that GST 1% reduction as regressive because it is the big spenders who will get the biggest tax reduction. If one lives hand to mouth in Canada, if one is not spending big bucks, if almost all of one's money goes out for rent and food, then 1% of nothing is nothing. There is no tax rebate available to those people. Maybe the government would rather have the photo op and the glamour tax reduction statement instead of really considering the tax impact on individual Canadians.

The third mistake had to do with the taxation of unit trusts. In a flagrant, obvious, blatant reversal of an election promise, one Friday afternoon the finance minister announced that the government would terminate the tax vehicle known as the unit trusts. This had huge downside financial implications for thousands of Canadians who had put their savings into unit trusts relying on that commitment and the existence of the tax interpretations. This issue is being canvassed at this time by the finance committee.

These are all examples of why Parliament cannot let a government make tax policy decisions in a vacuum. One has to look at the entire picture.

Mr. Speaker, I realize we are getting close to members' statements. Perhaps this might be a point when we could pause and I will resume my remarks later.

• (1400)

The Acting Speaker (Mr. Andrew Scheer): I appreciate that from the hon. member. The hon. member will have approximately 16 minutes at the end of question period to resume his remarks.

[English]

SRI LANKA

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, the Government of Canada deeply regrets the return of active conflict in Sri Lanka and the consequences this has had for the safety of civilians. Canada has expressed these concerns to the Sri Lankan government.

The Sri Lankan president has created a commission of inquiry to investigate these reports. He has also agreed to the establishment of an international independent group of eminent persons to ensure that the work of the commission remains transparent, objective and credible.

The Minister of Foreign Affairs has accepted an invitation for Canada to participate in this initiative and has named Professor Bruce Matthews, a world renowned scholar and an expert on the nexus of religion, ethnicity and conflict in Sri Lanka, as the Canadian candidate to this group.

Canadian participation in the eminent persons group represents Canada's support for the Sri Lankan peace process through promotion of accountability and respect of human rights.

* * *

HEALTH

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, "Out of the Shadows at Last", is an appropriate title for the Senate report dealing with the important issues of mental health, mental illness and addiction. The time has come for these issues to move to the front of the agenda of Canadian health concerns.

The Senate report calls for three key recommendations to be implemented: the establishment of a Canadian mental health commission; the establishment of a mental health transition fund; and increased support for research funding. The report also spends much time examining the issues specific to the mental health status of women, aboriginal people, children and youth, seniors and Canadian Forces members.

I add my voice to those of the Canadian Psychological Association, the Canadian Mental Health Association and the Canadian Alliance on Mental Illness and Mental Health in applauding the recommendations included in this report.

I urge the government to act on the report and, indeed, move the issue of mental health out of the shadows and into the light.

Statements by Members

[Translation]

LANAUDIÈRE CENTRE FOR INNOVATION IN FOOD PROCESSING

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, last spring, the Lanaudière regional cegep in Joliette, the Lanaudière bio-food development board and their partners launched the Lanaudière centre for innovation in food processing. I would like to salute this initiative, which will promote local products, create quality jobs and offer a high-level service to all regional food processing companies.

The mission of the Lanaudière centre for innovation in food processing is to support the start-up, growth and development of regional agri-food businesses. Its work will take place in the cegep's agri-food facility.

Congratulations to everyone working on this initiative. The Bloc Québécois hopes that it will be a long-lasting one.

* * *

[English]

NATURAL GAS

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, the Prime Minister has repeatedly said that Canada is an energy superpower and has created a powerful cabinet subcommittee on energy security. However, it is clear what the Conservatives are saying on energy in Canada is not what is being said by government agencies here and abroad.

I just returned from Russia and was briefed there by our embassy. It is saying that Canada is running short of natural gas and needs to import liquefied natural gas. Imported Russian LNG is not a secure form of energy. Hardball energy politics are part of the Russian play book. This imported natural gas will also hurt ordinary working Canadians who earn a living in our oil and gas industry.

For the Northwest Territories, Russian LNG means direct competition for Mackenzie Valley natural gas. For the residents of Lévis, Quebec, Russian LNG represents an unacceptable environmental hazard in a terminal. For all average Canadians, Russian LNG means higher taxes as the government makes no money on it, unlike Canadian gas.

Without any process or plan, the Conservatives want—

The Speaker: The hon. member for South Shore—St. Margaret's.

* * *

SIX STRING NATION

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, I rise to speak about the Six String Nation. It started as an idea by Jowi Taylor on the eve of the 1995 referendum and became reality at the hands of master luthier George Rizsanyi of Pinehurst, Nova Scotia. George took this great idea and built a guitar called the Six String Nation, made from the spirit of Canada.

I had the great honour of watching this guitar being crafted in George's workshop. Over 60 pieces of Canadiana are included in its design: a piece of the Golden Spruce from Haida-Gwaii; a piece of Paul Henderson's hockey stick from the 1972 series; a board from the oldest Acadian house on P.E.I.; Maurice Richard's 1955-56

Stanley Cup ring; Trudeau's canoe paddle; decking from the Bluenose II; and a piece of Sir John A. Macdonald's sideboard.

The Six String Nation is coming back to Ottawa this Thursday and will be in room 238-S from 3 p.m. to 5 p.m. Take a moment to see this guitar for, as George has said, “the voices of each story combine as it is played and he hopes that it will give Canadians a sense of the richness of their own country”.

* * *

● (1405)

CHILD CARE

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, people in the riding of Churchill have had a resounding voice on the issue of early learning and child care. As we near the end of this fiscal year, it marks the end of the funding which had been delivered through the past Liberal government's national early learning and child care strategy.

The minority Conservative government has chosen not to honour those agreements and therefore Manitoba and families in the Churchill riding are deeply concerned, frustrated and outraged.

The Conservatives have failed to meet the needs of Canadian families and have not come forward with any concrete plans to ensure choice in early learning and child care as there are no plans to ensure spaces.

Not only are families and communities under provincial jurisdiction affected, but those in first nations are as well. In the Churchill riding there are 33 first nations and they had their early learning and child care funding cut without any dialogue with the government on the issue.

The Conservative government gives little with the one hand and takes lots with the other. It has not provided child care choice for the people in the Churchill riding.

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ARCHBISHOP OF TORONTO

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, today the 1.6 million Roman Catholics of the greater Toronto area officially welcome their new Archbishop, Thomas Christopher Collins, who was consecrated as Archbishop of Toronto at an installation mass in St. Michael's Cathedral today.

Archbishop Collins was appointed by His Holiness Pope Benedict XVI in December to be the 10th Archbishop of Toronto. As Canada's largest Roman Catholic diocese, Toronto has 223 parishes, where holy mass is offered on altars in more than 30 languages each, including Latin.

Statements by Members

At a time of great social change, there is an increased need for the church to instruct the faithful, minister to the needy and strengthen the family.

We pray His Grace will have the strength in his office to follow St. Paul's instruction to St. Timothy:

—proclaim the message and, welcome or unwelcome, insist on it. Refute falsehood, correct error, call to obedience – but do all with patience and with the intention of teaching.

Canada's new government sends its greetings and says, *Ad multos et faustissimos annos*, Your Grace.

* * *

[Translation]

POST-SECONDARY EDUCATION

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, the daily newspaper *La Presse* reported that Quebec's cegeps are facing a \$305 million shortfall. The fact that these educational facilities are in dire need of cash is proof positive that the need is in Quebec while the money is in Ottawa.

Despite the Conservatives' wonderful promises, the government has not done a thing to correct the fiscal imbalance.

The province is not asking for much; it wants transfers for post-secondary education. Transfers should already have been raised to 1994-95 levels: \$5.1 billion for the provinces including \$1.2 billion for Quebec.

Transferring the \$1.2 billion the Bloc Québécois is asking for would be a first step toward correcting the fiscal imbalance. Without it, our cegeps, colleges and other post-secondary educational institutions will continue to experience hard times.

* * *

[English]

THE ENVIRONMENT

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, Benjamin Franklin once remarked, "well done is better than well said". When it comes to the environment, the government has done well. We have turned words into action and are bringing about a cleaner and greener tomorrow.

To promote smarter use of energy, we are investing \$300 million. To develop clean energy technologies, we are investing \$230 million. To boost Canada's supply of renewable energy, we are investing \$1.5 billion. To get people out of their cars and into public transit, we are providing a tax credit of \$350 million. To clean up one of the most toxic sites in North America, the Sydney tar ponds, we are investing \$400 million.

We are removing the equivalent of 1.3 million cars from the road by requiring a 5% renewable fuel content. We brought in tough new regulations on 18 declared toxic substances.

After more than a decade of inaction, of words without deeds, rhetoric without results, Canadians finally have a government that is getting the job done on the environment.

● (1410)

[Translation]

EVA BEAULIEU

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, on January 14, I had the honour of extending my best wishes to Eva Beaulieu on the occasion of her 100th birthday, which she celebrated on January 15.

Mrs. Beaulieu, who had 18 children, now has 51 grandchildren, 97 great-grandchildren and 17 great-great-grandchildren, with an 18th on the way.

Along with many others, I was inspired by Mrs. Beaulieu's remarkable fortitude and energy and her kindness. In addition to being a full-time mother, Mrs. Beaulieu found time to join the Dames fermières for many years. Her hobbies include knitting, weaving, sewing, crochet and even cooking.

On this singular and happy occasion, the people of Madawaska—Restigouche join me in wishing Mrs. Beaulieu a happy birthday. We wish her continued good health so that she can keep on charming us with her strength and her dignity for many more years to come.

Congratulations to an amazing woman.

* * *

LEADER OF THE LIBERAL PARTY

Mr. Luc Harvey (Louis-Hébert, CPC): Mr. Speaker, while our government is keeping its promises and avoiding scandal, the leader of the Liberal Party is constantly changing his stand on a number of important issues for Canadians.

Just two months after becoming the party leader, the member for Saint-Laurent—Cartierville seems to have fallen into the same old Liberal habits that were criticized by the Gomery commission.

The same member who supported the mission in Afghanistan when the Liberal Party was in power is now opposed to the Canadian mission. The leader initially said that he would raise the GST, but then recanted. On the environment and the Kyoto protocol, the man who has trouble setting priorities used to say that Canada would not be able to meet the targets. Now he is saying the opposite.

How can Canadians trust a party leader who changes his mind as often as he changes his shirt?

* * *

[English]

SOFTWOOD LUMBER MILLS

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the Western Forest Products mill in New Westminster is closing on February 7. Unless the government steps in to clean up the mess created by the softwood sellout, another 300 families will lose their breadwinner and 1,000 jobs will be lost indirectly.

The softwood lumber sellout has resulted in the hemorrhaging of thousands of jobs throughout Canada. It is hard to keep up with the mill closures and layoffs.

Statements by Members

The Conservatives, with the support of the Liberals, have bolstered the incentive to export raw logs and give away Canadian jobs. Some CEOs receiving partial payback of the illegally taken monies are using it to buy American mills instead of reinvesting in communities here. What a mess!

The NDP calls on the government to immediately begin to clean up the mess it created, stop raw log exports from federal lands and implement now an emergency plan to assist softwood mills to stay open.

We demand that the Minister of Industry do his job and take action to prevent the closure of Western Forest Products and so many other mills in Canada.

* * *

OLD AGE BENEFIT

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, during my travels across Canada and within my riding of Brampton—Springdale, I have had the chance to meet with many seniors who have expressed serious concerns regarding the old age benefit.

Depending upon their country of origin, some seniors have to wait up to 10 years before receiving the benefit while others receive the old age benefit immediately. This practice is unjust, unfair and discriminatory.

We, as a country, have always promoted equality and acceptance and hence should not have two classes of seniors who are eligible for the old age benefit.

Regardless of their country of origin, all seniors must be treated with the same equality, fairness and respect. Many of our new seniors are living in poverty due to these long and unfair requirements.

I urge the government to act quickly on behalf of seniors and organizations like the Old Age Benefits Forum and grant old age benefits to all Canadian seniors, regardless of their country of origin, and remove the discriminatory condition of 10 years.

* * *

[*Translation*]

HRANT DINK

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, the assassination last Friday in Istanbul of Hrant Dink has shaken both Turkish society and the entire international community. Mr. Dink, a Turkish journalist of Armenian origin, was a staunch defender of democracy in Turkey and long-time activist for the recognition of the Armenian genocide.

Orhan Pamuk, the great Turkish writer who won the Nobel Prize for Literature, after being prosecuted for explicitly insulting Turkishness and the Turkish nation, said that perhaps he should be worried, since the Turkish-Armenian journalist Hrant Dink was tried before the same court for the very same crime and was convicted. He said, however, that he remains optimistic. Mr. Dink spent time in prison, but the State did not pursue Mr. Pamuk, even after he also said that a million Armenians and 30,000 Kurds were killed in his country and he is the only one who dares to talk about it.

The Bloc Québécois hopes that Hrant Dink did not die in vain and that the indignation provoked by this assassination will help the Turkish people to be more accepting of differences.

* * *

• (1415)
[*English*]

GTA'S MOST WANTED

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I would like to take this opportunity to inform the House about a grassroots initiative aimed at tackling crime in the greater Toronto area.

Last week I attended a launch of a new local TV program on Rogers Television called *GTA's Most Wanted*.

Rogers Television in partnership with the Peel Regional Police and other GTA police agencies are working together to profile wanted criminals and unsolved cases. Up to 250 criminals wanted for murder, kidnapping, robbery and other crimes will be profiled to the local public in the hopes of drawing their assistance. Citizens will help police agencies track down dangerous outlaws and bring them to justice.

In order to capture criminals, I believe we need to engage the Canadian public. Therefore, I fully support this project and hope the House will join with me in endorsing this initiative and recognizing the efforts of Rogers Television and GTA police agencies.

* * *

THE ENVIRONMENT

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Mr. Speaker, I want to take this opportunity to address an inconvenient truth, not the movie but rather the inconvenient truth about the opposition leader's record on the environment.

The previous Liberal government talked a good game when it came to the environment but the truth is that in 13 years it did not get it done.

Under the Liberals' watch, greenhouse gas emissions rose to an astonishing 35% above Canada's Kyoto targets. Under their watch, Canada slid to 28 out of 29 OECD countries in air quality rankings. Under their watch, Canada set records for the number of smog advisory days in our cities.

Canadians are demanding action and finally getting it from a new Conservative government that in just one year has established a reputation for action on the issues most important to the people we represent.

Wearing a green scarf does not make the Liberal leader an environmental champion any more than wearing a blue and white jersey and a foam finger makes a 40 year old with a beer gut the captain of the Maple Leafs.

As for the opposition leader's now famous dog named Kyoto, my seven year old daughter could name every one of her stuffed animals A-plus but she would still have to take responsibility if she earned an F on her report card.

*Oral Questions***ORAL QUESTIONS***[English]***THE ENVIRONMENT**

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, in 2005, the Liberal government tabled what Elizabeth May, now leader of the Green Party, called “the greenest budget since Confederation”. It was a budget which, according to the Clean Air Coalition, was “so green that it should have been announced on St. Patrick's Day”.

If the Prime Minister cut and slashed the programs that came with this green budget, is it not because he has always been a climate change denier?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the only person in the House of Commons denying something is the leader of the Liberal Party who is denying his own record on the environment.

The fact of the matter is that the programs the hon. member cites, as the Minister of Natural Resources said yesterday, the Liberal Party actually never got around to delivering on those either, as it did not with so many things. In fact, the former commissioner of the Environment said that his plan was “not up to the task of meeting the Kyoto obligations”.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, in April 2005, the Liberal government launched a plan to fight climate change, project green. This plan was described by the Sierra Club as “probably the most innovative approach anywhere in the world for a government to actually reduce emissions”.

When he came to power, the Prime Minister killed project green and cut and slashed the programs that the Liberals had put in place to fight climate change. Is it not because he has always been a climate change denier?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again the Leader of the Opposition talks about coming up with a half-baked plan in 2005. He signed the Kyoto accord in 1997. Why did it take him eight years to come up with a plan that did not get the job done? It is because he did not do it.

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, this is the first time that the Prime Minister recognizes that there was a plan in place in 2005, a plan which he killed. He also killed something else, which has grave consequences for humanity. In December 2005, representatives from the world over gathered in Montreal, under the aegis of the United Nations and Canada's chairmanship. Approval for the Montreal action plan on climate change was worldwide. Yet, this Prime Minister killed the plan, ridiculed Canada in Nairobi—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the only one denying anything is the leader of the Liberal Party, who is denying his environmental record. The conference and the plan he launched were all talk no action. The former Commissioner of the Environment and Sustainable Development commented that the measures contained in his plan were

insufficient to meet Kyoto requirements. He had a job to do with respect to the environment and he did not do it.

[English]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, members of the NDP say that they support the Kyoto protocol while the government has spent years fighting it. These allies are now partnering to tinker with the clean air act. They say that they support it. Why are they supporting this law? Nothing good can result from this marriage of convenience.

Will the government commit to a plan that honours its Kyoto obligations?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, in recent years, Canadians became very used to Mr. Dithers, the leader of the Liberal Party. Now we see Liberal members showing up at committee and what we have is Mr. Delay. They want to study it for months. Canadians have had enough of that.

I wanted to look for some wisdom on Kyoto to find out what Kyoto was all about and here is what I found:

I think our party has got into a mess on the environment. As a practical matter of politics, nobody knows what (Kyoto) is or what it commits us to.

Does the House know who said that? The deputy leader of the Liberal Party said that.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, we at least have a plan. They do not have any with respect to the Kyoto protocol. Every major greenhouse gas can be regulated nowadays through the Canadian Environmental Protection Act. No new piece of legislation is required in order to act now.

Why does the government not use the existing legislation to put a cap on greenhouse gas emissions?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, this government developed the Canadian clean air act. For the first time in this country's history, three months ago, we announced our intention to regulate our industries. We are currently working on that.

While the Liberal Party was holding meetings that would go on and on for months, this government was busy developing these regulations because it is serious about reducing greenhouse gas emissions, a little known concept on the other side of the House.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, a recently released report mentions that the government is hoping to increase fivefold its production of oil from the tar sands, in order to supply the United States. The Prime Minister has accused the previous government of being behind this report. The real issue is not who is behind the report or not, but whether the Prime Minister agrees with its content, as suggested by the Minister of Finance and the Minister of Natural Resources.

Will the Prime Minister tell us if he agrees with the report that was released on oil production in Alberta?

Oral Questions

• (1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, everyone knows that the Bloc Québécois leader is referring to a program that aired on Radio-Canada, where it was said that this government had organized a meeting with American and Canadian oil companies. We know that this meeting was organized by the former government.

It is important that the House of Commons does not become a free zone open to speculation.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if the Prime Minister does not want speculation, he should simply answer the question. Then things will be clear and there will be no speculation.

He is accusing the Liberals of being behind this report. Fine. But let him show us how he is different from the Liberals. Does he agree with the report which, he says, was prepared by the Liberals? Are they both the same, or are they different? Let the Prime Minister provide an explanation and there will be no speculation. It would not be a bad thing if this place were a free zone.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Bloc Québécois leader is illustrating what is different with our government. The difference is that the Minister of Natural Resources announced new funding for the capture and sequestration of the carbon released by the production of oil from the tar sands. When it comes to the environment, our government is doing its job.

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, five times the development of the Alberta oil sands means five times the pollution. And five times the pollution means five times the cost of cleaning it up.

How can the government allow the oil companies and Alberta to continue adding so drastically to the environmental clean-up costs, when Quebec will have to help foot the bill?

[*English*]

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, for the record, all new projects, anywhere in Canada, are required to go through environmental assessments, and that will continue to be the case.

However, this government is taking immediate action. We announced \$230 million in our ecoenergy technology initiative as a direct investment to start moving forward an exhilarating CO₂ capture and storage. This shows great promise of capturing greenhouse gases and putting them back down in the ground where they came from. What we should be working on together is to reduce greenhouse gases. I look forward to the member's constructive support and her ideas on how to accelerate this—

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

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, when it comes time to pay for the damage done to the environment, it seems to me that those who became rich while contributing to pollution should have to pay the bill.

How can the government ignore this principle when it come to the oil companies and Alberta?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the only real issue is this: if the Bloc Québécois thinks that the tar sands are so terrible, why is it asking that the revenues generated by the tar sands be included in equalization payments?

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, a UN report predicts that, by the end of the century, sea levels will have risen by a half-metre. It is time to act. However, the other political parties rejected the tight schedule proposed by the NDP, and supported by environmental groups, to take action.

Is the government serious about this issue, or does it prefer to wait for some time to help its friends from major industrial polluters?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary. We are the first government in the history of this country to propose concrete action to deal with air pollutants and greenhouse gases.

We hope that the House will act and adopt this bill.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, for 12 months the Conservatives have delayed action. It was 156 months of delay with the government before them. Yesterday both of them were working together with the Bloc to make sure there would be even further delay. Now we are going to have to wait months before there is a report from the special committee dealing with the crisis of climate change: some crisis in their eyes.

Why will the Prime Minister not simply stand up and tell his members here to get to work, produce results and stop letting down Canadians?

• (1430)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I say once again that this is the first government in history to say that it is moving forward with a comprehensive plan to regulate and reduce air pollution and greenhouse gas emissions across the country. We want to see this job done, for my children and for everyone's children, and I would urge all members of Parliament to work to pass the legislation.

[*Translation*]

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, Canadians remain skeptical about the Conservative government's sudden conversion as far as environmental issues are concerned.

Will there one day be a “road to Kyoto” like the road to Damascus? It will be very easy to see whether the government's green claims are sincere. Canada ratified the Kyoto protocol. We therefore have international obligations.

Is the government prepared to recognize, in Canada's Clean Air Act, all of Canada's obligations under the Kyoto protocol?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, this government is very aware of the concerns of Canadians when it comes to the environment. It heard the last government talk about the environment a lot and make many promises, and saw it hold many meetings, but never saw it follow through with real action.

Oral Questions

We in the government, on this side of the House, accept our responsibilities, including our role in the global effort to reduce greenhouse gas emissions. We are very aware of the importance Canadians place on air quality.

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, let us be clear. Under the Conservatives there is no Kyoto protocol, no green plan, no green budget, no emissions ceiling, no carbon exchange, not even any reports to NAFTA. In short, no action and no results.

A year later, what is this Conservative minority government waiting for to take action? This government is not so new any more. Will the Prime Minister finally show some leadership and respect the Kyoto protocol commitments?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, it is very clear that this hon. member was a member of the cabinet that did absolutely nothing for 10 years to reduce greenhouse gas emissions. In fact, these emissions increased by more than 30% under the Liberal government.

Our government has taken real action. We have indicated our intention to regulate industry to reduce greenhouse gas emissions and to improve air quality. We made a proposal in a special committee of this House, and what we saw yesterday is that the Liberal Party wants to continue to be all talk and no action.

[*English*]

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, on oil sands expansion by 2015 the Prime Minister has touted an increase in production of three to four times. His finance minister, while in China, was even more specific, targeting a rise in production of 4.6 times the current output.

Let us be clear on the implications. With these increases, the Prime Minister is preparing for greenhouse gas emissions to skyrocket. We will have no reductions by 2020 and we will have given up on our international Kyoto commitments. How will the Prime Minister meet even his inadequate, distant targets with his aggressive plan to exploit our natural resources?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, maybe the member opposite could explain to the House what went on at these meetings. These meetings were first organized by the Liberal Party when it was in government. We would like to learn more about that. Let us look at what the then minister of natural resources said:

The opportunities for Canadians in dealing with the energy supply situation in North America are wonderful.

Who said that? The member for Wascana. It was his plan.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, what is wonderful is the opportunity to manage them properly, not multiply them times five.

Any credible plan to address the crisis of climate change includes participation in Kyoto, yet Canada has a Prime Minister who spent his entire career fighting Kyoto and denying the science of climate change.

Now we learn that in 2002 the Prime Minister wrote a fundraising letter calling on his supporters to wage war on Kyoto, imploring them to “block the...economy-destroying Kyoto Accord” and saying

that Kyoto is “based on...contradictory scientific evidence about climate trends”.

When it comes to Kyoto, is this the Prime Minister's version of getting the job done?

• (1435)

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, there is nothing about what happened at these meetings that the Liberals organized with the Bush administration, and Canadians want to know what the then minister of the environment knew. If he did not know, why was he so out of the loop?

This government is prepared to take real action so that Canada can do its part in reducing greenhouse gas emissions and so Canada can accept its responsibility to have cleaner air in this country. What we did not want to do is send a \$5 billion cheque to where no greenhouse gases would be reduced, over to Russia, to China or to India, which was the cornerstone of the Liberal hyperbole.

[*Translation*]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, in the matter of oil sands development and reduction of greenhouse gases, the federal government wants to apply the polluter-paid principle.

Why is the federal government refusing to apply the territorial approach which would make it possible, when distributing the Kyoto targets, to make polluters pay rather than having others foot the bill?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, our government was very clear. We made an announcement last October. We have worked very hard in the last four months to draft regulations for each sector of Canadian industry. This sector will be included with all Canadian industries. That is very important.

We have had very good consultations with industry and the environmental groups. In the next few weeks and months, there will be real action in this very important file.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, in this House we continue to wait for real action.

The Conservative government constantly tries to differentiate itself from the previous government.

I would ask the minister, if he truly wishes to set himself apart from the previous government, why he does not agree to pay to Quebec the \$328 million needed to put in place its plan for achieving the Kyoto targets. That would set him apart from the Liberals.

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, I was very aware of provincial needs in this important file.

Oral Questions

After my appointment as Minister of the Environment, I called my Quebec colleague, the provincial environment minister, and told him that I was quite open to meeting with him and hearing about his province's needs. I also want to hear about what they want to do with this money, about the greenhouse gas reduction rates, and air quality. These are this government's two major priorities.

* * *

AEROSPACE INDUSTRY

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the Minister of Industry said yesterday that there was no question of interfering in the Boeing contract, which he described as a private contract. I want to remind the minister that the \$3.4 billion for the contract comes directly from the government. It is taxpayers' money.

When a contract for \$3.4 billion is awarded without going to tender, conditions can be imposed. Why did the government not require that Boeing guarantee that 60% of the economic benefits would go to Quebec, as the Government of Quebec and the people of Quebec have called for?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I would like to explain my role as industry minister to my opposition colleague. I think that it is misunderstood in this House.

Our role is to give our soldiers the best possible equipment, but also to secure high-quality economic benefits for Canada. What do we mean by "high-quality benefits"? Benefits that will enable Canadian companies to acquire new technologies, innovate and remain competitive on international markets. That is our role. We are going to act accordingly.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, why did the minister feel it was his role to require that the Boeing contract have economic benefits for Canada? Why does the minister set conditions when it comes to Canada, but refuse to set conditions so that Quebec reaps 60% of the contract benefits? Will he carry out his responsibilities as Minister of Industry and minister for Quebec?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, the aerospace industry in Quebec and Canada is one of the most productive in the world. The Bloc Québécois should understand that.

It is insulting to Canadian companies to say that CAE, Héroux-Devtech, Bombardier and Pratt & Whitney Canada are unable to compete for Boeing contracts. These companies are accustomed to competing on the world stage, and they will do so under the contracts.

* * *

•(1440)
[English]

CHILD CARE

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, I thank all members. Last night was a very special night and I can only wish one for everyone some day in their own way.

Some hon. members: Hear, hear!

The Speaker: We will start the clock now.

Hon. Ken Dryden: Mr. Speaker, real leadership is not just decisiveness. Most of all, it is direction, and to know a direction, one has to really believe in it, truly believe in it.

The Conservative child care plan, in every way, can only be understood as child care for those who do not believe in child care. It does not work. It cannot work. Why does this government not tell Canadians what it really believes?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, this government believes in something the previous government did not believe in, which is having faith in parents. We believe in choice. Within five months of forming government, the Conservative Party started to deliver choice in child care. Today, 1.9 million children receive cheques of \$100 a month.

Thanks to the vision of this Prime Minister, we are delivering choice for child care. That is what we promised.

* * *

GOVERNMENT POLICIES

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, this government has offered no choice whatsoever.

Yesterday the Leader of the Opposition asked the Prime Minister three times if he believed in climate change and three times the Prime Minister did not say, would not say. If we are going to meet the challenges of the environment, we have to really believe. It is too big, too hard and too long for simply political believers.

It is the same for child care, literacy, first nations, women and persons with disabilities: we have to believe hard to really get the job done. Does this government—

The Speaker: The hon. Minister of Human Resources and Social Development.

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I just want to point out that today in the House we are debating Bill C-36, a bill that will ensure Canadian seniors receive the guaranteed income supplement more easily than they have in the past, a bill that will ensure disabled Canadians will have a chance to receive disability benefits.

Through income splitting, pension splitting, raising the age credit and cutting the GST, we have done more in one year to help seniors than that government did in 13 years.

Oral Questions

[Translation]

AEROSPACE INDUSTRY

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, this morning, I looked up the definition of “insignificant” and I noticed a major omission. It should have read “See remarks of the Minister of Industry during yesterday's question period.”

With respect to the Boeing C-17 affair, the minister accused all ministers and leaders who wanted their share of spinoffs for the aerospace industry, especially those in Quebec, of patronage and political interference.

Does this mean that the Minister of Industry accused his colleague, Michael Fortier, of patronage yesterday?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I would reiterate that, unlike the opposition parties, we believe in the people, we believe in Canadians, we believe in entrepreneurs and we believe in Quebec's aerospace industry. Quebec will get its share of military contracts worth over \$13 billion. These companies are able to compete internationally and they can compete for the necessary contracts.

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, that means that every member of the Quebec caucus, including his friend Michael Fortier, is engaging in patronage.

[English]

If we want to talk about political intervention, let us talk.

The process to buy C-17s should have been open, transparent and fair from the start. Now we know the minority Conservative government has changed the rules to give a free ride to Boeing so that the Minister of National Defence could get his favourites. Something smells here. Somebody changed the criteria so that only one company would meet the new qualifications.

Who changed the rules at the last minute on the weight lifting capacity and who set a new schedule for delivery of the planes? Who gave the order?

• (1445)

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, I think he is going to win the actor's award.

Requirements are set by the military and they go through a process from a desk officer all the way to the Chief of the Defence Staff, and then they come to me. At that point I get the requirements from the military.

The military requirement was not changed after the Chief of the Defence Staff gave it to me. By the way, the weight I think was 39 tonnes and the aircraft we eventually selected lifts 85 tonnes.

* * *

HEALTH

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, earlier this month the Prime Minister and the Minister of Health were in Toronto to announce yet another initiative with regard to patient wait times. After 13 years of empty promises from the Liberals and the doubling of wait times, the Conservative government is delivering for Canadian families.

Could the Minister of Health tell the House the details of this latest initiative?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, indeed the Prime Minister made the announcement indicating that 17 pediatric hospitals across the country from Halifax to Vancouver are part of this important initiative to reduce wait times for Canadian kids requiring medical care.

We are investing taxpayers' money, \$2.6 million, in a 15 month pilot project, the first pan-Canadian wait times information system to help kids who need surgery. We are acting. We are showing leadership. When the Liberals ran the government, they cut health care.

Ms. Penny Priddy (Surrey North, NDP): Mr. Speaker, public health advocates are worried about a wait times plan in Quebec that will have far reaching effects. The new legislation would create a new industry in Quebec: for profit hospitals being paid for by public money. The health minister must immediately take steps to protect our public medicare system. What action has he taken so far?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, as the Prime Minister indicated during the election campaign and as we have indicated as a government, we support the Canada Health Act and the principles of the Canada Health Act which include universal accessibility and universal coverage.

I had a conversation with my Quebec counterpart this morning. He is investigating the situation involving a Montreal clinic. I have every confidence that the Government of Quebec will support the Canada Health Act and universal accessibility.

Ms. Penny Priddy (Surrey North, NDP): Mr. Speaker, if this scheme is allowed to proceed in Quebec there is no doubt that the tide of privatization will sweep across Canada. The minister's actions speak volumes about the Conservatives intent on private health care. They are simply going to close their eyes.

Working families do not want the government subsidizing the privileged. Is this how the government is planning to reduce the wait time list, by privatizing it?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): No, Mr. Speaker. In fact, we are investing in the public health care system on behalf of the people of Canada to fix the mess that was there because of the Liberal government for the past 13 years.

That is what we are doing on this side of the House. We support the Canada Health Act. We support working with our counterparts including the Government of Quebec which is taking its responsibility seriously, which is more than I can say for the third party.

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AFGHANISTAN

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, yesterday the Minister of National Defence was not forthcoming with Canadians about the nature of Canada's mission in Afghanistan.

Oral Questions

Perhaps the Minister of Foreign Affairs can tell Canadians: Are we there to get retribution and revenge or are we there to destroy the Taliban and rebuild Afghanistan? Will the minister agree to our call for comprehensive parliamentary hearings on the mission to keep Canadians informed on an ongoing basis?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, of course we are there to help the people of Afghanistan. That is exactly what we are doing. We have in place an extensive network of NGOs working with Canadian officials on reconstruction, on efforts to elevate the people of Afghanistan in the areas of good governance, and in the areas of being able to provide more for their own in terms of education, policing, and building their own Afghan army capacity.

There has been ample debate here in this place. I am sure this will continue in parliamentary committees. We look forward to further debate and further discussion informing Canadians about the good work Canadians are doing in Afghanistan.

• (1450)

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, on January 20 the Minister of National Defence said “this government will not allow Canadians to be killed without retribution”. Yesterday in the House he insisted that he was right. These kinds of statements hurt the reputation of Canadians internationally. They undermine our efforts in Afghanistan to win the hearts and minds of the population.

Does the Minister of Foreign Affairs not believe that his government needs to clearly reject the views of the Minister of National Defence on this very issue?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, in keeping with the Afghanistan compact that has now been in place just over a year, we are seeing economic development. We are seeing development that is making an enormous difference in the lives of Afghans.

We are seeing young girls in school for the first time in decades. We are seeing more women accessing microcredit. We are seeing roads built. We are seeing water put in place. We are seeing all sorts of economic development, coupled with the infrastructure that the Afghan people need.

There are a lot of naysayers on the other side. The member opposite was there recently and saw with his own eyes the progress that is being made.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, it is very difficult to get the job done in Afghanistan when the government seems to be so unclear as to what the job is. Now we see an information strategy that is for five years. It goes right up to 2011. Will the job be done in 2011 or is there really no exit strategy at all?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, I answered this question yesterday, but I will answer it again. The military produced a campaign plan based on the Afghanistan compact and upon government direction. The Afghanistan compact is five years, but in the plan it says specifically that it is committed to the end of February 2009 and that is it.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, yet again the defence minister seems to be the face of our role in Afghanistan.

Therefore, why do we need information strategies? Why is the minister posting jobs for 80 image technicians in order to be able to explain to Canadians what we are doing there? When will the government join our call for full parliamentary hearings for all of the three d's of diplomacy, development and defence, so that Canadians can be part of defining our job there?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, the member opposite will certainly not be one of our image consultants.

The military, as I said, has built a plan. It has also built a communications plan because soldiers, when they return to Canada, unbridled, tell Canadians about their experiences. So far their experiences are quite positive. They believe in the mission and they believe in what they are doing.

* * *

[Translation]

AGRICULTURE

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, just before the holidays, the Minister of International Trade said, in a lengthy interview, that we need to get rid of supply management because it hindered international negotiations at the WTO. The Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board said the opposite to farmers.

My question today is simple. Who is presenting this government's real position? Is it the Minister of International Trade, who wants to get rid of supply management, or is it the Minister of Agriculture, who says he wants to keep it?

[English]

Hon. David Emerson (Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the Minister of Agriculture and Agri-Food and I have been fighting hard for supply management and for our agricultural sectors. We will continue to fight hard for our supply managed agricultural sectors.

I said that Canada was a trading economy and will always be a trading economy. There will be pressures in the future but we are going to fight in the meantime for our supply managed sectors.

[Translation]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, that is what the Minister of International Trade is saying today. However, in black and white in *The Western Producer*, just before the holidays, he said that the supply management system was putting the brakes on agricultural trade.

Is the real position of the government the one published in the December paper, or the one heard today out of the mouth of the minister? Farmers have the right to know who is telling the truth.

Oral Questions

●(1455)

Hon. Christian Paradis (Secretary of State (Agriculture), CPC): Mr. Speaker, I think the Minister of International Trade was very clear, as was the Minister of Agriculture. This government is in favour of supply management. Just this past weekend, my colleague, the Minister of Agriculture, reiterated the government's intention to support supply management loud and clear and this will continue to be the case.

* * *

[English]

CITIZENSHIP ACT

Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, the current passport fiasco could have been avoided. In the last Parliament all parties recognized the urgency to update the current, archaic and discriminatory Citizenship Act that does not recognize people married in religious ceremonies abroad and considers their children illegitimate. Had it not been for the defeat of the previous government, Canadians would now have a new Citizenship Act.

Will the Conservatives keep their promise to update the Citizenship Act in line with the Charter of Rights and Freedoms as they promised when they were in opposition?

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, the interim policy on same sex marriage has been annulled and Parliament voted on that issue. That is the law of the land and we believe it should apply equally to everyone.

* * *

AGRICULTURE

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, when it comes to farmers, the Liberals simply did not do the job. Even their own task force on agriculture admits that all they were able to accomplish after years in office was "a growing disconnect between them and rural Canada".

I know that the Minister of Agriculture and Agri-Food has his hands full with cleaning up this Liberal mess, but can he update the House with any new initiatives that the government has recently undertaken which provides much needed opportunities to our farmers and the agriculture sector as a whole?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, it is true, there has been an awful lot of work to be done that was neglected by the last Liberal government. In the past month or so we have announced over \$200 million for biofuels and another \$130 million for biomass research.

A week ago in Winnipeg I announced an additional \$134 million for agri-opportunities. That will take good ideas on agri-based products off the drawing board and into the marketplace faster. That will provide more markets for our corn, wheat and other products, and more important, it puts more dollars in the pockets of farmers.

It has been a long haul. We have had 13 years of neglect, but things are coming around.

HOMELESSNESS

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, after months of non-answers and evasiveness, federal homelessness funding was finally announced a mere 88 days before the previous programs were due to shut down with no commitment to when the new program will begin. Unfortunately, many homeless organizations like Street Help in Toronto are still facing phase-outs and shutdowns until the same program is re-announced under a new name and, I am sure, with much fanfare.

Why is this Conservative government so willing to leave homeless people out in the cold?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the government is concerned about homelessness, which is why, on December 19, we announced the homelessness partnering strategy, \$270 million over the next two years.

The member knows and I have spoken with her privately. I am concerned about the issue she has raised and we are seized with it. We are working on it and we will make an announcement in the near future.

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, it is all well and good, but the fact is, there will be money missing. There will be closures of homeless shelters. Outreach programs and homelessness prevention programs will shut down. The Conservative government is kicking dirt in the faces of people who cannot afford a home. That is not fair. That is not what ordinary Canadians want. They want their government to do something to help people who need it most.

Will the minister commit today to transitional funding that will ensure no homeless organizations will have to shut down?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I have told members of the NDP caucus on a couple of occasions now that we are concerned about this issue. We are working on it.

I can tell the member that the government is committed to making sure that we always have places for homeless Canadians. We want to resolve the problem and I would hope the member would try to work with us to resolve this issue.

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RIDING OF MISSISSAUGA—STREETSVILLE

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, today in the citizenship and immigration committee questions of political affiliation and participation were posed to Judge Raminder Gill. Mr. Gill was the Conservative Party candidate in Mississauga—Streetsville in the last election and had political aspirations to run again in the riding.

Will the Prime Minister today confirm that Mr. Gill was appointed as a citizenship judge circumventing the required screening in order to facilitate the member of Parliament for Mississauga—Streetsville joining the Conservative Party?

Tributes

How long has the Prime Minister and the member for Mississauga—Streetsville been cooking his defection to the Conservatives?

• (1500)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I know the members of the Liberal Party are very unhappy with the fact that the member for Mississauga—Streetsville found that his views did not find a home in the Liberal Party. I also know the member for Scarborough—Agincourt had difficulty asking questions that were in order in the committee.

However, it is quite clear that this government is reaching out to new Canadians. We see that on all fronts, which is why we had the positive outcome there. We welcome the member for Mississauga—Streetsville to our caucus.

* * *

[*Translation*]

FISHERIES AND OCEANS

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, the fishing industry in the Gaspésie and Îles-de-la-Madeleine region is undergoing drastic transformation.

Aquaculture represents one of the paths to the future, along with the exploitation of new species.

What does the Minister of the Economic Development Agency of Canada for the Regions of Quebec intend to do to help this industry?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, the Economic Development Agency is particularly sensitive to the needs of the Quebec regions, especially the so-called more vulnerable areas with declining populations.

As for the fishing sector, we know that there are fewer fish in Gaspésie at this time. Aquaculture is one of the key prospects for that region.

I was in that very area two weeks ago, confirming to the people there the launch of four aquaculture programs, totaling approximately \$981,000.

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GOVERNMENT PROGRAMS

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, the summer career placements program provides thousands of our young people with a rewarding first job.

Does the minister realize that by slashing this program's budget he is depriving thousands of students of potential income enabling them, among other things, to continue their education?

[*English*]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I find it interesting that we would get a question like this from the Bloc which, in the past, has called this program counterproductive and has said that it interferes with provincial jurisdiction.

I think that is very harsh criticism. I can say that this government is very interested in preserving jobs for students and in ensuring that not for profits are protected as much as possible from cuts that the Bloc, obviously, would inflict upon them if it were ever in that position.

* * *

LLOYD FRANCIS

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, 10 days ago, the Hon. Lloyd Francis died.

I have the honour, on behalf of the official opposition, to say a few words today in the memory of Lloyd Francis.

As has been said, his was a life of public service.

During the second world war, he joined the RCAF, where he served as a navigation instructor.

Post-war, he obtained a masters degree from the University of Toronto and a doctorate in labour economics from the University of Wisconsin.

After three years at the University of Buffalo, Lloyd and his first wife, Margery, returned to Ottawa to stay.

[*Translation*]

As a senior economist at Health and Welfare Canada, he contributed directly to the creation of the Canada pension plan. After that, he began his political career. After becoming president of the Professional Institute of the Public Service of Canada, an alderman and deputy mayor of Ottawa, he was elected Liberal member for Carleton in 1963 and won reelection in 1968, 1974 and 1980, that is to say every other election.

[*English*]

In his 15-plus years in this House, while always putting the interests of his constituents first, he was successively and successfully committee vice-chair, chair, deputy whip and whip of the Liberal Party, parliamentary secretary, Deputy Speaker and, finally, Speaker.

In 1984, Privy Councillor Francis became Canada's ambassador to Portugal, a position from which he retired to care for his ailing wife.

When Lloyd retired, he was active, both internationally as electoral observer and leader of delegations, and locally pursuing his hobby as a lapsmith.

Throughout his life, Lloyd was not one to stand on the sidelines and throw rocks. He got involved for the betterment of his fellow citizens and he never hesitated to give his frank opinion, quite often whether it was wanted or not. As for rocks, as we know, Lloyd did not throw them, he collected them.

Many referred to him as a maverick. I disagree. I worked with Lloyd in the early eighties and got to know him reasonably well, and better since.

Rather than being a maverick, Lloyd was an open book. Lloyd fought for his constituents and his city, period. There were no ulterior motives, no hidden agenda and no guile in him. What we got was the real thing, unsweetened and unfiltered; a sort of precursor to CPAC.

● (1505)

[Translation]

On behalf of all Liberal members and, I hope, all my colleagues in the House, I would like to tell his family what a big difference Lloyd Francis made to this place. He left a House that was better run, a deeply grateful civil service, a city that had expanded, a well represented country and a proud and loving family.

[English]

Only with time will Lloyd's exemplary life of public service be fully appreciated. Time will polish its many facets as he polished the facets of the treasures he found or created in his private and public life. We will remember him.

[Translation]

Mr. Royal Galipeau (Ottawa—Orléans, CPC): Mr. Speaker, this is the first time that I rise from my seat to speak as the servant of the population of Ottawa—Orléans.

[English]

Ten days ago, during the parliamentary recess, the Hon. Lloyd Francis, who was Speaker in 1984, succumbed to cancer at the age of 86.

In our thoughts, let us commemorate the service to Canada of a man from that remarkable generation who defended this country during World War II and who then continued with public service and public life in post-war Canada. He is among the brave men and women who built today's Canada.

Lloyd Francis worked on RADAR and trained navigators during his air force days, a vital building block in Canada's effort against Nazi tyranny. He then continued to build his city and his country.

Few know that Dr. Francis was an economist at the Department of National Health and Welfare and that he contributed to the design of the Canada pension plan.

[Translation]

Twenty years before my own election to city council, he was already serving the City of Ottawa as an alderman, commissioner and deputy mayor.

[English]

As a candidate for this House, he had a perfect record. He won the 26th, 28th, 30th and 32nd general elections and he lost the odd numbered elections in between. In this House he rose to the highest office, that of Speaker.

[Translation]

However, it was as Deputy Speaker that he truly made his mark. Along with the late Speaker Jeanne Sauvé, he focussed his efforts on reforming the administration of this House so as to make it more efficient and helpful.

Tributes

[English]

I knew Lloyd Francis. Lloyd Francis was a friend of mine. I did not serve in the same functions at the same time but we worked together. Together we fought certain parochial interests to relocate out of Ottawa a huge number of federal employees from the Department of Energy, Mines and Resources. It worked and his letter of thanks hangs on my wall.

Lloyd left Parliament in 1984 and yet for all of us he remains part of the House that we know today. His reforms live on.

[Translation]

His unfaltering commitment to the population of Carleton and Ottawa-West as well as to his colleagues in Parliament can serve as an example to us and to those who will come after us.

● (1510)

[English]

Today we extend our sympathy to my friends, Paul, Donald and Elaine Francis, and to their children and grandchildren. I also want to remember his late wife, Margery, who walked with me to cast my first vote in 1968. I offer my sincere sympathies and those of Canada's government to his widow, Mary.

Above all, we offer our thanks and the thanks of a grateful country. The Hon. Lloyd Francis set an example of public service to Parliament and to Canada.

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, as many of us, I did not have the privilege of knowing Mr. Francis personally, a man who had a long and successful career here in Parliament. However, one thing struck me most of all when I looked at his bio to prepare this tribute, and it was the number of elections in which he took part throughout his career, some of which he won and some of which he lost.

It does not take a long experience in politics to know how much courage it takes to go through such a long, successful and sometimes disappointing political career. He did a wonderful job, or so I am told, in the various parliamentary roles he was called upon to assume, including that of chief whip for his party, which is not an easy job. Those who are here know that. He was even named Speaker of the House of Commons, a most important position in Parliament. When a Speaker of the House of Commons passes on, it is just fitting to reflect on his contribution to parliamentary debates and to the issues of justice and equity among all parliamentarians. The only comments we hear about Mr. Francis are that he was a good man and a fair man and someone who was reasonable in applying the rules of the House of Commons.

That is why, on behalf of my political party, I want to offer my most sincere condolences to Mr. Francis' family and tell them that his name will remain forever in our memories and in the political annals of Canada and of the Parliament of Canada.

Privilege

[English]

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, as the only current member of the House who was here when the Hon. Lloyd Francis was Deputy Speaker and Speaker of the House, I am pleased to have been asked by my NDP colleagues to speak on their behalf in tribute to my former colleague.

The Hon. Lloyd Francis led a life of distinguished public service stretching from his service in the RCAF during the second world war through a career in the civil service and municipal and federal politics, as an ambassador, and in more recent years as an international election observer.

Speaking of the war, I certainly have fond memories of discussions with him about his time in Manitoba with the Commonwealth air training program. I believe he was stationed at Rivers, Manitoba.

By his own admission in his book *Ottawa Boy*, it was his time as Deputy Speaker and Speaker that he felt was his greatest opportunity to contribute to his country.

The part he played in reforming the administration of the House of Commons, although very unpopular at the time, and the part he played in defending the Chair and by extension Parliament from an unruly mob during the debate on the patriation of the Constitution were both significant contributions to the evolution and preservation of Parliament. Let his refusal to be intimidated on the night that the Chair was threatened be his parliamentary legacy and a pointer for all of us to the value of a parliamentary culture in which yelling is no substitute for argument or wit or procedural acumen.

To his family we offer our sincere condolences and our gratitude for a life well lived in service to community and country.

• (1515)

The Speaker: I now invite all hon. members to rise for a moment of silence out of respect for our distinguished former Speaker.

[A moment of silence observed]

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PRIVILEGE

PROCEEDINGS IN STANDING COMMITTEE ON CITIZENSHIP AND
IMMIGRATION

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, I rise on a question of privilege.

Today in the citizenship and immigration committee during normal proceedings, I was questioning a witness, citizenship judge Raminder Gill. It is a well-known fact that Mr. Gill was the Conservative Party candidate for Mississauga—Streetsville in the last election. He also had political aspirations to run again in that riding. It is also a well-known fact that the current member for Mississauga—Streetsville changed political parties. Mr. Raminder Gill was appointed as a citizenship judge circumventing the required screening of citizenship judges.

I feel that my privileges were trampled upon by the committee chair in order that the truth not come out. The chair kept continuously interrupting me and abusing his position. I wanted to

receive an answer from the witness. The chair brushed aside my questions in order to facilitate a cover-up of the government.

The Prime Minister and the member of Parliament for Mississauga—Streetsville have been cooking his defection to the Conservatives for a long time. My privileges of getting answers and to get to the bottom of this pork-barrelling scandal were pushed aside in order to provide a cover-up. This is the most crass feather-bedding patronage I have seen since Brian Mulroney bought Lucien Bouchard.

I ask you, Mr. Speaker, to look at today's proceedings and review this matter.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, clearly what the hon. member is trying to do here is score some cheap political points. Let me set the record straight as to exactly what happened in committee.

The chair of that committee made a decision that first, was upheld by all members of that committee. Second, it is quite clear should the member choose at any time either now or in the future to consult Marleau and Montpetit, he would find that the Speaker ruled in accordance with parliamentary practices and procedures. It states in Marleau and Montpetit that only questions about the competency of the individual shall be allowed. Anything dealing with the political affiliation of members or committee members or witnesses are considered to be outside the scope of the committee. Therefore, the Chair ruled quite appropriately. The member should know that. I am quite surprised that the member, being as experienced as he is, does not know simple parliamentary procedures.

Mr. Speaker, this is clearly not a question of privilege that you should consider.

The Speaker: I thank both hon. members for their interventions on this point.

I point out to the hon. member for Scarborough—Agincourt page 876 of Marleau and Montpetit, and I will read the paragraph:

The scope of a committee's examination of Order-in-Council appointees or nominees is strictly limited to the qualifications and competence to perform the duties of the post. Questioning by members of the committee may be interrupted by the Chair, if it attempts to deal with matters considered irrelevant to the committee's inquiry. Among the areas usually considered to be outside the scope of the committee's study are the political affiliation of the appointee or nominee, contributions to political parties and the nature of the nomination process itself. Any question may be permitted if it can be shown that it relates directly to the appointee's or nominee's ability to do the job.

It seems to me that the debate seems to centre around whether the questions had to do with the candidate's political affiliation. In any event, I understand, as pointed out by the parliamentary secretary, that the committee had an appeal from the hon. member of the chairman's ruling which was upheld by the committee, so in my view this is not a question of privilege. This is a matter of procedure in the committee.

Committees are masters of their own proceedings and there is not an appeal from a decision of a committee chair to the Speaker on matters that are within the jurisdiction of the committee.

In my view, this was within the jurisdiction of the committee. The committee has made a decision and I have no intention of interfering with the chair's decision in that committee which was upheld by the committee. Therefore, I feel the hon. member for Scarborough—Agincourt does not have a valid question of privilege in the House on this point today.

GOVERNMENT ORDERS

• (1520)

[English]

SALES TAX AMENDMENTS ACT, 2006

The House resumed consideration of the motion that Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts, be read the second time and referred to a committee.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I believe I have some 15 minutes left in my time but I am not going to take all that time.

When we broke for members' statements and question period I was reviewing the importance of a government not making tax policy on the run and not making tax policy in a vacuum. I had made reference to the miscue in the government's announcement that it would revise the GST rebate for visitors, in fact the broken promise of the government in flagrantly going back on its commitment not to revise the trust unit taxation regime which affected thousands and thousands of Canadian trust unit holders, and the political desire of the government to extend a GST 1% tax reduction which affects big spenders.

If we do the math, when a big spender spends \$10,000, there is a \$100 tax reduction if there is a 1% reduction in the GST. However, for persons of very modest means who have to spend most of their money on rent and food which are either tax exempt or zero rated, there is virtually no tax reduction. As I said in my remarks, 1% of nothing is nothing if one is a poor person.

That particular tax reduction, in my view, is conspicuously manifestly regressive, not helpful, other than in terms of politics. It remains to be seen just how Canadians will view that.

This particular bill then, while I am not saying it is a shotgun blast without any strategic goals, I do say that Parliament has an obligation to look at every tax bill carefully to make sure that the tax objectives are strategic, useful and fit within our fiscal framework.

I am going to quickly refer to two or three of the components of this amendment bill because I think the provisions are useful. They are not major tax changes but they reflect a responsibility to execute a tax policy that is sensitive to different sectors of Canadian society. The first has to do with the extension or creation of exemptions in the health care area involving social work, speech language pathology, and the zero rating of plasma blood substitutes.

In another area, and I think this is quite an interesting tax change, occasionally a foreign bank which maintains a fully owned subsidiary in Canada will wish to Canadianize the branch and

Government Orders

Canadianize the banking arrangement. In so doing, there are often potential tax implications to make the transfer; to make the flip of the assets there are tax implications. These tax implications are actually obstacles to the Canadianization of the banking operation. This amendment would remove at least a part, if not all, of that taxation obstacle when the banking changes are made. Those would be GST-HST taxation implications.

Another one is really a fairness provision. We are all familiar with taxation deadlines, applications for rebates, filing for taxes and really filing for anything where there is a deadline. The government believes, and quite properly, that there is an argument to be made that some discretion should be left with the minister to allow for late filings in exceptional circumstances.

• (1525)

Some particular incidents came to light recently involving GST-HST applications in the province of Nova Scotia. I think that a discretionary late filing exemption under exceptional circumstances is a good idea. I know that over time these exemptions can be taken for granted sometimes. We will have to keep an eye on that.

Another area that I noted, and I would commend the change, has to do with a taxation problem that hearkens back to the days of prohibition, when there was absolute prohibition on anything that produced alcohol. That includes a still or any of the equipment that would be used to make illegal alcohol in a business, a home, a basement or a shed anywhere across the country.

As a result of that structure, modern businesses in winemaking and provincial health laboratories that test and need some kind of a distilling operation to do their health care testing find that they have to pay taxes, GST and excise tax, when they purchase or maintain the equivalent of stills for making alcohol, and of course that is totally inappropriate. In the modern world, a provincial laboratory, a winemaking operation or a private laboratory doing health care testing, all of which are licensed, of course should not have to pay excise tax in addition to what they have to pay to set up these facilities. This exemption is quite appropriate.

Those are three things that the bill does. They may seem small to the parties affected and they may loom large, but it is an adaptation of our taxation regime intended to reduce the negative impact on these commercial and government operations.

All in all, the changes contained in the bill are not what one would call strategic. They are not large in tax implication. They mostly have to do with fairness and removing clogs or obstacles in the taxation system that the common sense of a Canadian would say should not be there.

On that basis, although the bill covers a number of different taxes, including the excise tax, the GST and the air travellers safety tax, the Liberal opposition is on balance quite prepared to support the bill. We hope the bill can move through the House and the other place quickly so that we do not have to waste too much time.

Government Orders

• (1530)

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, since the member talked about the GST, I would like to ask him a question. What does he think about the visitors' GST rebate?

[*English*]

Mr. Derek Lee: Mr. Speaker, as I understand it, that provision is not contained in the bill. There exists a GST rebate for visitors. It actually looks quite good to visitors coming into Canada and leaving Canada to know that the amounts they do spend on GST can be rebated. I think that is a great thing. It does not involve a lot of money. It does involve some money, but it is not a lot of money.

The problem we have is that the signal that we might want to remove it may seem discourteous or inappropriate when we are trying to foster tourism. Taking an overall look at the strategy of tourism and attracting visitors, it is our view that we should not be tinkering with this. We should continue to hold out a GST rebate to visitors to Canada.

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, we have before us an extremely technical bill. It contains a whole series of measures. In terms of necessary adjustments, as well as the collection of GST and the various excise taxes, it is definitely a bill that makes sense. And this is why the Bloc Québécois will support it.

However we must say that it is not the most exciting of bills. Accordingly I found it quite characteristic, significant and symptomatic that the previous member should broach matters pertaining of course to finance, but that raise rather more issues than this necessary bill which, as I mentioned earlier, is not all that exciting.

Before going any further in describing the bill and the Bloc Québécois' assessment of it, I would point out, as the previous member did, that we in the Bloc Québécois are extremely concerned about the Conservative government's decision to take another look at the visitor rebate program.

We know that a notice of ways and means was announced in this connection, but that it has not yet been put to a vote, which is a good thing. I hope that it is because the Conservatives have realized that they were on the wrong track, since this program is found in more or less all countries seeking to have a vibrant and productive tourism industry. It is a bit strange that the government and the Minister of Finance should want to reconsider a program that many countries are thinking about putting in place to attract, in particular, international conventions and groups coming from abroad.

So I take this opportunity to ask the Minister of Finance and the government to think carefully about what they hope to achieve by reconsidering this program. For example, when we go to Europe, everyone is very familiar with this program. Mexico is thinking of setting up an equivalent. So careful thought has to be given to the place of Canada and Quebec as tourist destinations, at a time when the Canadian dollar has risen significantly. Abolishing this program would increase the costs of large conventions in particular by 6%.

Obviously, there is probably room for improvement in this program. I hope that in the next budget, or at another time, the Conservative government will implement an effective program with the same objectives, in other words, to encourage conferences and groups of foreign tourists to come here.

There is another comment I want to make about this bill. It has to do with the fiscal imbalance and the reductions in the GST. We know full well that during the election campaign the Prime Minister announced a reduction in the GST from 7% to 6% and then from 6% to 5%. On July 1, we had the first reduction from 7% to 6% and were told that in a few years time there would be a second reduction from 6% to 5%.

I want to take this opportunity to warn the Prime Minister and the Minister of Finance against confusing the issue of resolving the fiscal imbalance with the issue of reducing the tax burden on Canadian and Quebec taxpayers.

I remember the election campaign very well. The Prime Minister was a candidate and leader of the Conservative Party and made his GST reduction announcement standing next to a cash register. In no way could this reduction be interpreted as the tax room that could have been left to the provinces who wanted it to resolve in part—since this is not enough—the fiscal imbalance.

I am therefore warning the government and the Minister of Finance not to try to have it both ways in the next budget by announcing the reduction of the GST from 6% to 5% and by announcing that the provinces, such as Quebec—perhaps—that want to recover this tax room, will be able to do so as part of a solution to the fiscal imbalance. This would be totally unacceptable. It would be unbelievably cynical. I think the public, Quebecers in particular, would not fall for it. I prefer to let the Minister of Finance and the Prime Minister know right away that such a move would be totally unacceptable to the Bloc Québécois.

• (1535)

This bill has given me the opportunity to relay my two messages. I hope they will be heard.

I will now talk a little about what is in Bill C-40. This bill amends both the GST and the excise tax collection. It is comprised of four parts. First, some changes are aimed at improving and specifying certain measures pertaining to the collection of the GST. Second, the act is being changed to exempt certain goods and services from the tax, particularly medical and social services. I will get back to this. Third, the government is amending the excise tax to specify different measures concerning the taxation of wine, beer and spirits. Finally, a fourth part changes the rules pertaining to the air travellers security charge, a charge that is currently collected at different airports.

Government Orders

Let us start by examining in greater detail the bill as it concerns the measures affecting the GST and the harmonized sales tax. In Quebec, it is the Quebec sales tax. These measures are comprised of five distinct categories. Thus, the bill changes the rules concerning health, charities and business arrangements. These rules also affect governments, particularly municipalities. Furthermore, some provisions change the GST administration process.

Concerning health measures, the first category under the goods and services tax, the government is amending the act so that speech-language pathology services will now be tax exempted. For parents who use speech-language pathology services because their children have language difficulties, this is excellent news. This will make it easier to access these services and minimize costs. This is true for parents of children with speech problems, but also for many of our fellow citizens who have had strokes. Often, they are forced to re-learn to speak and also need speech-language pathology services. In a sense, costs will also be reduced there and access to these services will be easier.

I think it is interesting that in its bill, the government decided to exempt health-related services rendered in the practise of the profession of social work from the GST. Here too, there may be groups, institutions, families and individuals who need the expertise of a social worker. They will no longer have to pay the GST. For people who have insurance, this means their deductible will be lower. Insurance rarely covers the entire cost of social workers. This reduction would therefore apply to the cost paid by the institution, the organization or the individuals for the services of a social worker.

Next, in its bill, the government wants to zero-rate sales and importations of a product that can, to a certain extent, replace blood. This product, plasma expander, is a blood substitute that can be injected during treatment of major hemorrhaging, serious burns or open fractures. Although they do not contain the red blood cells and anticoagulants found in blood, these substitutes offer an alternative at various stages of critical intervention to save the lives of seriously injured patients. Here too, I think it is simply humane to exempt these products from the GST, an indirect taxation measure.

The government will also zero-rate a group of drugs known as benzodiazepines, which includes Valium, Ativan and other similar drugs.

• (1540)

These drugs are used to treat anxiety, for example, during withdrawal in cases of detox, and as preanaesthetic medication. Once again, it is simply of question of humanity to not tax these products, which are used in extremely difficult situations and when there is no other choice. It is not a matter of saying: "Should I take this or not?" The patient has no choice but to use these products.

Lastly, the government is going to rebate the GST on motor vehicles that have been used subsequent to being specially equipped for use by individuals with disabilities. We see a number of amendments on the health side that are most welcome, that are not likely to be the subject of any history classes in the future, but that are certainly consistent with common sense.

As for charities, that is the second category regarding the GST and other sales tax. These amendments will ensure that the exemption of

supplies by charities of real property under short-term leases and licences extends to any goods supplied together with such real property. For example, a charity leases a building and, at the same time, leases a photocopier, phone service and computer system. At present, those products must be supplied not only at a cost, but taxes must also be paid on those goods and services. Charities will be able to use the same supplies without paying the GST. Obviously, anything that can help reduce the operating costs of charities is most welcome. In that sense, this is also a step in the right direction. A step, once again, that will not answer all of the funding problems facing charities in terms of the support they need from our government, but at least some openness has been shown in this regard. Let us hope that the government will take such steps even further in the future.

As for business arrangements, I think there are some good changes. A foreign bank that has a subsidiary in Canada will now be able to restructure it into a Canadian branch in its own right and enjoy GST relief during a transitional period.

The Finance Committee, this House and the various governments we have witnessed recently have all tried to foster competition in the financial institution sector and especially among banks. Unfortunately, though, there is still not enough competition for us to really speak of a marketplace where supply and demand play a key role. We know very well—and have had recurrent debates about it—that many of the bank fees added over the last few years are due to the fact we have oligopolistic competition, that is to say, just a few big players, especially five large Canadian banks. Despite the legislative changes made over the years to encourage the establishment of banks or foreign banks to move to Canada, there is still not enough competition to generate sufficient pressure to ensure that consumers get their money's worth. There are certain other group relief provisions as well, but I will not get into that.

In another area, the bill simplifies the application of the GST to beverage container deposits refundable to the consumer because this was a rather bureaucratic obstacle to recycling and the collection of the tax on these cans. This measure excludes the container deposit from the GST and will thereby facilitate recycling, the protection of the environment, and the lives of all the small retailers who now handle these deposit returns.

There are a few other technical measures as well. For example, there are provisions on agents who sell products and have bad debts that they cannot recover. When this happens, they will have GST deductions.

Government Orders

• (1545)

The same applies to persons acting as billing agents—they are not the ones who will have to pay the GST—and for special arrangements between businesses in certain situations where goods are supplied outside Canada to Canadian customers. Things will be made simpler in this case also.

The bill also ensures that GST group relief rules cannot be used to exempt from the GST otherwise taxable clearing services that are provided by a group member to another in order to avoid a situation where a third-party purchaser outside the group would benefit from the GST exemption even though the services were provided by one member to another.

It also confirms the policy intent and Canada Revenue Agency's existing practice that no GST or provincial sales taxes on a passenger vehicle are included in calculating the maximum allowable value for input tax credit purposes.

In the case of governments, the bill will exempt a supply of a right to file or retrieve a document or information stored in an electronic official registry. This means that the GST will not apply, which will facilitate the transfer of a certain amount of information by municipalities and government agencies. In some way, this is what the bill is all about. It will facilitate the flow of information. It will also ensure that a small supplier of a municipality is treated in the same manner as a small municipality.

Other amendments deal with the application of the law with regard to the GST. For example, the bill adds a discretionary power for the Minister of National Revenue to accept late-filed applications for the GST new housing rebate and the Nova Scotia HST new housing rebate in exceptional circumstances.

A number of measures such as these give some latitude to the Minister of National Revenue as well as to the revenue agency to take into account exceptional circumstances.

A number of amendments were made with regard to the excise tax. For example, the rules pertaining to tobacco were tightened. Everyone here will agree it is very important to tighten the rules because of smuggling. There will have to be greater compliance in terms of the origin of tobacco products and their source, in particular for duty free shops.

In the case of alcohol, the bill contains measures to support the development of the Canadian wine industry. This industry is flourishing, particularly in Île Ronde in the Lanaudière region, which is producing wines comparable to those being imported. Once again, this measure will help this increasingly important and high-end industry—associated with regions such as Lanaudière—to develop.

I would like to close by saying that there has been some relief with respect to the air travellers security charge. Under this legislation, airports that should not have been included, in our opinion, on the lists have been removed from them. For example, La Grande III airport and La Grande IV are not commercial or tourist airports. Some tourists use them, but the majority of users are workers.

In conclusion, although this bill does not represent a tax revolution, it is moving in the direction of common sense. The

Bloc Québécois will support this bill because it corrects certain shortcomings, reduces the cost of access to some medical services, reduces the tax burden on charities, assists small producers of wine, tightens provisions pertaining to the sale and production of tobacco in order to help the fight against smuggling, and adjusts the air travellers security charge to reflect reality, particularly that in Quebec. We are therefore pleased, not in the name of revolution but rather in the name of common sense, to support this bill.

ROUTINE PROCEEDINGS

• (1550)

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, discussions have taken place between all parties with respect to the membership of the Standing Committee on Procedure and House Affairs, and I believe that you will find consent for the following motion:

That the membership of the Standing Committee on Procedure and House Affairs be amended as follows:

Lucienne Robillard for Marlene Jennings.

[*English*]

The Acting Speaker (Mr. Royal Galipeau): Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Royal Galipeau): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

SALES TAX AMENDMENTS ACT, 2006

The House resumed consideration of the motion that Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts, be read the second time and referred to a committee.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I listened with great interest to the presentation by the hon. member for Joliette on Bill C-40. He talked about the GST relief for foreign banks. There is another very important element: the situation currently experienced by school boards.

Government Orders

In my riding of Burnaby—New Westminster, the school boards in Burnaby and New Westminster have spoken out about the need to get the same GST exemption as municipalities and governments. It is fair and wise to give these school boards the opportunity to reduce their costs and devote more resources to students. In fact, what is at stake here is our children's education, hence the importance of this issue. GST relief should be provided to school boards, thereby freeing up more resources for the students.

My question to the member is very simple. Does he support this idea that school boards should be exempt from GST so that they can devote more resources to the students, our children?

Mr. Pierre Paquette: Mr. Speaker, I thank my colleague from the NDP for his question and also for having listened to my speech. I was somewhat under the impression that only some of my colleagues from the Bloc were listening. So, I am glad to know that at least one other person was also listening.

The Bloc Québécois and I totally support the demand made by school boards, including by Quebec school boards, to be treated like municipalities with regard to the GST. In fact, that is included in the recommendations that the Standing Committee on Finance made to the Minister of Finance. There was a consensus. I would not say that all parties voted in favour of the measure, but the majority of them did.

I take this opportunity to underline a pending problem. The Federal Court made a decision on the application of the GST to school transportation. Many municipalities in Quebec and Ontario won their case at that time. Unless I am mistaken, about \$12 million was to be paid back to municipalities. As far as we know, it is the only court decision that has been overruled by legislation. The former government had decided to tax the school boards retroactively.

I introduced a motion in the Standing Committee on Finance asking it to recommend to the Conservative government that it not impose the GST on school transportation since the Federal Court had ruled in favour of Ontario and Quebec school boards. It is not all school boards that are affected, but some of them. We also hope that the Minister of Finance will make a positive decision in his budget.

As the hon. member said, it is money that comes from the taxpayers' pockets and that should be used for education. There is something illogical about paying taxes to school boards if they must send that money to the federal government.

• (1555)

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I too want to congratulate my colleague from Joliette on succeeding in making such a brilliant presentation on such a technical bill, as he mentioned earlier.

I want to go back to a point he raised at the very beginning of his speech when he talked about the tax rebate to foreigners who visit our country.

In my riding, some tourists get their tax rebate just before crossing the border. They always spend the money right then and there, often buying regional and even local products. So there is a multiplying effect. Our riding benefits a lot more economically than if that money was not reimbursed.

I want to ask my colleague if this multiplying effect is real and if he believes that the same phenomenon could happen in places other than at the border, for example in airports or in hotels—I do not really know. Could this happen elsewhere?

Mr. Pierre Paquette: Mr. Speaker, I thank the hon. member for his question. I think he is absolutely right. In fact, the Standing Committee on Finance heard witnesses regarding the government's intention to abolish the GST visitor rebate program. This is what we were told, not only at the border, where there are often private counters that give refunds. Indeed, one third of the program is administered by private firms that collect a certain percentage for their services. These facilities are often located in shopping malls, so that tourists who find themselves with cash in their pockets will use it to buy products in the surrounding stores.

This does have a snowball effect, not only for shops located at the borders—such as duty free shops for example—but also in all the shopping malls that have such counters. Let us not forget that we are talking about \$80 million here. I should point out that the federal government has revenues totalling close to \$2.350 billion. I think there is a disproportion here, and it costs about \$8 million to administer the program. We are told that it is not being used enough. Then, let us integrate it into a strategy to promote tourism.

As I mentioned, it is unacceptable that this measure would come at a time when the value of the Canadian dollar has increased significantly in recent years, and at a time when authorities want Canadians who travel by land to the United States, and people who come into Canada from the United States, to carry a passport. It seems to me that the Conservative government should act responsibly and not add yet another hurdle for our industry, not to mention the cuts affecting Canada's tourism strategy. For all these reasons, common sense should again make the government reconsider its decision, or else propose a more effective plan to consolidate the tourism industry, which really needs it.

• (1600)

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, I too would like to congratulate the member for Joliette for his explanation and presentation on Bill C-40. I will not speak directly to the bill, but rather will deal with the GST.

The Bloc Québécois has intervened on this subject in the House on many occasions. When the Conservative government was in opposition, it was in agreement with us that the GST related to school transportation should be refunded to school boards.

In Quebec, this matter concerns 26 school boards, and in my region the Lac-Saint-Jean school board would be able to look forward to receiving about \$300,000 if the GST were refunded.

Government Orders

I would like to know what is the justification and motive behind the government's position in refusing to apply a judgment rendered by the court that orders the government to refund GST to school boards in Quebec and in Ontario.

Mr. Pierre Paquette: I thank the member for his question. As I had mentioned, this is a battle that we began with the previous government, with the support of the Conservatives. They were not officially involved. I know that school boards in Quebec and Ontario brought pressure on the Minister of Finance and the Conservative party to get to the bottom of this matter and settle it once and for all by not seeking to re-collect the GST that the federal tribunal finally ruled belonged to the school boards.

Since there has been no movement, I tabled a motion on behalf of the Bloc Québécois with the Standing Committee on Finance, asking that this matter be reconsidered and that an official recommendation be made to the government. I hope that will be done quickly so that the Minister of Finance can include it in his next budget. As the member has said, we are talking about millions of dollars that should remain in the hands of the school boards.

In conclusion, I would remind members that the Standing Committee on Finance also requested that the full amount of GST paid by school boards and educational institutions should be refunded on the same basis as for municipalities.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I congratulate my colleague from Joliette for his excellent speech.

I am pleased to speak to Bill C-40, first of all to tell you that the Bloc Québécois has given its support to this legislative change to the Excise Tax Act, the Excise Act, 2001, the Air Travellers Security Charge Act and other acts. Following my colleague's speech, members will have understood that there are two major parts in the act, even though we say that it was divided in four parts. There are two major parts: the GST rebate, that is the cancellation of the GST on certain goods, and changes in the application of the Excise Tax Act to other goods.

I will not repeat what my colleague has said about all the services on which the GST will no longer apply. First I will talk about what is not in Bill C-40 as it pertains to the GST rebate. My colleagues have talked about this. First, the GST rebate for visitors has been abolished. This rebate used to be there. Theoretically, in Bill C-40, we should not have seen a new paragraph, we should simply have seen: "The existing act continues to apply". However, the Conservative government has decided to go back and to abolish this GST rebate for visitors. This is directly affecting tourism, especially in Quebec.

When Europeans discovered America, Quebec was where they first settled. It is no coincidence that this is where we find the most beautiful cities, the oldest cities, in North America. It is a very hospitable land. When you arrive in the Gulf of St. Lawrence, you have the Gaspé, the North Shore, the Magdalen Islands, all of the beautiful ancestral sites that are worth visiting and that play host to many tourists. This industry is continuing to develop. Continuing up the St. Lawrence River, you come to Quebec City, which will celebrate its 400th anniversary in 2008 and is therefore the oldest city in North America. There you see everything it has to offer,

including the beauty of the history it has bequeathed to future generations. This is the reason why so many visitors come to see Quebec City every year, and the city benefited from their spending and the GST rebate given to foreign visitors. Obviously, this affects all of the regions, because when people come to Quebec City they go on to visit the Saguenay and Lac-Saint-Jean. These are beautiful regions, with lakes and mountains; they are home to hospitality businesses where conventions and business meetings from around the world can be held.

Next you come to the Mauricie region and Trois-Rivières, and on the other shore, the Centre-du-Québec region. Of course, there is history in Trois-Rivières, the second oldest city in North America, and its representative, who is fortunate to sit in the House of Commons, is one of our colleagues. The Bloc Québécois represents all of these ridings along the river. And then you come to Montreal, with all its attractions, which is now internationally recognized. You should not forget to stop and see the Beauce and Appalaches regions. Next come the Eastern Townships, where you can see Lake Memphremagog and part of Lake Champlain. There are also the Laurentians, Mont-Tremblant and part of the Outaouais, where a portion of my riding is. I have one foot in the Laurentians and the other in the Outaouais, where you find the Château Montebello and everything you see here on the other side of the river.

Once again, Quebec has more to lose than other regions of Canada from this elimination of the GST rebate. For members of the public listening to us—Quebeckers and Canadians—it will be clear that before the Conservatives came to power, foreign visitors could get a refund of the GST they paid on tourist products. This was to assist in the development of that industry. The Conservatives have cut the GST to 6% from 7%, but still they have eliminated the refund. Foreign visitors have therefore had to pay 6% more since the Conservatives came to power. This is the Conservatives' gift to foreign visitors. Obviously, the damage, the harm, to the Quebec economy from this is enormous. I do not want to go on and on about this, but Quebec is increasingly seeing an industry that it wanted to prosper being affected by climate. The weather is also playing nasty tricks on the industry.

• (1605)

We see the winter we have with global warming. It is a phenomenon that the Conservatives do not want to recognize. We are not meeting our Kyoto commitment. We saw how the Liberals wasted time before getting behind Kyoto. That is the harsh reality. The result is that now we have this kind of weather that affects the tourism industry.

The tourism industry, in winter, spring, summer or fall, depends heavily on foreign visitors and the 6% refund they received, which they often spent in our region. That was the reality. I believe my colleagues referred to that previously. Before leaving, visitors obtained a refund of the GST that they had paid on their purchases or on what they used as tourism products. They got that money back and they often invested it in the local economy. That money they left behind represented significant investments in the local economy.

Government Orders

The Conservatives have said that the system was too expensive to administer. Obviously, we know that there has been a succession of Conservative and Liberal governments since Canada became a country. Indeed, there have been no other governments than Conservatives or Liberals, with the result that the machinery of government has grown so large that it is now expensive. In fact, they can not even give refunds to the public. That is the reality of successive Liberal and Conservative governments.

Now, the Conservatives have decided to eliminate this refund. The residents of Quebec who operate tourism businesses are badly in need of this revenue at present. Considering that they have been sorely affected by the Canadian dollar and by the fluctuations of climate change, we must support the industry in some way. One way would be to maintain the refunding of GST. The Conservatives have decided instead to increase the bill for foreign tourists by 6%. That is a choice they have made and they will have to live with it.

It is fortunate that members of the Bloc Québécois are here to try to make the Conservatives understand that what they think are good ideas are often very costly for industry. That is certainly the case for the tourism industry.

My colleagues have previously highlighted what we do not find in Bill C-40. My colleague from Chicoutimi—Le Fjord presented a strong argument concerning the GST paid by school boards. Personally, I find that outrageous. I come from the municipal sector. There are many refunds to municipalities, including a full refund of GST. They do not have to pay it. Recently, the Government of Quebec did the same thing. To help overcome their problems, municipalities no longer have to pay the Quebec sales tax.

Municipalities are faced with infrastructure problems and outdated equipment. Cuts in federal funding for the provinces have led to cuts to municipalities, which now must do more with less. The governments have finally understood this and have not bled them dry. They have refunded the GST and the QST to the municipalities. But they have not given rebates to the school boards.

Quebec has given a QST rebate, but the federal government has not given a GST rebate. The government thinks that when it cut provincial funding and the provinces cut municipal funding, they also cut education transfers. That is the hard reality. At that point, the municipalities are not on an equal footing with the school boards. It is time the Conservative woke up. As for the Liberals, they were always asleep when it came to this issue and never woke up. They will never wake up to this issue. But the fact remains that the education sector needs this 6% it pays on purchases of goods and services. As hon. members are aware, the GST is a tax on goods and services. It does not apply just to purchases of goods, but also to purchases of services, including maintenance contracts and any contracts that are awarded.

There was a court decision. My colleague from Chicoutimi—Le Fjord was right to mention it. The court ruled in favour of the school boards. Yet the Liberal governments, and the Conservatives after them, do not want to comply with that judgment. The government is still not repaying the school boards the phenomenal amounts of money they need to keep up their buildings and provide their students with a few more school supplies. The boards need this money. Once again, the federal government is turning a deaf ear.

That was the part of Bill C-40 that applies to sales tax and is not included in this bill. Obviously, there were many rebates. I will not repeat what my colleague from Joliette said about sales tax breaks under Bill C-40. I will perhaps talk a bit about what my colleague did not mention and what he said briefly about excise tax.

There are several measures in Bill C-40 that apply to excise tax. I will go over them. They are in Part II of the bill.

• (1610)

They implement minor refinements that improve the operation of the act and more accurately reflect current industry and administrative practices. They also implement related and consequential amendments to the Access to Information Act, the Customs Act, the Customs Tariff and the Excise Tax Act. I will summarize the content and what will be changed.

Let us talk first about tobacco. Tobacco measures are aimed at clarifying certain provisions pertaining to the Excise Act, which will make it easier to fight tobacco product smuggling, while facilitating tobacco tax collection. To this end, the bill extends the requirement to identify the origin of tobacco products to all products, including those for sale at duty-free shops or for export, consistent with the Framework Convention on Tobacco Control, an international treaty, and it clarifies that cigarettes, tobacco sticks, fine-cut tobacco or cigars, but not packaged raw leaf tobacco, may be supplied to the export market or the domestic duty-free market.

This helps to clarify the situation. Tobacco smuggling is a plague that must be countered. I know this because, in my riding, there are many itinerant sellers of tobacco—if I may say so. People who use highway 344 will know that several individuals have opened shops. We often laugh about this, but it is very hard for the businesses. Within 500 feet, there are 18 or 20 smoke shacks selling tobacco, which directly affects businesses and corner stores. People who used to making a living selling tobacco products in my riding have been severely affected. Consequently, everything that will attempt to restrict and hinder the smuggling of tobacco products will be well received in the riding of Argenteuil—Papineau—Mirabel, especially around Oka and the districts of Deux-Montagnes.

As for alcohol, the bill has two objectives. First, it authorizes provincial liquor boards and vintners to possess a still or similar equipment for the purpose of analyzing substances containing ethyl alcohol without holding a spirits licence. That will relieve the provincial liquor boards and vintners of all the red tape and the costs related to that licence.

Of course, you know that there are more and more vintners in Quebec and that they are developing more and more wine products. Climate change, which is often mentioned, has a negative impact for many and for the tourist industry, but it seems that more and more regions are seeing new wine producers. Thanks to milder temperatures, the grapes grow better.

Government Orders

The measure will allow vintners to save on costs. Moreover, to stimulate the growth of the wine industry in Canada, the government will allow the deferring of the payment of duty by small vintners selling wine on consignment in retail stores operated by an association of vintners until the wine is sold.

Thus, when vintners supply their products to a store operated by their association, they will not have to pay the GST until the product is sold. That will be beneficial to the marketing of local products.

In a growing number of regions—and this is the case for the vintners of Saint-Benoit, Saint-Joseph-du-Lac, Saint-Placide, Oka, Pointe-Calumet and Mirabel, in my riding—we are seeing wine producers sell their products on the farm or in small shops or with the support of a regional association.

They form an association and sell their goods through various middlemen. Rather than being obliged to charge GST when the product leaves their farm, or their winery, the GST is paid once the wine has been sold in the shop. These shops are now often part of the tourism infrastructure.

With regard to agri-tourism, increasing numbers of citizens from the greater Montreal area, or elsewhere in Quebec, tour the stands that sell fruits, vegetables and local products in the fall, summer and even spring. These shops are often supported by regional associations. I repeat, this will enable producers to sell their goods without paying the GST and Quebec sales tax as soon as their goods leave the farm.

• (1615)

To provide some background for our colleagues from other Canadian provinces, Quebec wine producers have formed the Quebec vintners' association. In 2006, this included 42 vineyards located in the regions of Quebec City, Lanaudière, the Eastern Townships, Montérégie and the Lower Laurentians. More than 100 hectares are cultivated producing almost 300,000 bottles of wine every year. The main products are white wine, ice wine and fortified wines sold by Quebec producers as part of the agri-tourism trade. The wine industry is a growing industry and the government is supporting it in this case.

There is also the matter of law enforcement. As in the previous section—my colleague from Joliette mentioned it—the new legislation will authorize the Minister of National Revenue to exchange information on excise tax with foreign governments that are signatories to the Convention on Mutual Administrative Assistance in Tax Matters. This must be done, of course. In the matter of tobacco and smuggling, we must be able to exchange information with other countries. That is as it should be.

We are able to better monitor production. Recently, some large quantities of loose leaf tobacco were seized in Quebec ports, among others. Authorities seized huge quantities of tobacco bales that were intended for smuggling. They were able to make these seizures because the GST had not been paid on the products. The individuals involved were not properly registered.

So, these are measures that allow us to counter smuggling at the source. In this case, the tobacco came from various countries around the world, including Bangladesh and other countries that we might not even think of. This means that we must be able to counter

smuggling activities that originate from all parts of the world. The purpose of these tax measures is to provide customs officers and all those who monitor these imports with a new tool, a tax tool. It allows them to see that the taxes were not paid, and they can then seize the whole shipment, because they know it does not belong to bona fide merchants, since the individuals involved are not registered. This automatically means that they are not allowed to have this product. This is in addition to the fact that they did not pay tax on it. This is a hard blow to smugglers. We cannot stop our efforts in this regard, if we want our merchants, who pay their taxes and part of our salaries, to continue to make profits. One way to help them is to fight smuggling. Hon. members can count on Bloc Québécois members to do that.

Next, there are measures concerning the air travellers security charge. As the Bloc Québécois transport critic, I would like to summarize what this is about. The measures concerning the air travellers security charge are in part 3 of the bill. They include previously announced tax relief measures and minor amendments to the Air Travellers Security Charge Act.

In a nutshell, the government is proposing tax relief. The bill would relieve, in particular circumstances, the air travellers security charge in respect of air travel sold by resellers or donated by air carriers. Obviously, a lot of trips and gifts are given to tour operators. Tax relief would be granted so that these parties, which advertise to encourage people to travel, do not have to pay GST on donated products and services. I think this makes sense. The industry appreciates this relief. To encourage Quebecers and Canadians to travel by air, companies often have to offer package deals, some of which are given away by lottery. This measure will encourage them to keep doing this by not making them pay the GST on these products and services.

The bill also states that the Governor in Council may, by regulation, amend the schedule by adding, deleting or varying the reference to an airport. The bill removed the La Grande-3 and La Grande-4 airports from the list of airports that must collect the ATSC. As you may know, some airports that were required to charge the ATSC will no longer have to, nor will they have to charge GST. Once again, this will promote development in our beautiful regions. La Grande is in northern Quebec, and we would be delighted to help that vast region's economy.

I hope I have made it clear that although the Bloc Québécois supports these amendments, we think there are some major flaws, such as cancelling the GST visitor rebate, a decision we deplore immensely.

• (1620)

The Acting Speaker (Mr. Royal Galipeau): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Sault Ste. Marie, Homelessness.

Government Orders

[English]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, before I ask my question, I want to congratulate the Midnight Sun Rotary Club for becoming the third Rotary Club in Whitehorse, Yukon.

Mr. Pat Martin: Relevance. Relevance.

Hon. Larry Bagnell: It was short. The hon. member can call relevance on my next question too, though. I want to ask about the effect of the bill on seniors. While the member is preparing to answer, I will just give a quick preamble.

I received an email this morning from a constituent named Jennifer, who was indicating the devastation that the backtracking on the income trust had on her, and specifically, a point that has not been raised much, in relation to RESPs, the educational RSPs. Her son, who is just graduating from high school, lost 25% of his money for university on the day the Tories broke their promise and went back on the income trusts. She then said that income splitting will not help single women. Many seniors are single women and it will not help them.

I would like to ask the member, first, about the effects of the bill on seniors. Second, during question period, the Conservatives boasted that they did more than anyone for seniors. Does the member agree that the Conservatives are doing more than what the Bloc has proposed or what other parties have done?

[Translation]

Mr. Mario Laframboise: Mr. Speaker, the hon. member for Yukon is right. It is not a bill made for seniors who wanted a financial break. Canadians are subject to all kinds of cost increases but the incomes of seniors and of retired citizens in general are not going up accordingly.

In Quebec, the Liberal government decided to raise the cost of electricity. In the last three years, the cost of electricity has gone up by 15% to 20% but the incomes of pensioners have not kept pace. In the measures proposed, we do not see a lowering of the GST applying specifically to seniors' purchases. The measures are of a slightly more general nature. The hon. member is perfectly right when he says that the Conservative government does not help our seniors. They often find themselves in dire situations because their incomes do not increase as fast as their expenses. The cost of their housing increases, the cost of their medications increases, the costs of heating and electricity increase, as does the cost of gasoline.

Seniors never get rebates or an increase in their income to make up for increases in the cost of living. Their purchasing power is diminishing year after year and the Conservative government is not helping them. It is up to the Bloc Québécois yet again to offer good ideas to the parties in power in this government.

• (1625)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thought I would follow up on this question. We seem to have a little more latitude on the bill. We can talk about income trusts and a whole bunch of other things, but we do not want to at this time.

Hon. Jim Flaherty: You don't want to. You already lost that once.

Mr. Paul Szabo: If the Minister of Finance wants to talk about it, maybe he will rise and ask a question as well.

The member is quite right and I think it bears repeating that seniors have a very unusual situation. Most are on fixed incomes. They have no opportunity to increase their income by their own efforts. They cannot go out to work some more. There are no escalators. Many of them do not even have pension plans that would be indexed, et cetera, so the member is quite right. We have a situation where the income levels do not tend to follow normal inflationary pricing or cost measures.

It raises the question about the GST implications. As the member knows, the GST reduction really is a function of how much we spend, and that if we wanted to get a better break on that, we would actually have to spend more. The more that we are consumers of GST taxable goods and services, the more the savings, so it tends to be a GST cut, I think the member may agree. It tends to be more to the benefit of those who have higher levels of disposable income, and that is generally not what the member has been talking about: seniors in need and seniors on fixed incomes. Certainly, we do understand that.

Generally, in terms of an approach to addressing some of the needs of seniors, should we look more at a programs based or subsidy based type of delivery of the needs for seniors as opposed to general income taxation or commodity taxation measures, which do not seem to hit seniors very effectively?

[Translation]

Mr. Mario Laframboise: Mr. Speaker, I was listening to my colleague and he has part of the solution. Nonetheless, as I was saying earlier, when his party, the Liberal Party, had the chance to reduce the GST or give the school boards GST rebates, it did not take it.

We must not forget that seniors own property or they are renters. They pay rent. To help them we could, among other things, accept the rulings of the Court of Quebec and the Ontario Court. These rulings call for GST rebates for school boards, which could have alleviated the pressure of school taxes that are often paid by retirees and seniors. They see their taxes go up, but they never see their income go up. They often have to give up their property and go to a home. The next thing they know, the cost of housing increases because the school taxes and municipal taxes have increased.

When the Liberal Party was in office, it should have adopted a measure to reduce expenses for seniors. For example, in the case of those who own a residence and those who pay rent, it could have been to accept that school boards be refunded the GST. Then, there would not have been a direct transfer of the GST costs to the taxes paid by citizens.

Government Orders

Of course, when they had the opportunity to do so, the Liberals did not do it. And the Conservatives carry on. Should there be a measure to deal directly with the issue of what seniors can afford to pay? Bloc Québécois members think so. Seniors' income and pensions will have to be adjusted, or else these people should get tax credits.

We are always talking about the cost of living. However, the cost of living for a senior is not the same as for a family. The cost of living is often determined by calculating the costs of a family of two adults and two children. Let us not forget that the expenses incurred by seniors are not the same. It is not food that is an issue for them, it is the cost of drugs and housing. It is costing increasingly more to live in a place that is safe and secure. At some point, we will have to adjust credits for seniors or their income, so that they can pay for their own expenses, which are increasing at a faster pace than the cost of living of ordinary citizens.

• (1630)

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, I would like to congratulate my colleague for his excellent explanations of this bill. Since we are talking about the GST, I would like to ask him a question.

We know that the government decided to reduce the GST from 7% to 6% in July and that it intends to reduce it by another percentage point, to 5%. If, in the context of the fiscal imbalance, the government decided to use this one percent in a comprehensive proposal, does my colleague feel that the government would be reneging on its commitment, thus misleading taxpayers?

In fact, when it made that commitment, we really saw a cash register that showed the reduction to 5%. Would it really be going back on its commitment? By bringing some relief by lowering the GST and by incorporating that into the fiscal imbalance and transfer payments, would it be going back on its commitments?

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Argenteuil—Papineau—Mirabel has less than one minute to respond.

Mr. Mario Laframboise: Mr. Speaker, the Bloc Québécois has always defended the transfer of tax points to the provinces to correct the fiscal imbalance. The problem with the Conservative Party is that it had already promised Canadians that it would reduce the GST and put that money in their pockets. It could therefore not make use of that money, which it had already promised to taxpayers, to solve the fiscal imbalance issue. When the government wants to solve the problem, it must transfer tax points or the entire GST to the provinces. It is as simple as that. It must decide but, in my opinion, it would be reneging on one of its promises if it uses that money to correct the fiscal imbalance.

[*English*]

The Acting Speaker (Mr. Royal Galipeau): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Royal Galipeau): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

The Acting Speaker (Mr. Royal Galipeau): Accordingly the bill stands referred to the Standing Committee on Finance.

(Motion agreed to, bill read the second time and referred to a committee)

* * *

CRIMINAL CODE

The House proceeded to the consideration of Bill C-26, An Act to amend the Criminal Code (criminal interest rate), as reported (without amendment) from the committee.

Hon. Chuck Strahl (for the Minister of Justice) moved that the bill be concurred in.

The Acting Speaker (Mr. Royal Galipeau): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Royal Galipeau): A recorded division on the motion stands deferred.

* * *

• (1635)

CRIMINAL CODE

Hon. Chuck Strahl (for the Minister of Justice) moved that Bill C-32, An Act to amend the Criminal Code (impaired driving) and to make consequential amendments to other Acts, be read the second time and referred to a committee.

Mr. Rob Moore (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I am pleased to rise today to speak to Bill C-32, an act to amend the Criminal Code and to make consequential amendments to other acts.

The bill would help bring Canada's impaired driving laws into the 21st century and would greatly assist the police in their efforts to investigate impaired driving incidents and the Crown in its prosecutions of alleged offenders.

Government Orders

I know all members recognize that impaired driving remains the single criminal offence that is most likely to result in the death or injury of Canadians. If passed, this legislation will make an immeasurable contribution to the safety of all Canadians. Therefore, I trust that all parties will support the legislation and that we can cooperate so that these needed changes can be considered by the standing committee expeditiously.

I can assure all members that the government is open to consideration of any improvements that the committee can suggest, after hearing from stakeholders, to make the bill even more effective in achieving its goals.

The bill has three main components.

First, it would give police officers the tools they need to investigate drug impaired driving.

Second, it would make changes that reflect the great advances made in breathalyzer technology since Parliament first introduced breath testing almost 40 years ago.

Third, it would introduce new offences and increase penalties for existing offences.

Many members of the House are familiar with the drug impaired provisions of the bill. They are virtually identical to the provisions of Bill C-16, which was introduced in an earlier Parliament. That bill was reviewed and amended in committee and reported unanimously with amendments by the committee. However, it died on the order paper.

There is no question that police and prosecutors are eagerly awaiting the passage of those changes.

I will therefore confine my remarks to the new provisions in Bill C-32 so that members will understand what motivated the government to bring these amendments forward.

Probably the most important change in this bill is the proposal to ensure that only scientifically valid defences can be used where a person is accused of driving with a concentration of alcohol exceeding 80 milligrams in 100 millilitres of blood. This is known as driving over 80.

Parliament first enacted an alcohol driving offence in 1921. Our current Criminal Code, section 253, subsection (a), offence of impaired driving, was enacted in 1951. It has been known for more than 50 years that a person with more than 80 milligrams of alcohol in their system is a danger to himself or herself and also to other users of the road.

A person with a blood alcohol concentration of 90 is estimated by the U.S. Department of Transportation to be at least 11 times as likely to be involved in a fatal accident as a sober driver. Above that level, the risk increases exponentially. At a blood alcohol level of 125, for example, a person is at least 29 times as likely to be involved in a fatal collision.

While recognizing the risk of collisions with escalating blood alcohol concentrations, the problem has always been how to prove the concentration. Determining BAC can be done by analyzing blood. However, obtaining a blood sample is often seen as intrusive

and it can take a long time to complete the blood analysis, during which time the accused does not know whether a charge will be laid.

The problems with blood analysis were overcome in the 1950s with the invention of Borkenstein Breathalyzer, which converted alcohol in breath to alcohol in blood in a reliable, scientifically valid process.

Parliament recognized the risk of blood alcohol concentration that exceeded 80 when it passed, in 1969, legislation making it an offence to drive with that much alcohol or more in a person's system. It is a peculiarity of the law that it can only be proven by making the person provide the evidence that can be used against him or her in court. Accordingly Parliament made it an offence to refuse to provide the breath sample on an improved instrument.

● (1640)

Advances in technology made it possible to measure the BAC at roadside, so Parliament provided for the use of a roadside screening device in 1979. These screeners indicate that a person has failed but do not give a precise BAC for use in court. They do provide the police with grounds to demand the approved instrument test. The results from the approved instrument are admissible in court.

Again, it is an offence not to provide the breath sample on an approved screening device and it is an offence not to provide the breath sample on an approved instrument. The courts have recognized the unique nature of this law and they have upheld its constitutionality as a reasonable limit on the charter right against unreasonable search and seizure, a limit that is justified by the horrendous toll caused by drunk drivers.

Therefore, by 1979 Parliament had established a two-step process for determining whether a driver was over 80. It appears simple. A reasonable suspicion of alcohol in the driver leads to a roadside approved device screening test which, if failed, leads to an approved instrument test, in which over 80 is proven by filing the certificate of the qualified technician in court.

However, as all members are likely aware, impaired driving, and in particular over-80 cases, have become among the most complex cases to prove under the Criminal Code. It seems that every word and every comma in every section has been litigated. Anyone who doubts how complicated the law has become need only pick up *Martin's Annual Criminal Code*. The 2007 edition has 12 pages of legislative text and annotations for the 13 sections dealing with murder, manslaughter and infanticide. Martin's has 62 pages of legislated text and annotations for the nine sections dealing with impaired driving.

Government Orders

Subsection 253(b) over-80 cases take up a grossly disproportionate amount of provincial court trial time. Often this is the sole charge, as there is no evidence of erratic driving and there are few signs of impairment. If the defence can raise a reasonable doubt as to the BAC at the time of testing being equal to the BAC at the time of driving, the prosecution will virtually never have other evidence to prove that the person was over 80 at the time of driving.

When Parliament first adopted breath testing legislation in 1969, the operator had to perform a series of tests to ensure the approved instrument was calibrated properly and had to read a needle to obtain a reading, which was recorded manually. Clearly, there were opportunities for operator error and even erroneous transcription of the BAC.

Therefore, Parliament provided that the BAC reading is, in the absence of evidence to the contrary, deemed to be the BAC at the time of driving. Unfortunately, even for a new generation of approved instruments that give digital readings, have automated internal checks and give a printout of the internal process, the courts have interpreted evidence to the contrary to include evidence given by the accused that he only had a small quantity of alcohol to drink, typically "two beer". This has become known as the two-beer defence.

The defence then calls a toxicologist to estimate the defendant's BAC based on the accused's testimony regarding consumption of alcohol, time elapsed, food consumption, et cetera. Essentially, the accused is saying that regardless of the BAC at the time of testing, his or her BAC while driving could not have been over 80 given the small amount of alcohol consumed.

The accused does not have to account for the BAC reading on the approved instrument at the police station. The courts, unless they reject totally the accused's evidence, hold that the presumption that the BAC at testing equals the BAC at the time of driving is defeated. Without this presumption, the prosecution does not have evidence to prove the over-80 offence. The defendant is acquitted for a lack of evidence showing the illegal BAC at the time of driving.

The Supreme Court considered evidence to the contrary in December 2005, where the accused, who had blown .092, testified that he had only two large beer. Although the conviction was restored, the decision turned solely on the credibility of the accused and whether the judge had properly considered the evidence as a whole.

The majority found, at paragraph 43, that:

The judge also erred when she stated that the credibility of the accused and his witnesses could be assessed in light of the results of the breathalyzer tests before applying the presumption.

Consequently, the Supreme Court has effectively found that the results of a breath test can be disregarded by the trial judge and the accused found not guilty without any evidence whatsoever that the machine has malfunctioned, at least for the "presumption of accuracy for the qualified technician's certificate". Even if the court is suspicious of the accused's evidence, the presumption is lost because the accused only has to meet the test of raising any evidence to the contrary.

●(1645)

Frankly, this may be a misunderstanding of what "evidence to the contrary" was intended by Parliament to be. Parliament passed the breathalyzer law in 1969, so the calculation of BAC would be done by the approved instrument, which takes the guesswork out of the equation provided the approved instrument is functioning properly, the operator uses it properly and the results are properly recorded.

The court's interpretation may have been justified when the technology was such that operator error could affect it and there would be no direct evidence of this. Therefore, it is very much a defence that reflects the weaknesses of technology in use some 40 years ago. It was not, I believe, Parliament's intention that evidence to the contrary should be simply speculation about what an accused BAC might have been.

Given today's state of technology, evidence to the contrary must be direct evidence that the machine either did not operate properly or was not operated properly. If there is no such evidence, then the BAC produced by the machine should be accepted.

The accused may still be acquitted if he or she can show that they could have been under 80 at the time driving without contradicting the BAC results on the approved instrument at the police station. This could happen if, for example, the person downed several drinks and was arrested before the alcohol was absorbed. It could also occur that after driving, but before testing, the person consumed alcohol and it was absorbed by the time the approved instrument test was taken.

The fundamental question for Parliament is whether it can trust the BAC readings produced by the approved instruments. Fortunately, advances in technology ensure that the accused receives full disclosure of more modern approved evidence tests through the printout of the internal operations of the equipment.

In March of last year, the justice department commissioned from Mr. Brian Hodgson, a forensic toxicologist and the chair of the alcohol test committee of the Canadian Society of Forensic Science, a report on the validity of breath testing. I will be happy to provide a copy of this report to any member who wishes it. I trust that Mr. Hodgson will be called as a witness by the standing committee if we send the bill for review after second reading.

Let me summarize his paper this way. He wrote that the Breathalyzer is entirely manually operated and therefore the reliability is vulnerable to human error. The test results are handwritten by the operator and vulnerable to transcription error. The advanced instruments have preprogrammed functions that minimize human operator error. He continued, saying that, for example, when electrical power is first turned on, all instruments must reach a specified operating temperature and the operator can then proceed with the testing of the subject. With the Breathalyzer, this function is the responsibility of the operator. The advanced instruments will not operate until the specified temperature is reached and have preprogrammed safety checks that will signal problems by means of error messages and will abort the testing procedure.

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These approved instruments are highly sophisticated and have to pass a rigorous evaluation process before the alcohol test committee recommends that they be listed as approved instruments under the Criminal Code for use in the courts. One does not buy these instruments off the shelf at Wal-Mart. Perhaps the standing committee can arrange to have a demonstration of the older instruments and the new instruments so they will be better able to appreciate the differences.

In light of this science and the developments with the approved instruments, it is unfortunate that our courts have failed to reflect in their jurisprudence the evolution of the technology. Ignoring the BAC produced by one of the modern approved instruments and substituting for its accurate, scientific analysis of breath alcohol a calculation based on the testimony of the accused is deeply discouraging to the police and prosecutors, who have done everything that Parliament has prescribed.

As far back as 1986, the alcohol test committee expressed concern over the courts accepting testimony that effectively contradicted the approved instrument. In 1999, evidence to the contrary was discussed during the special hearings of the standing committee regarding impaired driving.

● (1650)

The committee wrote:

The Committee understands the frustration expressed by justice system personnel over time-consuming defenses that, at least on the surface, may appear frivolous. However, given that the accused would have no effective means of checking the accuracy of a breath analysis machine, the Committee agrees that limiting the interpretation of "evidence to the contrary" in such a manner as recommended could effectively amount to the creation of an absolute liability criminal offence. Such a result would run the risk of interfering with an accused person's rights guaranteed by the Canadian Charter of Rights and Freedoms. In present circumstances, therefore, the Committee does not support amendments to the Criminal Code that would limit the interpretation of "evidence to the contrary".

Circumstances certainly have changed. We now have modern technology that not only is designed to eliminate operator error but also prints out the results of its internal diagnostic checks that ensure it is operating accurately. The accused receives a copy of that printout and can make full answer in defence.

It is just as unacceptable to ignore the approved instrument BAC reading in favour of the testimony of the defendant and his or her friends as it would be for a court to ignore DNA found on the victim that analysis shows comes from the accused because he or she and a few friends testified that the accused was not at the scene of the crime, with no explanation as to how the DNA happened to be there.

As MADD Canada's CEO Andrew Murie said in a press release calling for rapid passage of this bill:

Canada appears to be the only country that throws out the results of the evidentiary breath and blood samples based on the unsubstantiated, self-serving testimony of an accused impaired driver. We are very pleased to see the government limit these challenges.

I believe members will agree that a person who has been drinking is unlikely to have an exact recollection of the amount of alcohol he or she consumed and it is appropriate that the blood alcohol content of the driver be established by a scientifically validated instrument that gives an exact reading rather than by a calculation based on such a shaky foundation.

The amendments that we are proposing abolish the loose, undefined concept of "evidence to the contrary" and list the actual scientifically valid offences that an accused can bring forward.

We are also reflecting in Bill C-32 the advances in technology by reducing from 15 minutes to three minutes the time required between the two required breath tests. The old breathalyzers required at least 10 minutes between tests for the operator to set the instrument back up so that it was ready for another test. The new instruments are ready in a matter of minutes and they signal to the operator that they are ready to proceed.

Although there are other technical changes in the bill, I wish to conclude my remarks by discussing the changes in the offences and the new punishments.

The Criminal Code currently provides for higher maximum penalties for impaired driving causing death and impaired driving causing bodily harm. These higher penalties do not apply to refusal in over-80 offences, so unless there is also a conviction for causing bodily harm or death arising from the incident, a lower maximum penalty applies.

While evidence of BAC is not a prerequisite in order to prove the charge of impaired driving causing death or bodily harm, it is admissible in court. There is, therefore, an incentive for the accused to refuse to provide a sample in a case involving injury or death, because the maximum penalty for a refusal is five years.

Even if it is admitted, the BAC reading is not necessarily sufficient to prove the offender was impaired. The Crown has to call a toxicologist to establish, as I have said, what has been known for more than 50 years, namely, that a person who is over 80 is impaired. Virtually all toxicologists agree that at 100 milligrams each person's ability to operate a vehicle is impaired.

We propose to eliminate this incentive to refuse by making a person who is over 80 and is the cause of a collision resulting in death or bodily harm, or who refuses to provide a breath sample knowing of the death or bodily harm, subject to the same penalties as the driver who, while impaired by alcohol or a drug, caused a death or bodily harm.

As for the penalties for impaired driving where there is no death or injury, the government believes they do not adequately reflect the seriousness of this offence. We are proposing to raise the minimum fine for a first offence to \$1,000. When combined with the prohibitions on driving, provincial licence suspensions and higher insurance costs, this should be enough to convince the person not to commit the offence again.

However, for those who do commit another offence, we propose that they be subject to imprisonment for a minimum 30 days on a second offence instead of the current 14 days. For a third offence, we propose 120 days rather than the current 90 days' imprisonment.

I am indeed pleased to recommend to the House that it give second reading to Bill C-32. I urge all members to support it.

Government Orders

•(1655)

[*Translation*]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I thought my Conservative colleague's speech was very interesting. However, I would like to ask him some questions.

He mentioned and emphasized that there are cases where an impaired driver of a vehicle involved in an accident causing death or injury is not charged under the Criminal Code for having caused death while operating a vehicle.

Are there studies showing the prevalence of this situation where the individual is not charged with an offence requiring a minimum sentence, including life imprisonment?

Are there studies to that effect? If yes, why do attorneys decide to proceed with charges of impaired driving and not of causing death or injury while operating a vehicle?

[*English*]

Mr. Rob Moore: Mr. Speaker, I look forward to studying this bill with the member at committee at which time we will be able to question available witnesses who have conducted studies on the carnage on Canada's roads that we are all too well aware of.

That is precisely why we brought in this legislation. It would certainly increase the penalty for someone who is convicted of impaired driving but, more important, it would provide the police with the tools necessary to ensure that individuals will not have their cases thrown out entirely because of the evidence to the contrary defence.

That is one of the most fundamental changes in what we are doing. It recognizes, as I am sure the hon. member will, that since the introduction of this legislation, technology has moved on. Things have changed. The equipment used to test blood alcohol level has advanced to a stage where it is probably more likely that the equipment is accurate rather than the testimony of the accused and his or her close personal friends saying that he or she only had a couple of beers.

It is for that reason and also for the perverse impact, as the member alluded to in her question, of someone who has a greater incentive, because of an interpretation of the Criminal Code, to refuse a blood alcohol test because of the impact that would have on possible charges the person could face.

•(1700)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, considering that this bill is based on one of the bills originally presented by the member for Mount Royal, we obviously agree with a number of items in it.

I have two questions. One relates to the part of the bill that would authorize the taking of bodily fluids to test for the presence of alcohol or drugs. Every time we mention the topic of taking fluids from a person's body we have a big debate over the violation of the person's rights. I want to ensure that has been dealt with sufficiently, that there is no precedent and that the right of the person has been safeguarded in the bill so that it can be done without being challenged.

My second question relates to the restriction of the use of evidence to the contrary. On the surface, it does not seem fair in our justice system, or maybe it is just labelled wrong, to restrict any evidence if evidence can be brought forward. Of course evidence should not be dismissed from good, scientific, technical equipment. Nevertheless, any evidence should be allowed and it should be up to a jury or a judge to decide on evidence brought forward. It seems unconstitutional to restrict evidence from a case.

Mr. Rob Moore: Mr. Speaker, the hon. member is also on the committee that will be studying the bill and I look forward to his input.

First, on the drug impaired driving, drug impaired driving presents a unique challenge because currently we do not have the equipment in place that can provide a roadside test for all drugs in the same way that we have with roadside breathalyzer tests. This bill would authorize police officers to conduct roadside impairment tests for drug impairment.

Currently, someone can still be charged with impaired driving if that impairment is caused by a drug, but this bill would put in place a framework for the police to first conduct a roadside impairment test and, second, an assessment by a drug recognition expert. This would be a specially trained police officer who would be authorized to take bodily fluids and, after finding evidence of impairment, would be able to give evidence of impairment.

With regard to the hon. member's concern about challenges under the charter, I must say that, as we have seen from the Criminal Code provisions in dealing with impaired driving which are some of the most litigated provisions, any of the new provisions that we bring forward as a Parliament will be litigated. We are confident that these are reasonable steps to cut down on what is the new reality on Canadian roads, which is that there is impaired driving and that impaired driving is not only caused by alcohol but also by drugs. There is a much greater chance of someone becoming involved in an accident, which I am sure we will hear in the testimony at committee, if they are under impairment by drugs.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I, too, share my friend's concerns about the current state of the law when it relates to impaired driving.

My question has to do with the frustrations that police across this country experience as they try to apply our drunk driving laws. I am wondering if the member has had an opportunity to discuss these frustrations with his local police or perhaps other police across Canada and whether they are encouraged by the steps our government is taking to keep up with the changes in technology and ensure our streets are safe from those who abuse their rights as drivers.

Mr. Rob Moore: Mr. Speaker, what we have heard from police is overwhelming. They are increasingly frustrated with many of the cases involving the criminal justice system. Many areas of the criminal justice system need to be addressed and this is certainly one of them.

Government Orders

When we look at the disproportionate number of pages in the Criminal Code that are devoted to impaired driving and all of the defences that have been developed over time dealing with impaired driving and the loopholes that have been created in the system, the police are frustrated. What we have heard from police is that often, whether it is an accident or not, they are first on the scene. They see the carnage that comes from impaired driving, they, more so than the rest of us. When there is an accident at two or three in the morning, when the rest of us may be safely in bed, it is the police who must see the results of that carnage on the highway.

The police want to see a reduction in impaired driving in Canada, as we all do, which is why they support this initiative and why MADD Canada supports this initiative. I think we all have the same goal.

While respecting the charter and respecting privacy, which this bill does, we must also equip our law enforcement and our justice system with the tools they need so that when someone is caught for impaired driving there will be a consequence to that. We do not want people getting off because one of their friends testified that they only had one or two beers when in fact the breathalyzer and the equipment that is now at the police station have proven to be very accurate, very effective and very far advanced to where we were 20 or 30 years ago.

• (1705)

[*Translation*]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I would like to say that this is the first time that I stand in this House as the opposition justice critic and I am very pleased to do so.

[*English*]

It gives me great pleasure to speak to Bill C-32, An Act to amend the Criminal Code (impaired driving) and to make consequential amendments to other Acts.

As I just said in French, this is my first speech as the official opposition's justice critic. I look forward to working with my colleagues, be they in my party or in other parties, to provide intelligent, smart solutions to all justice issues that come before this House.

In considering Bill C-32, we must look at its history in order to understand it. The history of Bill C-32 goes back quite a few years, in fact to May 1999 when the House of Commons Standing Committee on Justice and Human Rights released a report entitled "Toward Eliminating Impaired Driving".

The committee then recognized that drugs were a contributing factor to some fatal motor vehicle accidents. It also emphasized the need to develop better measures to detect drug impaired driving and to obtain the proper evidence allowing for the successful prosecution of individuals who drove while under the influence of drugs.

A further study on this issue was the Senate special committee on illegal drugs report entitled "Cannabis: Our Position for a Canadian Public Policy". One of its important findings was that there was no reliable, non-intrusive, rapid roadside test for drugs. In the case of cannabis, the best way to test is through blood samples. This then

obviously represents a challenge that needs to be met in order to address the problem of drug impaired driving.

In response to the 1999 report, the Department of Justice and its working group on impaired driving consulted extensively with the provinces and territories. The results of these consultations was the October 2003 release of the report entitled "Drug-Impaired Driving: Consultation Document". This document pointed out that many drug impaired drivers were not voluntarily participating in testing. It does stress the need to develop measures that would allow police to demand that drivers suspected of being impaired by drug use would submit to testing.

The report highlighted two options. The first option was to set a legal limit on the presence of drugs on the body. The second option was to propose legislation that would improve the ability of our law enforcement, our police officers, to demand drug tests. A certified officer could demand a physical sobriety test or take a saliva or sweat sample at the roadside based on the reasonable suspicion of drug impairment. Failure on such a test would then represent reasonable grounds to conduct a more detailed evaluation and, obviously, more intrusive evaluation at a police station. The bill that is before us, Bill C-32, follows in the steps of this second option.

The House of Commons special committee report on the non-medical use of drugs released in the fall of 2003 called for Parliament to develop a strategy addressing the question of drug impaired driving. In April 2004, our then Liberal government, and it is quite coincidental I am sure that the present government bill carries the same number, reintroduced Bill C-32. That bill would have dealt with the drug impaired driving in the fashion described above. Unfortunately, the bill died on the order paper in May 2004 when an election was called.

• (1710)

The Liberals were re-elected, albeit as a minority government, and in November 2004 reintroduced that same bill but as Bill C-16, An Act to amend the Criminal Code (impaired driving) and to make consequential amendments to other Acts. That bill made its way to committee and was reported back to the House with some amendments. Unfortunately, that piece of legislation also died on the order paper when the election was called in November 2005.

Thus, the current minority Conservative government's Bill C-32 has followed in the footsteps taken by the previous Liberal government. The Conservatives, however, have chosen to reintroduce it with a few changes, namely, by incorporating stronger penalties than the Liberals' two previous bills had envisioned.

On the same topic, I noted that Canadian Press reported on the introduction of Bill C-2 with the following words. I am quoting from the November 22 wire which reads:

Government Orders

The federal Conservatives have brought in legislation to crack down on drug-impaired drivers—by resurrecting a plan first advanced by the Liberals, adding heavier fines and jail terms, and calling the result a Tory initiative.

I think that this description is accurate, and I can only commend the Tories for recognizing a great idea even when it was developed and first presented by another party, the Liberal Party when it was the government.

[*Translation*]

Now that we have discussed the background for the bill before us, we must examine the amendments it will make to the Criminal Code. The summary for Bill C-32 reads as follows:

This enactment amends the Criminal Code

(a) to create an offence of operating a motor vehicle while in possession of a controlled substance as defined in subsection 2(1) of the Controlled Drugs and Substances Act;

(b) to authorize specially trained peace officers to conduct tests to determine whether a person is impaired by a drug or a combination of alcohol and a drug;

(c) to authorize the taking of bodily fluids to test for the presence of alcohol or a drug;

(d) to create an offence of operating a motor vehicle with a concentration of alcohol in the blood that exceeds 80 mg of alcohol in 100 mL of blood and causing bodily harm or death to another person;

(e) to clarify what evidence a person accused of driving with a concentration of alcohol in the blood that exceeds 80 mg of alcohol in 100 mL of blood can introduce to raise a doubt that they were not committing the offence;

(f) to create an offence of refusing to provide a breath sample when the accused knows or ought to know that the accused's operation of a motor vehicle caused an accident resulting in bodily harm to another person or death; and

(g) to increase the penalties for impaired driving.

The enactment also makes consequential amendments to other Acts.

As the Liberal justice critic, I want to say that my party takes very seriously problems of impaired driving caused by alcohol and/or other drugs. In my opinion, the proof of this is that, when we formed the government, we twice introduced a bill amending the Criminal Code to deal with this problem.

I believe the proof is there. We take this issue very seriously and we also take very seriously measures that are smart and effective and that have a good chance and even an excellent chance of achieving the intended objectives. Moreover, we support initiatives to provide services responsible for maintaining public order with concrete and effective tools to implement legislation aimed at cracking down on impaired driving caused by alcohol or other drugs.

We are therefore prepared to support Bill C-32 so that it can make its way to the Standing Committee on Justice and Human Rights. The committee could examine the bill in greater detail and summon witnesses and experts to give their own particular perspective. In addition, the committee could propose any amendments it deems necessary. However, I would like to say that we still have reservations about some aspects of this bill. We hope that the government will work constructively with all the opposition parties to address these reservations and that the most useful and most effective legislation will be adopted.

What concerns or reservations do we have about this bill?

● (1715)

Some hon. members have already voiced them.

[*English*]

The Canada Safety Council has already voiced some objections to roadside drug testing. It asks which type of drugs police would test for. Would it simply be illicit, illegal drugs, or would it also be drugs that are legal, in the sense that they are prescription drugs. The person could be in legal possession of those prescription drugs, but the effects of those drugs may cause impairment and it is clearly indicated, for instance, as part of the protocol for taking that drug.

How many of us have not come down with a bad cold or a bad infection, have been prescribed medication by our doctor and when we receive it at the pharmacy it clearly says on the label not to operate machinery or a moving vehicle while taking that medication.

The Canada Safety Council has concerns about what are the drugs that are going to be tested for and whether there will be the possibility of distinguishing between prescription drugs and illegal drugs. As well, how would we deal with the fact that there are certain drugs, like marijuana, which may linger in the body well after the initial high is over and well after the effects of impairment of one's abilities have completely dissipated but traces of the drug still remain?

The Canada Safety Council is asking these questions. How is this bill going to deal with these issues? These are questions that hopefully will be answered if this bill goes to committee.

As I said, as the Liberal critic I will be recommending to my colleagues to vote in favour to send it on to committee so that we can attempt to get answers to these questions and, if it is possible, to amend the bill. If we are given solid answers by experts who say that yes, we could do that and we could amend the legislation in such a way to ensure that it happened, then we would hope that we would get government cooperation in order to do so.

I had another question which was not answered by the parliamentary secretary during questions and comments. I asked whether or not studies had been done to determine in what percentage of cases where there has been death or injury caused by a motor vehicle and there is evidence of impairment—and let us just consider alcohol impairment—the Crown actually brought forth manslaughter charges, which includes the section of the Criminal Code that exists right now that deals with manslaughter and also includes death and injury caused by a vehicle, including impaired driving and provides for a maximum sentence of life.

I would like to know what scientific studies have been done to determine why it is that those provisions have not been used obviously sufficiently from what the parliamentary secretary said. He talked about people who are impaired causing carnage with their vehicles et cetera and that they are getting away with it because they are refusing to take the testing. Where are the problems? We have provisions right now but they appear not to be used. Why is that? What is the evidence that would show why they are not being used?

• (1720)

Finally, we know the government has announced that it will be placing \$2 million to the benefit of our law enforcement in order to get the training and to do these roadside sobriety tests. How much money, if any, is the government planning to use to do a public education campaign?

[Translation]

History has shown that Canada-wide public education campaigns about impaired driving have been very well received by the public.

That is why today people have a designated driver when they spend an evening with friends or go to a party in a hall or restaurant where alcohol is served. Today, the vast majority of people resign themselves to drinking nothing. But if they do decide to drink, they have a designated driver.

Does the government plan to put money and people behind the idea of an education campaign on driving while under the influence not only of alcohol, but also drugs, for example? I would like to know. Perhaps the answers will come out during the committee hearings, if the House decides to refer this bill to committee.

Thank you very much, Mr. Speaker, and thank you to my colleagues in this House who are taking part in this debate. As I have already said, I recommend that my colleagues from all parties refer this bill to committee so that we can try to answer these questions and, if necessary, improve the bill.

* * *

• (1725)

[English]

POINTS OF ORDER

BILL C-327—BROADCASTING ACT

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, my point of order is on Bill C-327.

Without commenting on the merits of this private member's bill, I would appreciate your consideration of whether this bill requires a royal recommendation under Standing Order 79. Clauses 1 and 2 of the bill add a new purpose to the Broadcasting Act to:

—contribute to solving the problem of violence in society by reducing violence in the programming offered to the public, including children.

To meet this purpose, the bill would provide new powers to the Canadian Radio-television and Telecommunications Commission, also known as the CRTC, to regulate violence on television, verify broadcasters compliance, issue annual reports and undertake a five year review, including holding consultations. These are new

Points of Order

responsibilities for the CRTC which were not previously authorized by the Broadcasting Act. They would clearly require new government expenditures.

Precedence clearly established that a change in purpose requiring new expenditures must be accompanied by a royal recommendation. On May 9, 2005, the Chair ruled:

— bills which involve new or additional spending for a distinct purpose must be recommended by the Crown. The royal recommendation is also required where a bill alters the appropriation of public revenue “under the circumstances, in the manner and for the purposes set out” in the bill.

What this means is that a royal recommendation is not only required in a case where more money is being appropriated, but also in a case where the authorization to spend for a specific purpose is being significantly altered.

On February 8, 2005, the Speaker ruled:

Where it is clear that the legislative objective of a bill cannot be accomplished without the dedication of public funds to that objective, the bill must be seen as the equivalent of a bill effecting an appropriation.

On September 17, 2006, the Speaker noted that the sections of the bill:

—with regard to the process of petitioning and reporting, are also functions which would require the authorization of spending for a new and distinct purpose.

I note that the new purpose for Bill C-327 is established by the operational obligation which clause 3 places on the CRTC for regulating, reporting and reviewing and by clauses 1 and 2, which would amend the overall broadcasting and regulatory policies in the Broadcasting Act.

I therefore submit that the bill in its entirety requires a royal recommendation.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, it is now obvious that the government raises the issue of royal recommendation each and every time members of the opposition parties introduce a private member's bill.

I well recall how the government used the same tactic when Bill C-288 was introduced by my colleague from Honoré-Mercier.

If my bill were to be implemented, there would be no fundamental change in the role the CRTC plays. All we ask is that new regulations be adopted under the Broadcasting Act. We really do not need new public monies to have the CRTC apply the legislative changes I propose in Bill C-327.

Under that bill, we could very well go ahead and evaluate the situation without necessarily requiring supplementary funds.

In fact, the CRTC has already made a study of violence on television and published reports on the issue. Consequently, it would be very possible to fulfill the complete mandate of the CRTC and to adopt the changes I propose without new public funds.

Private Members' Business

• (1730)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as the representative of the Liberal caucus on private members' issues, I take it very seriously to ensure we review the bills coming on to the order paper, which have been duly reviewed.

As you know, Mr. Speaker, it is the practice to do a thorough review of bills coming forward and in the event there is any concern of a possibility, even a remote possibility, that a royal recommendation would be required, the member is given due notice and has an opportunity to remediate the bill prior to it being tabled. I checked with the member and I understand the member was not given notice by the House of the likelihood of a royal recommendation being required.

Also, having looked at it, clearly I was very anxious to see the bill for our caucus. I think it is one that we definitely would like to deal with and to consider support on a very important issue. I am quite frankly absolutely surprised that the government would pull this opportunity to disqualify the issue of violence on television from consideration of the House. It is a very honourable and honest bill to come forward on behalf of the member.

We feel the CRTC mandate is clear. In the event that there was a will of the House to somehow address violence on television, we would not have to amend the legislation for the mandate of the CRTC to do that. Therefore, if that is the case, then there is absolutely no basis for suggesting that a royal recommendation is necessary because it is not within the mandate.

The government would have to demonstrate that. Argument has not been made to that extent. Therefore, I disagree strongly with the Parliamentary Secretary to the Leader of the Government in the House of Commons with regard to the necessity for a royal recommendation. I believe the member should be given due consideration on this matter simply because it is the first time this matter has ever come up. The member has rights and those rights have not been respected by the government.

The Deputy Speaker: Private members' business was supposed to begin at 5:30 p.m. I have heard three people on the matter of the royal recommendation. I thank hon. members for their presentations. At some point, the Speaker will rule on the appropriateness of the government's recommendation that there be a royal recommendation. However, at this time we really should move to private members' business and to the bill in question.

It being just past 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

*[Translation]***BROADCASTING ACT**

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ) moved that Bill C-327, An Act to amend the Broadcasting Act (reduction of

violence in television broadcasts), be read the second time and referred to a committee.

He said: Mr. Speaker, it is with great pleasure that I rise today to speak on Bill C-327 respecting violence in television broadcasts, which I am sponsoring in this House. I would like to start by reviewing the context in which this bill was introduced last spring.

One day during the winter of 2000, I was sitting in my living room in the early evening, watching TV with my daughter, Marie-Noël, who was three years old at the time. That is when I noticed how captivated, almost hypnotized, my daughter was by scenes of violence in a movie broadcast on the public network.

That is what prompted me, a few months later, to introduce a bill to reduce violence in television broadcasts. Sadly, the bill was not deemed votable at that time, but it nonetheless allowed me to mobilize parents, teachers, child care stakeholders and others in civil society who were concerned about our children's future, to send the government a clear message: it had to regulate violence in television broadcasts.

Today, six years later, Marie-Noël is nine years old, not much younger than the 11-year-old boy whose death, according to Coroner Catherine Rudel-Tessier, was directly linked to violent scenes broadcast on public television during prime time which he attempted to recreate. In April, the coroner concluded that the current measures to protect our children from violence in television broadcasts were insufficient. She encouraged broadcasters to move shows rated 13 and over past 9 p.m.

That is what Bill C-327, which I am currently sponsoring and which is being debated in the House today, is proposing. Under this bill to amend the Broadcasting Act, the Canadian Radio-television and Telecommunications Commission, or CRTC, would develop regulations limiting violence in television programming, ensure compliance by licence holders and provide for penalties to be imposed on offenders.

Why regulate now?

In spite of the revised adoption in 1993 of the Voluntary Code Regarding Violence in Television Programming, developed by the Canadian Association of Broadcasters, the violence aired on television continues to increase. According to an analysis conducted by the Centre des médias at the Université Laval in December 2004, acts of physical violence on television have risen by 286% in ten years; and 81% of violent acts occur in programs beginning before 9 p.m. Furthermore, 29% of the acts of violence in films are psychological in nature.

Sure, some people will say that we can play with the figures, but one piece of evidence is certain: there is enough violence on television to influence the behaviour of our young people. We can only conclude that the voluntary approach by broadcasters does not seem to have produced the results hoped for since, some 15 years after the adoption of the voluntary code, television violence continues to increase, as indicated by the Centre des médias at the Université Laval.

Obviously complete censorship is not an option. I repeat, full censorship is not an option, because it would not be an appropriate response in a democratic society like ours, in which freedom of expression is one of its cornerstones.

To my mind, only a regulatory approach based on the necessary balance between freedom of expression and the protection of our children would offer diversified programming respectful of the various clienteles.

• (1735)

The recent demands, made just last week, by the Ontario Secondary School Teachers' Federation, for regulations that would prohibit programs with violent content from being aired before 9 p.m., are consistent not only with the spirit of the recommendation made by Coroner Rudel-Tessier, but are also in keeping with Bill C-327, which I am sponsoring today.

The Centrale des syndicats du Québec, the CSQ, which represents 172,000 members, including 100,000 teaching staff—who are in daily contact with our children—was among the first to applaud this bill.

The tragic story of the ten-year-old American and the nine-year-old Pakistani who accidentally hanged themselves by wanting to imitate Saddam Hussein remind us that, even though regulation of television violence is something that must be addressed, it is not a substitute for parental vigilance when it comes to not only the content of television programs, but also video games and Web sites.

The fight I began in 2000 has been fought by activists, daycare stakeholders and teachers. The first name that springs to my mind when I talk about the important fight I am fighting for the protection of our children is that of a young girl, now an adult, and someone you probably knew, Mr. Speaker. Her name is Virginie Larivière. Some years ago, she presented the Conservative government of the day a petition with 1.3 million signatures. The petitioners were Canadian and Quebec citizens who asked for regulations to reduce violence on television.

That young girl, about 10 at the time, introduced that petition it was because we already noticed in the 1990's that there had been an increase in the number of violent scenes on television despite the voluntary code the broadcasters had adopted for themselves in 1987. Despite that code, which was revised in 1993, the figures from the Centre d'études des médias of Laval University were revealing. Between 1995 and 1998, they showed an almost 50% increase in violent acts on television. The scenes of violence children could see—that is during programs broadcast before 9 p.m.—were also clearly on the rise. In 1998, 92% of violent acts were shown before 9 p.m.

The study also showed that one out of every two acts of violence in the study was either a gratuitous representation or unnecessary to understanding what was going on.

In 2000, these 1998 figures alerted me to this issue. Initially, it was my daughter who brought it to my attention, but after finding out more from media specialists, I concluded that TV violence was indeed on the rise. That made the 2000 bill very relevant.

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Quebec's civil society leaders and artists mobilized. Why? Because the bill did not seek to limit freedom of expression. It simply sought to restrict programs with violent content to airing after 9 p.m., when children are not watching. It was not, and it still is not, censorship. It was just about adjusting broadcasters' schedules to ensure they respected all members of the viewing public.

This bill seeks to regulate violence on TV.

• (1740)

I would encourage the members to read this bill. It does not even say that violent programs should air only after 9 p.m. That is what I think should happen, and that is the approach I would recommend. This bill merely proposes creating a regulation within the Broadcasting Act so that the CRTC will be responsible for ensuring compliance among licensees and punishing them accordingly.

To what extent should they be punished?

Often, in various environmental files, big polluters get off with light punishments. We cannot let that happen here. The regulatory regime may specify punishment according to the circumstances of the non-compliance. Section 32 of the Broadcasting Act provides that a corporate broadcaster that contravenes CRTC regulations—in this case, a future regulation—may be liable to a fine as high as \$250,000 for a first offence and as high as \$500,000 for a subsequent offence.

In essence, with this bill, we are asking broadcasters to be good corporate citizens. It is important to understand that our airwaves are public and that we, the public, therefore bear some responsibility for them. But broadcasters have a responsibility to broadcast information that is accurate and does not convey stereotypes, prejudices, racial slurs or statements designed to undermine our society's fundamental rights. We must ensure that our public airwaves respect everyone's rights.

This bill therefore strikes a balance. I know that some of my colleagues believe that this bill could violate the right to freedom of expression. In an attempt to address this concern, we have proposed that violent scenes be broadcast after 9 p.m.

I am pleased to introduce this bill today. As recently as yesterday, the Centrale des syndicats du Québec, the CSQ, took a clear stand on this bill. The more than 172,000 members of the Centrale des syndicats du Québec decided to support this bill, simply because they work in education.

Anyone who has seen what goes on in our schools and daycare centres will understand why these people are clearly saying that there is a connection between what our children watch and how they behave. It is true of movies and it is sometimes true of cartoons, because cartoon formats changed several years ago.

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In order to provide our educators and teachers with tools, we have to create a society that is as non-violent as possible. Of course, this bill will not reduce violence in our society. It is not the answer to violence in our society. There are other areas where we have to take action. I am thinking of the Internet and video games, but this Parliament could certainly take an important step by making sure that our airwaves are less violent and that we can live in a society that is as non-violent as possible.

● (1745)

[*English*]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, thank you for the opportunity to address this very significant concern in Canada.

The bill before us today is a further attempt to address the issue of TV violence in Canada. The bill would amend the Broadcasting Act by imposing a new, regulatory framework on the broadcast industry. I want to thank the member for Rosemont—La Petite-Patrie for his efforts in bringing this legislation before Parliament.

From the outset, I want to state that reducing violence in our society is a priority for our Conservative government. Indeed, addressing violent crime in Canada is one of the five key priorities which we set during the last federal election, and we have made significant progress in changing our criminal laws to ensure that Canada's streets and communities are safe.

The tabling of the bill gives us an opportunity to consider again Canada's success in addressing violence on television and how Canadians, especially young Canadians, are exposed to it.

The bill would amend the Broadcasting Act by requiring the CRTC to make specific regulations to reduce the number of violent scenes on television. While I believe the motives behind the bill are laudable, the bill itself is flawed for a number of reasons.

It represents a veiled attempt to impose additional censorship on broadcasters, very likely violating the protections of freedom of expression under the charter. It would also impose a new regulatory burden on government which would cost taxpayers more money. It implies that Canadians are not smart enough to read the required warnings and make viewing decisions for themselves. It shifts responsibility for supervising and educating children from parents to the federal government.

The good news is that much of the authority which the mover of the bill is seeking is already contained in the current Broadcasting Act.

I would like to look at Bill C-327 in the context of current broadcasting policy and at the tools already available under the Broadcasting Act that encourage Canadians to become media literate and to then make safe viewing choices for themselves.

Our current broadcasting policy focuses on empowering Canadians to make educated choices for themselves about what they and their families will watch on TV. Our federal government consults and cooperates with law enforcement agencies, broadcasters, parents and schools, and in doing so, we focus on five common objectives.

First, we want to educate TV viewers. We want to strengthen the enforcement of the existing laws. We want to implement complaint reporting systems. We want to ensure that public and private sectors

consult with each other and with their counterparts in other countries. Finally, and perhaps more important, we want to promote industry self-regulation.

That last objective, industry self-regulation, is key. The broadcast industry has, in consultation with the federal government, adopted a voluntary set of broadcast standards and a code of conduct which it applies to all of its programming.

Canadians will be very familiar with the frequent warnings which accompany programs containing violence or questionable or sexual content. These warnings equip parents to make decisions for themselves and their families as to the kind of programming which is suitable for them.

An added benefit of industry self-regulation is the fact that the financial burden of regulation and monitoring is borne primarily by industry, not by the taxpayers of this country.

Even if we wanted to regulate and control everything shown on television, it would be a futile endeavour. Canadians must understand that much of what we see on TV comes from foreign television signals. Canada has limited jurisdiction over these signals. We also have little jurisdiction, if any, over material that Canadians may view over the Internet.

Both foreign broadcasters and Internet service providers are not subject to Canada's licensing requirement. They are not subject to the Canadian broadcasting code of conduct and ethics, and as technology continues to develop, our ability to control content will continue to decline.

● (1750)

The current media environment is indeed the global village that Canadian professor Marshall McLuhan so prophetically pointed to. Government control over content is no longer a long term option in broadcasting. More than ever, Canadians need to be well informed. They need to be exposed to new technologies while understanding the potential harmful aspects of these innovations.

We live in a world without walls. We cannot be with our children at all times to keep them safe from harm. In the same way, recent experience has taught us that we cannot always protect our children and other Canadian audiences from controversial or objectionable content, especially when it originates from outside of Canada. It is even more difficult to do so if in fact we are to respect the charter right of freedom of expression.

What we can do is educate Canadians and give them the tools necessary to discern good content from harmful content. That is what the current Broadcasting Act does. The TV industry provides viewers with helpful information about programming content to enable each one of us to act positively, to become critical thinkers and to learn to discern. I also note that technology nowadays gives parents things such as the V-chip to allow them to control what their children watch on TV.

There is something troubling about this bill and it is in the preamble. The preamble categorically states that “censorship is not a solution”, yet the bill then proceeds to do exactly that, namely impose censorship by requiring the CRTC to impose regulations reducing violence in TV programming. These conflicting objectives are clearly fatal to the bill.

I remind the House of some of the key policy objectives contained in the Broadcasting Act. The act states in section 3(1)(d)(i) that the broadcasting system should:

serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada,

The very next paragraph states that the system should:

encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity—

To me these words suggest imagination and diversity of opinion, something that our charter of rights guarantees. Any attempt to circumscribe these rights would likely result in a successful challenge under the charter and I for one am not prepared to burden the taxpayers of the country with the cost of needless and ultimately futile litigation.

I would encourage the member for Rosemont—La Petite-Patrie to again review the existing provisions of the Broadcasting Act, most notably subsections 10(c), 10(f) and 10(k) because these subsections already spell out a broad regulatory framework which, at least in my experience, has led to significant cooperation on the part of the broadcast industry. Moreover, the act already states that all broadcasting licensees are responsible for the programs they broadcast and that this programming must be of a high standard.

The Canadian approach to maintaining high standards engages the broadcast industry instead of invoking a unilateral heavy-handed enforcement program.

In conclusion, we have to ask ourselves a number of fundamental questions. Do we believe in more government? Do we believe that government should usurp the rightful role of parents to train and educate children? Should Canadians no longer be responsible for their own decisions for informing themselves? Finally, do we believe that taxpayers should again be burdened with additional regulatory costs that should be borne by industry? I believe the answer is no to all of these questions and that answer must compel us to reject this bill, as well intended as it might be.

• (1755)

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, I am confident that all members in the House join me in genuine concern about ensuring that our children have safeguards against violence on television in this country. To this end, on behalf of the residents in

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the Churchill riding, I am pleased to have the opportunity to speak to Bill C-327, An Act to amend the Broadcasting Act (reduction of violence in television broadcasts) introduced by the member for Rosemont—La Petite-Patrie.

Upon introduction of the bill on June 19, 2006, the member for Rosemont—La Petite-Patrie said:

Mr. Speaker, today I am pleased to introduce a bill to reduce television violence, particularly during peak viewing hours for children.

This quote encapsulates the objective the member hopes to achieve with this bill. Before continuing this debate, I would like to acknowledge the integrity of my hon. colleague's aim. As many parliamentarians would know, the bill was initially introduced in the House of Commons during the first session of the 37th Parliament as Bill C-420 and prior to reintroduction, the bill received only slight modifications.

The issue of violence on television has been at the forefront of the public mind over the past couple of decades. In fact, the issue did become a priority for the Canadian Radio-television and Telecommunications Commission, the regulatory body of Canada's Broadcasting Act and in 1990 it commissioned two studies, “Scientific Knowledge about Television Violence” and “Summary and Analysis of Various Studies on Violence and Television”. The findings and recommendations of these studies led to action by the CRTC toward the development of guidelines in Canada by working with the Canadian Association of Broadcasters, provincial ministers and the cable industry.

In 1992 a significant event occurred when a very young woman, Virginie Larivière, submitted a petition to Parliament with 1.5 million signatures seeking a ban on television violence. It was a clear message from Canadians on the issue.

In February 1993 the Action Group on Violence on Television was formed. It was comprised of the Association of Canadian Advertisers, the Canadian Association of Broadcasters, the Canadian Broadcasting Corporation, the Canadian Cable Television Association, Canadian Film and Television Production Association, the Association des producteurs de films et de télévision du Québec, and the licensees of pay television, pay per view services and specialty services.

In September of that year they released a general statement of principles concerning violence on television programming with the aim of a classification system for television programming. Numerous critical actions followed. The CRTC accepted the Canadian Association of Broadcasters' revised voluntary code regarding violence in television programming and announced that compliance would be a condition of a broadcast licence. The code designated the watershed in which broadcasters could not air programs which included violence intended for an adult audience between the hours of 6 a.m. and 9 p.m.

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Since that time, Canada has been a leader throughout the world in setting regulatory mechanisms and strong industry codes to ensure that viewing choices for children remain responsive to the concerns of the public. These currently include program ratings systems; on-screen icons; violence guidelines and other content guidelines referring to language and content of a sexual nature; required frequent viewer advisories, both on-screen and audible; and program embedded ratings for use with V-chip technology.

These are a mandatory system of codes and adherence to them is not voluntary. The system was approved by the CRTC in June 1997. Private broadcasters must agree to them and licences are reviewed regularly by the CRTC.

This proposed legislation seeks to amend the Broadcasting Act to grant the CRTC the power to make regulations respecting the broadcasting of violent scenes. However, a great deal has changed in broadcasting standards and practices over the past 15 years on the issue of violence on television and a child or youth audience.

It effectively established a broad set of policies, technologies and rules affecting broadcasters that I would argue address the concerns and even the purpose of this bill. This is largely confirmed by the member's proposed amendment to section 10 with the addition of:

The Commission shall make regulations respecting the broadcasting of violent scenes, including those contained in programs intended for persons under the age of 12 years.

In an effort to safeguard children against violent television programming, various stringent measures were put in place. These policies are complemented by a series of technologies that have steadily increased in television broadcasting since their initial introduction.

● (1800)

For example, the CRTC launched a variety of new technologies set to increase viewer awareness of suitability of a given program. This is done through both voice and print immediately prior to programs as well as during commercial breaks.

Parent friendly rating systems have also been carefully integrated into the suitability warnings. Moreover, the introduction of an advanced parental control technology known as V-chip was created and put into action. It allows concerned parents to filter inappropriate content based on a rating system.

Comparing the existing practices of the CRTC with the member's proposed amendment to the Broadcasting Act, I think it is fair to say that the commissioner has ensured regulations are in place addressing television violence during peak hours and is effectively monitored. In fact, in 1994 the Canadian Broadcast Standards Council, an independent organization comprised of public and industry representatives, announced that the children's television program, *Mighty Morphin' Power Rangers*, violated children's programming provisions of the Canadian Association of Broadcasters' violence code. The producers were forced to comply with the code or the broadcasters were to remove it from their schedule.

In fact, to emphasize the results of the positive actions taken by broadcasters, the Canadian Broadcast Standards Council has actually reported a decline in the percentage of complaints concerning violence on television. Between 2001 and 2006, public complaints

involving violence have dropped by 37% and it ranks sixth as the subject of television complaints to the Canadian Broadcast Standards Council.

After taking into account the current policies and practices of the CRTC governing violence on television and now returning to the member's stated objective, and more important, the contents of his bill, I do not believe the proposed amendments will have an impact in reducing violence during peak hours.

Given the standards and practices that are already in place and enforced by the commission, Bill C-327 is redundant in terms of the Broadcasting Act. It is my assertion that the various mediums in today's market have a significant role to play in terms of the amount of violent content which is available to children and youth. Today's new medium means rapid access to materials through the Internet, video games and DVDs.

While I applaud the spirit of the member's bill, I do believe it is adequately covered through the current Broadcasting Act and regulatory body, the CRTC, to safeguard Canadians and to protect our values, and I cannot lend it my support.

● (1805)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I am very pleased to rise today and speak to Bill C-327.

I have to make an admission to the people of Canada that I am a huge fan of action films. In fact, my whole family are fans. On Friday nights, we like nothing better for the world to be hanging in balance while the good guy has to run out and save the planet with two minutes to spare while the planes are flying. I think one of the reasons these films are successful is that they are entertaining and people can tell the difference between the reality of violence and the action film genre, so I have to put that on the record.

However, I am interested in this bill because I believe that there is a difference between seeing the fantasy world of cops and robbers and action hero stuff that we are used to, the sort of comic book entertainment, and the good guy always wins in the end element of film and television. There is a fundamental shift that I am starting to see in terms of three areas.

First, is the increasing level of abusive, degrading and humiliating television that has become a standard staple.

Second, is the relentlessness of the imagery. As we know, our young people are not just watching it on television, they are on the Internet, and there is a relentlessness that is hammered home time and time again.

I think of the third issue, and I find this from my role formerly as a school board trustee. When we talk about empowerment and choice, we are assuming that we are talking about 1950s-style families. I can tell members, as a school board trustee, many of the kids in my community are at home alone when they come home from school because their mom, a single mother, is working or their father is out working. Who are they home with? They are home with the electronic child molester. That is who they are home with.

Private Members' Business

If we watch the programming that was put in the afternoon slot in the last number of years, we have Maury Povich and Springer. This is absolutely abusive and degrading television. I am concerned that when young people come into class, they do not have the faculties to separate this.

So, what we do have? We have a policy of zero tolerance in our schools. I have seen many kids act out stuff in the schoolyard without even having a sense of what they are doing, and then of course we have to bring in the police to deal with it. I am not talking so much about physical violence being acted out, but some of the abusive stuff that they see on television. So, there is an element there that we can talk about empowering our young people, but if they are home alone, they do not have that choice.

I think this debate today is actually very appropriate, given the very disturbing national conversation that is going on. All around us, Canadians are talking about the Pickton trial.

There is a really interesting debate if we listen to the talk shows. What people are saying is, "I don't want to hear it. I don't want these greasy fingerprints left on my imagination. Have the trial, please, but spare us the grizzly gore".

What strikes me about this conversation, because I have been listening to the people phoning in, is that people do not want to be desensitized. They do not want to accept a point where they no longer even shrug when they hear these kinds of details. It is a very horrific conversation that we have to have. I was thinking in terms of the Bernardo trial and how I still feel such rage over what I heard about that. We are being asked as a society to cross a terrible Rubicon of the imagination whereby something that once was just a realm of Hollywood is something we have to accept as a reality. As I was thinking of this conversation, I was watching television with my daughter. It was interesting that I saw within a space of one hour two ads for serial killer torture shows that had very gruesome, very graphic and very stylized forms of the torture.

Can our children tell the difference between the allegations at the Pickton farm and these things on television? Of course they can. Just as they can tell the difference when they are playing video games that seem to me to be so much similar to the Dawson shooting. But at a certain point, there is a level of desensitization, and that desensitization has a very profound impact for cultural development.

Ronald Cohen, the chair of the Canadian Broadcast Standards Council, says very clearly, "In addition, there is no gratuitous or glamorized violence on television at any time of the day or night. Period".

I was watching *24* with my daughters the other night. They are big fans of Jack Bauer. I am a big fan of Jack Bauer, the actor playing him being the grandson of Tommy Douglas, the great Canadian socialist. Jack Bauer is always there to save the world.

•(1810)

However, there is an interesting debate that has come up about *24* because of the way that people are now beginning to accept the notion that torture is perfectly okay. Jack Bauer can never save the planet unless he tortures somebody. He is very effective in torturing people and because Jack tortures people things work.

I was speaking to an educator who had been talking to a young person about notions of right and wrong and limits of right and wrong. The issue of torture came up. The student said, "Torture is perfectly okay. That's what you do if you're a police officer. That is perfectly acceptable behaviour." The educator asked, "Why would you think that torture was normal?" The child said, "Jack Bauer has to do it."

Think of the profound shift that has taken place in the last 10 years. Ten years ago, what was torture? In our imagination that was what thugs did in a Latin American prison. That is what petty gang lords did. However, a conversation now where we have stylized violence, and it is very over the top, it becomes acceptable. Therefore, we become desensitized to it.

Another point Mr. Cohen makes in terms of the reason we do not need standards, that we do not need to impose them here, and he is talking about protecting children. He says, "There can be no themes that threaten a child's sense of security."

I was watching *Fear Factor* in my hotel room the other night. Since you might not believe, Mr. Speaker, how outrageous it is I will read the plot description that I picked up off the Internet. This was a plot with families, so it was mothers, fathers and their children on this show. This is a quote from the show. The children will be locked in a box of Madagascar hissing cockroaches that would be poured all over the children. Then the parents would have to use their mouths to transfer roaches from the box to a counterbalance. The pair would then have to get the keys so that the child could find a way to escape from this box where the child was screaming and covered with cockroaches.

The message I infer from this is that child abuse is okay if it is done on prime time, if it is done for entertainment purposes, and it is very clear that it is done for greed because do you know what happens, Mr. Speaker, if the mother manages to pick enough of these Madagascar hissing cockroaches off her screaming child and frees them from this locked box? She will win a 2004 Mazda6 Sport Wagon. I find this absolutely abominable.

I would like to think that industry would self-regulate, but I think what we are seeing now in terms of abuse on television is that it is self-regulating itself down to the bottom and we should not go along with this. I think at a certain point we have to say as a society that this degradation has to stop. The idea of abusing and humiliating people as a form of cheap entertainment is not acceptable. We do not accept it when our children act it out in the schoolyard. We should not have to accept it as a regular form of entertainment.

Again, I would like to point out that people can say, "Turn it off", but I know of so many children who are at home alone. They are not reading, they are watching and this is what they are watching.

Private Members' Business

This leads me to another point that I think has to be made. It is a more subtle point. It is the notion of the breakdown of the self, the self-identity and the self-awareness from watching abusive television again and again by young people. I read a book earlier last year entitled *A Is for Ox: the Collapse of Literacy and the Rise of Violence in An Electronic Age* by Barry Sanders. He made some amazing correlations that what we are seeing in terms of a culture where children are raised strictly on television is the breakdown of literacy, not simply that they cannot read but literate conversation, the sense of self, has disappeared in so many young children. They do not have that construct.

He said that there are profound implications for society when we have children who are raised like this because as they have no sense of self they have no sense of the other. He is definitely making a very clear equation in his work between this rise of cultural illiteracy and a culture of violence, and a casual acceptance of violence.

Therefore, I am very pleased that Parliament has taken the measure to debate this issue. In terms of the New Democrats we believe that this is not an issue of censorship. This is an issue of restoring some fairness to the airwaves and saying to families that they do not have to worry that their children are being preyed upon by the electronic child molester if they have to go out to work.

• (1815)

There have to be some standards. If industry is not willing to meet those standards, then we have to have a national conversation and that conversation, I believe, has to include educators and a broad cross-section of our society. Clearly, it is our purview here within the House of Commons to begin that conversation.

[*Translation*]

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, it is a pleasure to participate in this debate on Bill C-327 dealing with the reduction of violence in television broadcasts.

Television violence is a problem of such scope that it has been the subject of various, often controversial but always relevant and thought provoking, studies, reports and analyses. More importantly, this issue reminds the elected representatives that we are that, in our society, television has become an omnipresent media whose impact on the most receptive or vulnerable audiences, and I am thinking of our children, should never be underestimated.

At a time when an overwhelming majority of people in Canada and Quebec own at least one television set and spend an average of four hours a day watching this hypnotic box; when new media are being put on the market and the number of available stations keeps increasing; and when television is more and more and increasingly openly blamed for breeding a scourge of our society—and I am referring to all forms of violence—the Bloc Québécois, through the determination and perseverance of the hon. member for Rosemont—La Petite-Patrie, whose eloquent plea we have heard and grasped the scope of, could not pass on a relevant debate and another meaningful piece of legislation on the theme of television images of a violent nature and their impact on our youth. That is the *raison d'être* of his bill to reduce violence in television broadcasts by granting the CRTC additional regulatory powers in this respect, without developing a censorship mentality.

The bill's summary states, and I quote, “This enactment amends the Broadcasting Act to grant the Canadian Radio-television and Telecommunications Commission the power to make regulations respecting the broadcasting of violent scenes”.

And here is how the hon. member for Rosemont—La Petite-Patrie introduced his bill at first reading stage:

A recent study by Laval University showed that acts of violence shown on television have tripled since 1994. The purpose of this bill is to amend the Broadcasting Act to create a regulation governing television violence. The CRTC would be responsible for monitoring how large broadcasters apply the regulation that would be created by the bill I am introducing today.

The Bloc Québécois is in favour of the bill and salutes the initiative of the member for Rosemont—La Petite-Patrie. The Bloc Québécois reminds the House that, beyond self-regulation, we must provide broadcasting with an adequate framework in order to avoid a drift toward sensationalism that does not necessarily reflect Quebec and Canadian values.

The Bloc Québécois believes that young children should not be confronted with violence at a very early age, because this would tend to trivialize it, with the predictable consequences.

As I was saying at the beginning of my speech, violence in our society is an issue that raises concerns among the general public and, indeed, the legislator that each of us represents here. In this regard, we have the responsibility to introduce legislation.

What are the impacts of television on our children? In 1998, a UNESCO study showed that children under the age of 12 were spending an average of three hours a day watching television, that is 50% more than at any other activity.

Children who watch very violent television or films are more likely to become aggressive. There is no doubt about it.

• (1820)

Many reports agree on this. There is an enormous amount of research into the effects of media violence.

Researchers have long wondered whether television violence has such effect on young people that it can actually make them more aggressive. After some 50 years of research into this question, some investigators such as Professor Howell Huesmann of the University of Michigan are convinced that there is evidence of a direct correlation. I quote him:

—exposure to media violence causes children to behave more aggressively and affects them as adults years later.

Professor Huesmann demonstrated that when children imitate the actions of their “media heroes”, they develop “cognitive scripts” that ultimately guide their own behaviour. For example, when their heroes are violent, children internalize scripts in which violence is presented as an appropriate or legitimate method of settling disputes, solving problems or dealing with frustrations.

According to other researchers, the psychological effects are not as important as the physiological effects in the internalization of aggressive behaviour seen on television. These researchers observed that exposure to violent imagery is linked to increased heart rate, faster respiration and higher blood pressure. They think that this simulated "fight-or-flight" response predisposes people to act aggressively in the real world.

Similarly, an American study looked at the effects over 20 years. It showed a modest correlation between shows watched by eight-year-old boys and an aggressiveness indicator 11 years later. Boys who watched a lot of violent shows when they were young had much more serious police records at 30 years of age than other boys. These effects could not be ascribed to other social factors. To quantify this "modest" effect, the researchers said that it was comparable to the effect of tobacco consumption on lung cancer. All the experts in large research associations agree on these proven facts.

I want to emphasize once again that the consumption of television shows has certain effects, both direct and indirect. No one will be able to say later that they did not know. I encourage the House, therefore, to show good sense and support Bill C-327.

• (1825)

[English]

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, on behalf of the federal government I would like to thank the member of Parliament for Rosemont—La Petite-Patrie for his ongoing efforts to reduce violence on television.

The government understands the strong feelings expressed by those opposed to violence on television, especially where children are concerned. The government shares the concerns of parents, teachers and all stakeholders with respect to violence in our society.

Before considering amendments to the current act, I believe it is important to look at the system already in place. The current approach to violence on television protects television viewers, especially children, from the impact of violence. This approach has made it possible to adopt a strategy of cooperation and industry self-regulation, with the support of the CRTC and under its supervision.

As we know, the Broadcasting Act states that broadcasting licensees take full responsibility for the programs they broadcast and that this programming must be of a high standard.

The CRTC is an independent agency responsible for regulating and supervising Canada's broadcasting and telecommunications systems. It reports to Parliament on its activities through the Minister of Canadian Heritage.

The Broadcasting Act and the expression of Canadian standards and values guide the work of the CRTC in managing the Canadian broadcasting system and its licensing process and conditions. The CRTC may, in carrying out its mandate, suspend, revoke, amend or refuse to renew a licence if conditions are not met.

Under the CRTC policy, broadcasters must meet licensing conditions and comply with the voluntary code on television violence, the code of ethics, and the sex role portrayal code for television and radio programming developed by the Canadian Association of Broadcasters. Moreover, the Canadian Broadcast

Private Members' Business

Standards Council, an independent self-regulatory body created by its broadcaster members, is responsible for ensuring compliance with codes and industry standards, including the classification system.

The government continues to be concerned about violence on television and ensuring that all industry partners comply with standards to ensure the well-being of our children. I would like to give some background on current activities among the various participants in the classification system.

In 1992 the CRTC focused its activities by setting the following objectives: implement real codes of conduct at the industry level; better inform viewers through program classification; change the attitudes of public education and media education programs; and strengthen the power of television viewers through the V-chip. Canadians are the forefront of addressing violence on TV.

I would like to add that the V-chip technology was developed by Tim Collings of Simon Fraser University, originally from my riding of Perth—Wellington in Downie Township.

Introduced in 1993, the television violence code states that Canadian broadcasters may not air programming that contains gratuitous violence in any form, or which sanctions, promotes or glamorizes violence. It also states that programming intended for adult audiences shall not be telecast before 9 p.m.

In 1997 the Action Group on Violence on Television, an organization representing all sectors of the Canadian broadcasting industry, launched its program classification system. These codes are still in effect. Broadcasting industry representatives, researchers, educators, child mental health experts, parents and the government agencies that were involved continue to promote ongoing dialogue to help people better understand the problem and to create permanent tools to help parents make informed viewing choices for their children.

Canada is also very involved in children's media literacy and in educating children about the various media to which they are exposed. There are media awareness networks that are excellent sources of information about violence on television and that are still in place today.

As we can see from the many parties involved and the regulatory provisions that have been adopted and implemented, such as the codes of conduct adopted by the industry, the public education, and the public awareness programs, we have good management tools to address violence on television in Canada.

• (1830)

The government acknowledges the achievements of all stakeholders involved in the fight against violence and continues to believe in the effectiveness of the current system of self-regulatory codes administered by the Canadian Broadcast Standards Council and imposed on broadcasters as conditions of licence.

We would also like to underline the vital role that parents and guardians have to play and the fact that they have tools available to them and can make choices to help them better control the television programs presented in their homes.

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With the monitoring system already in place to limit violence on television, we have looked at two annual reports that include the issue of limiting violence on television and we have found that few official complaints were made by the Canadian public.

The annual report of the Canadian Broadcast Standards Council for 2005-06 states that there was a total of 79 complaints relating to the violence code. Six of these complaints related to Quebec television stations. According to the CRTC's broadcast policy monitoring report of 2006, a total of 44 complaints were processed, which represents a significant decrease for 2005 over previous years.

In closing, given these results and the tools that are available as well as the role parents can play, we must question the merits of Bill C-327.

[*Translation*]

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

HOMELESSNESS

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, before Christmas I had the opportunity in the House to ask a question of the then minister of social development on the issue of homelessness. I had travelled the country at that point from coast to coast, meeting with people who were struggling with the very terrible challenge of poverty. In every community the issue that came up most often was the question of housing and homelessness. I made a case to the minister that perhaps as a government and a House of Parliament we could declare a state of emergency. At that point, many people had died in a state of homelessness either directly or indirectly as a result of the terrible weather we were facing.

I was disappointed in the response from the minister. It was petty and it was partisan. I thought an issue like homelessness would call for a larger response and a non-partisan response. I thought we could work together to deal with this terrible reality that exists for too many people.

I have now been to Toronto, Vancouver, Calgary, Victoria, Saskatoon and just last week Castlegar and Penticton. Everywhere I go, large numbers of people speak to me about poverty. The common thread is the question of affordable housing and the issue of homelessness.

We have terrible homelessness in our larger centres such as Vancouver and Toronto. It is so cold and yet people are sleeping on the streets. There just is no housing any more. Housing built in the seventies and eighties is deteriorating. There has been no national housing program in our country, particularly under the leadership of the previous government. No affordable housing has been built for about 15 years. The existing affordable housing is deteriorating and falling apart. It is disease ridden. In Vancouver and Toronto I heard

about bed bugs and cockroaches and people with TB and pneumonia. That should not exist in a country that is so wealthy and experiencing such prosperity.

I asked the minister to respond to me in terms of what all of us together could do to alleviate that terrible situation.

When I arrived in Calgary, I was shocked and alarmed at the situation that existed. That city probably represents the new wealth and prosperity in the country in a way that no other city does. I spent a good part of the evening at a shelter on a very cold night where between 1,000 and 1,200 people bedded down, and they do this on a nightly basis. City buses will pick up people who cannot get in and take them to the suburbs where they are bedded down on mats in warehouses. There are probably another 100 to 200 beds at places like the Salvation Army, et cetera across the city. They count these people every night. Between 3,500 and 4,000 people are homeless in Calgary. The rest of those folks span out across downtown Calgary. They sleep under bridges and in parks. Meanwhile the municipal council of Calgary is passing laws to make this illegal. Many of these people, because there is no other choice or option it seems—

• (1835)

The Deputy Speaker: I am sorry to tell the hon. member that his time expired a few moments ago.

The Parliamentary Secretary to the Minister of Human Resources and Social Development.

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, the new government understands the importance of housing and shelter for those who need it and particularly, as the member described, during bitter winter nights. That is why the government invested \$526 million for two major initiatives that were announced on December 19 of last year. The first of these investments will help prevent homelessness and improve the quality of housing for 38,000 low income Canadians.

I note and thank the member's colleague from London—Fanshawe for her kind praise for our accomplishment that she expressed earlier today.

This includes the new homelessness partnering strategy funded at \$270 million over two years beginning April 1, 2007. The strategy recognizes that the federal government has a role to play in dealing with homelessness across the country. Leadership, resources and support can come from Ottawa for local solutions created by those with local expertise.

Through partnerships with provinces, territories, other government departments and agencies, municipalities and community groups, we will make significant progress in moving vulnerable Canadians permanently out of homelessness and into homes.

for an example of how this new approach is working, I invite the member to talk to the member for Victoria. Just last week, residents of her riding saw the new government join with the province, the city, regional housing trusts and the Fernwood Neighbourhood Resource Group to open four 3-bedroom homes in a renovated 1909 heritage house.

Adjournment Proceedings

The government is focusing on a housing first approach that recognizes that housing stability is essential to self-sufficiency and full participation in Canadian society. We are not only talking about people who live in major urban centres. We are also talking about aboriginal people and people in rural and northern communities.

We have listened and will continue to listen to Canadians and to respond to their concerns.

The second side of Canada's new government's strategy is a \$256 million investment in a two year extension of Canada Mortgage and Housing Corporation's renovation programs for low income households. These programs will help improve housing for low income people and those who may be at risk of homelessness, including seniors, persons with disabilities, victims of family violence and aboriginal people.

These investments are over and above a one time investment of \$1.4 million that was in budget 2006 to help Canadians find safe, adequate, affordable housing through the establishment of housing trusts available to the provinces and territories.

In addition, the government provides approximately \$2 billion a year in housing assistance across the country. This funding primarily supports approximately 633,000 lower income householders who live in assisted living projects across the country. Plus, we are creating affordable housing through the \$1 billion affordable housing initiative in collaboration with our provincial and territorial partners.

Let me sum up the government's approach to homelessness in the following way. The government's total investment over the next two years will provide concrete, meaningful and lasting results for Canadians who need safe and adequate housing.

• (1840)

Mr. Tony Martin: Mr. Speaker, while the parliamentary secretary talks about what the government is doing, more than 3,500 people are sleeping on the streets of Calgary and in shelters and many of them are turning to drugs, crack and crystal meth, which gives them a sense of not being hungry, not being cold and being fearless. The only problem is that the hit lasts five or ten minutes and then they have to go after another, which makes the streets of Calgary a very dangerous place.

The member spoke about a program that was unfolded in Victoria of four 3-bedroom homes. Those home would only house 12 people. I am sure she is aware that there are 700 homeless people in Victoria.

If the minister had told me, when I asked her the question in December, that she was coming forward with a program, I would have been willing to sit down and talk to her about how we might do it better.

I was pleased today with the response of the new minister. At least he recognized that we had a problem and he offered to work with us. He also talked about things that perhaps we could do together.

The member for London—Fanshawe was not thanking the government for these initiatives. She was saying that it was not enough, that this announcement came too late. The agencies that are working day and night, seven days a week, to try to serve the homeless in their communities have no money left. Because the announcement came so late, these agencies will have to shut down before they can access the new money. The member was asking the minister today to commit to some bridge funding for some of those projects.

Mrs. Lynne Yelich: Mr. Speaker, as he heard, the money is starting to be delivered.

I was surprised to hear the member's opening remarks. It takes me back to Saskatchewan when he talks about people who have turned to crystal meth and drugs. We have that in our province but we also have an international group called Teen Challenge which has offered some of these people homes because many people who are on drugs are homelessness.

Does the member know what the response was from the NDP Saskatchewan government? Its response was in line with the remarks the member just made? Its response was that it would not support a Christian faith based initiative just because it is Christian based. It is against the Saskatchewan government's better judgment.

Where does that put Teen Challenge and all of these young people? They are coming to the federal government and the federal government this year gave Teen Challenge \$50,000 for those homeless people because our provincial government refused to help Team Challenge because it was faith based. Some of these kids are indeed—

The Deputy Speaker: Sorry, but the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24 (1).

(The House adjourned at 6:44 p.m.)

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