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OFFICIAL REPORT
(HANSARD)

Wednesday, June 6, 2007

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, June 6, 2007

The House met at 2 p.m.

Prayers

• (1405)

[English]

The Speaker: It being Wednesday, we will now have the singing of the national anthem led by the pages.

[Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

ST. JOHN AMBULANCE

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, on May 31, I was pleased to attend the annual general meeting of the Brant-Haldimand-Norfolk branch of St. John Ambulance.

St. John Ambulance is one of Canada's foremost national organizations, providing first aid and emergency response, support and training, as well as providing a therapy dog visitation program for individuals confined to a health care facility.

In Brant, St. John Ambulance has provided 66 years of outstanding community support. In 2006 alone, the Brant County medical response unit, comprised of 18 volunteers, provided almost 5,500 volunteer hours and treated 69 people. They also offered 399 first aid and CPR classes to over 2,000 community residents.

Our community is very fortunate to have such a responsive, compassionate and capable organization looking out for the health and safety of our citizens. I would like to extend a very large vote of thanks to the volunteers and staff of St. John Ambulance.

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[Translation]

TROIS-RIVIÈRES

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, summer is around the corner, and a gateway offering both cultural discovery and natural beauty is in order.

As the Bloc Québécois member of Parliament for Trois-Rivières, let me suggest a choice destination: Trois-Rivières, a town founded

in 1634. The St. Lawrence River and our many festivals will no doubt appeal to even the most demanding visitors, and interpretation panels will allow you to bask in the town's well-preserved, nearly four centuries old history.

In the afternoon or evening, you will have the opportunity to explore “De la coupe au livre”, an all-in-one wine bar and bookstore, where you can enjoy a bite to eat with your wine. The decor is up to the minute, and a piano has pride of place in the middle of the room. Bliss guaranteed. The Théâtre des Marguerites is presenting *Adieu beauté*. Laughter also guaranteed.

Trois-Rivières' title as a city of history and culture is indeed well deserved. It is truly a “must” destination.

* * *

[English]

CIBC

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, yesterday employees and former employees of the CIBC launched a class action lawsuit to recover overtime pay allegedly denied them by the bank. These are tellers and other lower paid bank workers whose right to overtime may have been systematically abused in the bank's relentless drive for profits.

This is a bank that posted \$2.6 billion in profits last year. This is a bank whose CEO brings home \$6 million every year as a pay package. Talk about a prosperity gap, with a bank CEO making 200 times what a teller makes. And talk about sexual exploitation and systemic discrimination. Most of those affected are women, who in general make only 71% of what men make and occupy three-quarters of the lowest paying full time jobs. They cannot afford to work for free.

How can our chartered banks, which made record profits last year of \$19 billion, to be exact, turn around and gouge consumers with ATM fees, shortchange their workers and discriminate against women?

* * *

AGRICULTURE AND AGRI-FOOD

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, we are all hearing more references to local food, a growing trend in food production and selling. As the name implies, local food is all about people buying and eating food produced in their local area.

There are three reasons people give for buying local food.

Statements by Members

Number one is quality. Local food tastes better, offers superior nutritional value and is produced under Canada's world class food safety standards.

Number two is local jobs. By keeping food dollars in the local economy, people can support jobs and businesses in their own communities.

Number three is the environment. Consumers know that the more miles food travels, the larger its environmental footprint. Local food minimizes this impact.

The bottom line is that any reason to buy and eat local food is a good reason.

In the coming months, I encourage everyone to visit farmers' markets and stop at farm gate stands. It may take a few minutes, but I predict that everyone will appreciate and enjoy the local food they buy.

I know that local food is not the solution to every problem facing agriculture, but it does offer good opportunities for farmers in many parts of Canada.

* * *

• (1410)

AFGHANISTAN

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, this past Sunday I had the privilege of hosting a town hall, entitled "Measuring Progress in Afghanistan: Improving the Lives of Women and Girls", with two great Canadian women, human rights activist and journalist Sally Armstrong, and Adeena Niazi, the executive director of the Afghan Women's Organization.

We were inspired by the work these women have undertaken to raise awareness of the denial of basic human rights to Afghan women and girls.

Although there has been some progress, Sally Armstrong stated that without security it is impossible for the Afghan people to properly run their schools and hospitals. Our presence has allowed women and girls to return to school and learn in a safe environment. As stated to Sally by Nema, a young Afghan woman, illiteracy meant that she was blind. She could not see what was going on.

Adeena Niazi reminded us that Afghanistan needs our government to focus less on combat and more on the protection of the rights of the most vulnerable in this fragile time of rebuilding. We need to create a stronger connection between Canadian civil society and Afghan civil society. Our strength is in building relationships.

We thank these great Canadians and our troops in Afghanistan.

* * *

TOURISM WEEK

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, this week we are celebrating Tourism Week.

Tourism is very important not just to the good people of Kitchener—Conestoga but to all regions of Canada. Whether people are visiting the Elmira maple syrup festival or Oktoberfest, the CN tower

or the Queen Charlotte Islands, tourism creates hundreds of thousands of jobs all across Canada.

Of course, tourism is also one of the leading ways to help educate Canadians about our rich heritage and culture.

The benefits of tourism are obvious, which is why I am thrilled that Canada's government is investing \$75 million in marketing Canada's exciting tourism opportunities through the Canadian Tourism Commission.

This money will fund tourism marketing and research and investments in national parks, historic sites and museums, as well as tourism related infrastructure.

Canada's government is now dedicating time and energy to ensuring that Canada's tourism industry grows and prospers. A vibrant and competitive tourism industry benefits all Canadians.

* * *

[Translation]

PLEIN SOLEIL SCHOOL

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, hundreds of children and their parents recently celebrated the 20th anniversary of Plein Soleil school, a public alternative school located in the heart of my riding in Longueuil.

The school was founded by a group of engaged parents and enlightened educators in the Marie-Victorin school board. Plein Soleil primary school is an open concept school focused on the overall development of the child and espousing basic values such as autonomy, interdependence, freedom, accountability, participation and democracy. This school also accords an important place to culture and is completely open, with the support of parents, to community life.

The Bloc Québécois and I would like to congratulate the principal, Nathalie Ouellet, the teaching staff, and parents as well as students, present and past, for this important milestone in the life of Plein Soleil school, and by extension, that of an entire community.

* * *

[English]

D-DAY

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, it was 63 years ago this morning that over 14,000 brave Canadian heroes landed on the beaches of Juno Beach in Normandy.

It was the most important seaborne invasion of all time, with the goal of gaining a landing in Nazi occupied Europe to begin the long campaign to free a continent of Nazi tyranny and begin down the road to victory and the end of the second world war.

Those brave soldiers came from across Canada. They came from farms, towns and cities. They were teachers, masons, police officers and carpenters. They came from all walks of life and all corners of Canada.

Great countries are made by citizens doing extraordinary things for the benefit of others. There is no more extraordinary thing than to serve one's country, to fight for freedom and to risk or lose one's life for others.

On this anniversary of D-Day, the turning point of the second world war, we thank our veterans of that great campaign. The world was forever changed for the better because of their courage, service and sacrifice. We will never forget.

* * *

[Translation]

ÉLIZABETH BRUYÈRE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, there are some individuals who are so important in the history of a community that they must be commemorated. Mother Élizabéth Bruyère is one such individual.

Mother Bruyère settled in Bytown, as the Canadian capital was called at the time, in 1845, founded the Sisters of Charity of Ottawa and launched in succession a hospital, orphanage, seniors home, and construction of the congregation's mother house.

Following the typhus epidemic of 1847, Mother Bruyère became deeply committed to Bytown, where she remained until her death in 1876.

A lovely ceremony was held on May 30 at Beechwood Cemetery on the occasion of the unveiling of a monument in memory of Mother Élizabéth Bruyère.

I would like to congratulate Anita Bourdeau and her group of volunteers for having undertaken this wonderful project. I would also like to thank the Sisters of Charity for their exemplary generosity since their arrival in Ottawa.

* * *

•(1415)

CANCER

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, I would like to talk about a cause very close to my heart. Every year, children with cancer must fight this unfair disease.

I have decided to collect money for this cause and to have my head shaved for the fourth Shaved Head Challenge.

Close to 10,000 people from across the province have already shaved their heads for this cause. The event has brought together a number of partners from the business world as well as from the media, arts and sports communities.

Today, in this House, I would like to ask my fellow members and all employees of the House of Commons to make a donation to Leucan.

The Shaved Head Challenge is a show of solidarity with children who have cancer, and who lose their hair during chemotherapy.

I would like to offer my full support to the families dealing with this disease, and particularly to Christine and her family, who will be

Statements by Members

at the community centre in Saint-Narcisse-de-Beaurivage this Sunday, May 10, to symbolically take on this challenge with me.

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[English]

CHILD LABOUR

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, 24 grades six and seven students from Lochdale Community School in Burnaby wrote to me about their work on human rights and child labour.

An estimated 218 million children aged 5 to 17 are engaged in child labour, over half in hazardous situations.

Children work long hours, often in unhealthy conditions, causing lasting harm. Some are forced into armed conflict as child soldiers, the sex industry, or are trafficked. They are denied education and a normal childhood. These human rights tragedies are faced by children worldwide, some even here in Canada.

The International Labour Organization establishes and supervises international labour standards. ILO convention 138 and recommendation 146 call for the abolition of child labour and raising the minimum age for employment. Sadly, Canada has not yet ratified this key tool against child labour.

World Day Against Child Labour is on June 12. I join the students of Lochdale School to call for an end to child labour in Canada and around the world.

* * *

CLEAN AIR DAY

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am pleased to rise to inform the House that today is Clean Air Day, which is held each year during Canadian Environment Week to celebrate environmental action as part of a healthy lifestyle.

Sadly, on this Clean Air Day, Canadians have little to celebrate. After two ministers and lots of hot air, the Conservative clean air act was dead on arrival in this House.

However, thanks to the hard work of the opposition parties, the clean air act was rewritten and transformed into an aggressive plan to address climate change. The Bloc and the NDP put aside partisanship to agree with the proposals of the Liberal leader and united with the Liberals to amend the flawed government bill.

We look forward to seeing the overhauled clean air act return to the House as soon as possible for debate and a vote. There could be no more appropriate time than today, Clean Air Day, to do just that.

* * *

[Translation]

NATIONAL TRANSPORTATION WEEK

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I would like to point out that National Transportation Week runs from June 2 to 9. The event draws attention to the importance of transportation in the economic and social development of Quebec, but it has particular significance this year, as 2007 has been designated road safety year in Quebec.

Oral Questions

Every year in Quebec, more than 50,000 people are victims of road accidents. In 2006, 717 people died, a 9% increase over the average for the previous five years. Driver behaviour, not fate, accounts for 80% of accidents. Impairment, excessive speed and dangerous driving are some of the main causes. There are daily reports in the media of fatal accidents, often involving young people who like to drive fast.

It is essential to educate the public about the physical, social and economic consequences of an accident. In Quebec, inadequate road safety costs \$4 billion annually in social costs. In this road safety year, we need to make motorists accountable.

* * *

[English]

D-DAY

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, today is the 63rd anniversary of the D-Day invasion. I am privileged to rise in this House to pay tribute to the men and women who served our country with honour and valour.

On June 6, 1944, after the tragedy of Dieppe, Canadians knew the cost of an invasion could be high, but our soldiers were ready to fight for Canada and for freedom.

• (1420)

[Translation]

Today, we remember their sacrifices, their bravery and their accomplishments. We pay tribute to all the soldiers from across Canada who fought on the shores of France.

By the end of D-Day, our soldiers had advanced much farther into occupied France than the other allied armies. Freedom finally won out.

[English]

Words cannot properly express our gratitude. We owe them a great debt. We will never forget.

* * *

THE ENVIRONMENT

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, yesterday the Liberal candidate in Central Nova, Elizabeth May, shocked Canadians with her plan to combat climate change.

She advocated a massive tax increase of 12¢ per litre on gas prices. Is this position being supported by her mentor, the leader of the official opposition?

What about her plan to withdraw \$1 billion in funding for the Pacific gateway, one of the most important projects for British Columbia's future? Is this the new Liberal policy? Do B.C. Liberal MPs agree with May that this funding should be cut?

Ms. May is also calling for a phase-out of power generated by coal, oil, gas and nuclear energy. How does she expect Canadians to heat their homes in the middle of winter, by burning money?

What Canadians really need is a plan of action to cut greenhouse gases starting now. That is why our government's plan will lead to

absolute reductions in greenhouse gases of 20% by 2020. Now that is real action on the environment.

ORAL QUESTIONS

[Translation]

THE ENVIRONMENT

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, what possessed the Prime Minister to make such a foolish statement, saying his greenhouse gas reduction plan is more ambitious than that of the Europeans, just the day before a respected British research institute, the Tyndall Centre, found that the oil sands targets are less stringent than those the industry was planning to set anyway?

Would someone in the government please ask the Prime Minister to stop making Canada look so ridiculous in front of the rest of the world? Canadians deserve better.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we are proud of our plan to help the environment and reduce greenhouse gas emissions.

We have a lot of support in Europe with the European Union and the joint declaration. Also, at the G-8 summit, a spokesperson for the French president announced that the Prime Minister and Nicolas Sarkozy "agreed to have the most ambitious targets possible" to fight global warming. That is one example.

[English]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, there is no ambition to have targets weaker than what the oil sands industry has decided to do anyway. According to this research centre, the emissions of the oil sands will go up by 100% to 200%.

Will the government admit once and for all that its so-called plan is not ambitious, not an example for the world, and that it is a fraud?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the leader of the Liberal Party talks about a 100% increase in emissions. I think that is exactly what we were on track for by 2020 if we stuck with the Liberal practice, which had already gotten us a 33% increase in emissions by the time the Liberals left government.

In fact, our plan results in real reductions, 20% by 2020 and bigger reductions after that to the year 2050. Those are the same kind of reductions that we, together with the European Union, have committed ourselves to.

We are now moving to the new challenge of bringing in the other countries that are big polluters, big emitters, like China, India, and the United States, so we can make the environment—

The Speaker: The hon. Leader of the Opposition.

• (1425)

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, all the studies contradict what the minister just said. The Pembina Institute said that the Liberal plan would have delivered six to seven times more reductions than the fraud the Conservatives are proposing.

The Deutsche Bank said that with their plan emissions will rise not only until 2012 but at least until 2020. And now we learn that their plan will give the oil sands a licence to pollute.

Will the government admit that when the Prime Minister said he is ambitious, it is because his own ambition is to fool Canadians and the world?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, when it comes to ambitions to fool the world, I read an interesting article on the weekend. It was actually by the former Liberal environment minister Sheila Copps.

She said that she went to a meeting with Angela Merkel a number of years ago on climate change and while she was there, the former Liberal prime minister, the member for LaSalle—Émard, and Anne McLellan were trying to revoke or negotiate a mandate in favour of big oil. She said it was the Liberals that were siding with the United States to prevent any reductions in greenhouse gases. I guess that is the difference between the Liberal big talk and Liberal big emissions rise.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, in 2002 the Prime Minister said this about the Kyoto protocol, “We will fight this every step of the way”. This week he brings his fight to the G-8.

Instead of siding with the Europeans, the Prime Minister has joined with the Americans in pressing them to leave Kyoto behind. While he says he wants “enforceable targets in an international protocol”, he is actually pushing for targets that allow emissions to go up and an agreement that sets the bar lower.

Why does the Prime Minister continue to fight action, instead of fighting climate change?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we have a plan in place that results in actual, real reductions in greenhouse gas emissions, 20% by 2020. What we are working on now is the future beyond that and getting other countries involved.

Our plan and our approach is one that has received approval. I read here a quote from the prime minister of France no less, who said, “What France is trying to achieve and what Canada is also trying to achieve is enforceable targets under an international protocol”.

That is what we are working for, so that we can include China, India, and the United States, and get real emission reductions from

Oral Questions

the entire world, from the big emitters, that will help the future of the environment for the foreseeable future.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the Prime Minister is pretending to take action, but he is favouring the oil sands by setting targets that are lower than their own standards.

He is pretending that he wants a global action plan that includes China and other developing countries, but he is also giving preferential treatment with intensity targets that set the global standard at zero.

When will the Prime Minister stop pretending? When will he stop manipulating the details and confusing Canadians?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we are not trying to confuse Canadians, I think it is the Liberal Party.

I read here where the Liberal member for Don Valley West said that intensity based is not bad and in the *National Post* Liberals said of the intensity targets that they recognize that the Liberal leader's 2005 project green was based on intensity targets. The fact is we are moving forward on a plan that results in real reductions after years where there were none, and in fact they went up by 33%.

We also have a long term agreement with the European Union. France has reaffirmed it. We are now trying to involve other countries because if we care about the future, if we care about the environment for our children and for generations ahead, we need—

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

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, earlier this week, in a speech to the Canadian German Chamber of Industry and Commerce, the Prime Minister clearly said that Canada would not meet the Kyoto protocol targets. He also said he planned to be a mediator at the G-8 meeting between the European Union, which is in favour of Kyoto, and the United States, which has not even ratified the protocol. But the Prime Minister himself does not respect Canada's signature on the Kyoto protocol.

How much credibility will he have among his European colleagues at the G-8 when it comes time to discuss the post-Kyoto phase?

Oral Questions

• (1430)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we have a lot of credibility right now because we have a plan after years of no plan when the Liberals formed the government. We have a plan to reduce greenhouse gas emissions. It is possible to have an accord that says that in order to obtain the necessary substantial reductions. The EU and Canada recognize the need to reduce global greenhouse gas emissions by at least half by 2050. Canada is committed to reducing greenhouse gas emissions by 60% to 70% with respect to 2006 levels. The EU concluded—

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

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, with respect to 2006 levels, he said. The problem is that reductions under Kyoto are related to 1990 levels. That is the first admission that they do not want to respect the protocol.

Beyond the diplomatic dance around the G-8 meeting, French Prime Minister François Fillon and German Chancellor Angela Merkel have both deplored the fact that Canada has reneged on its signature of the Kyoto protocol.

How can the Prime Minister talk about phase two of Kyoto, when he does not even respect phase one? Does this not prove that the Prime Minister will have no credibility in the upcoming negotiations?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we have plenty of credibility, because we are taking action now, after years of inaction. I would like to mention another article, which states, “The President of France and his Prime Minister, François Fillon, talked about Canada and France harmonizing their positions”. We all agree on the importance of fighting global warming.

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, the Prime Minister maintains that Canada's position on reducing greenhouse gases is similar to that of the European Union. That is simply not true, and the numbers prove it.

How can the Prime Minister make such fabricated statements when, in comparing the 2050 target proposed by Germany against the Canadian target, there is an average difference of more than 80 megatonnes?

[*English*]

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I want to assure the member that Canada is committed to a major reduction, a 20% absolute reduction in greenhouse gas emissions by 2020.

We are one of the leaders in the reduction of greenhouse gas emissions and we will also reduce pollution by 50% over the next eight years. That is massive. We are getting it done.

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, the parliamentary secretary does not know what it means to give direct answers to the questions asked of him.

The Prime Minister is asking for special status for Canada in order to continue to renege on Canada's commitment to Kyoto, which set a

6% reduction target for greenhouse gas emissions compared to 1990 levels. It is interesting that the Prime Minister refuses to implement here in Canada what he is petitioning for internationally.

Why not offer Quebec, a Kyoto supporter, special status when it comes to the environment, which would allow it to reach the Kyoto targets?

[*English*]

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I was with that member in Berlin just a couple of days ago. We arrived back yesterday. He knows well that Canada now has a reputation, a reputation that was tarnished by the former environment ministers.

This is what the media said about the Liberal leader:

...the Leader of the Opposition's “record as environment minister was abysmally bad, earning him a reputation as the Dr. Doolittle of climate change”.

This is what was said about our government:

Canada's strategy in the war on climate change is...a useful and workable policy that might, if it were adopted by other nations, help to control global warming more effectively....

The G-8 needs to listen to the Prime Minister.

* * *

THE BUDGET

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, last month the minister responsible for Atlantic Canada through ACOA said:

We will not throw a member out of caucus for voting his conscience. There will be no...firing on budget votes as we saw with the Liberal government.

Not only does the government break its promises to the people of Saskatchewan, Newfoundland and Labrador and Nova Scotia, it breaks its promises to its own caucus members.

How can any Canadian have any faith or trust in the word of the government?

The member for Cumberland—Colchester—Musquodoboit Valley has it right, and he has been very dignified in expressing it. The government should apologize to the people of Atlantic Canada. When will that happen?

Some hon. members: Oh, oh!

• (1435)

The Speaker: Order, please. The hon. government House leader.

Some hon. members: Oh, oh!

Hon. Dominic LeBlanc: That's the wrong Peter.

Some hon. members: Oh, oh!

The Speaker: Order, please. I know the hon. government House leader is tremendously popular with all hon. members but we must be able to hear the answer he is about to give. He has risen to answer and we will have a little order, please, so we can all hear the answer.

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, they have somebody by that name answering the question.

Canada's new government has kept its commitment to Atlantic Canada and Nova Scotia, Newfoundland and Labrador. They are getting 100% of what they were promised in the accord.

If the leader of the NDP believes in what was in the budget, if he believes it is important for us to have things like \$225 million for the preservation of environmentally sensitive land, \$1.5 billion for clean air and climate change to the provinces, \$400 million for the Canada Health Infoway and \$612 million to the provinces for the patient wait times guarantee, why did he vote against those last night and why is he against those things that Canadians want?

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I want to hear an Atlantic minister, with a straight face, tell Atlantic Canadians that they are not getting a bad deal.

Last night's vote killed the Atlantic accord. Only one MP had the decency to vote against breaking the promise.

Is there one Atlantic minister with the guts to tell his constituents that he will do everything in his power to fix the mistake? Will the Minister of Foreign Affairs admit that last night his government broke a promise to Atlantic Canadians?

Some hon. members: Oh, oh!

The Speaker: I know it is Wednesday but members would not want to waste time with excessive noise. The hon. government House leader has risen to answer what I believe was a question from the member for Halifax. I could hardly hear a word. We will now hear from the government House leader and will have a little order, please.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I will tell the member what the members from Atlantic Canada did. They fought hard for the best possible benefits for their province and the result was the following: For Nova Scotia, under the fiscal balance package, more than \$2.4 billion and \$1.3 billion for equalization; \$130 million for offshore accord offsets; \$639 million on the Canada health and social transfer; \$277 million under the Canadian social transfer; \$42.5 million for the environment; and there is more and more.

Those members are delivering for Nova Scotians and for Atlantic Canadians. They are standing up in the way the Liberal Party always refused to do.

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, when I first asked the member for Central Nova to honour the Atlantic accord he said that he would see the Province of Nova Scotia in court.

Last night one brave Conservative member voted in favour of Nova Scotia and was kicked out of that caucus.

On May 15, the minister said in the House:

We will not throw a member out of caucus.... There will be no whipping, flipping, hiring or firing on budget votes....

Is the minister from Nova Scotia misleading the House, or is he simply a buffoon or is he a misleading buffoon?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, that question comes from a member of a party, the leader of which says that fiscal imbalance is a myth. Therefore, whatever that party has to say about equalization does not really matter because the leader of the party himself says that there is no fiscal imbalance.

Hon. Ralph Goodale: You broke your promise and you broke your word.

Hon. Jim Flaherty: I know the member for Wascana wishes that his leader had not said that but he did say that. He said that the fiscal imbalance was a myth.

We are fixing the fiscal imbalance—

The Speaker: Order, please. The hon. member for West Nova.

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, the Prime Minister broke his promise to Nova Scotians.

The so-called minister from Nova Scotia broke his word to a brave MP. The so-called minister from Nova Scotia values his cabinet seat more than his own province.

I would ask the hon. member for Central Nova what loyalty means. Were those not his words? Why can he not stand up for Nova Scotia? Is it because he cannot or because he will not? Will he resign as the minister irresponsible for Nova Scotia?

● (1440)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, personal attacks like that always say more about the person saying them than about the person receiving them. It is unattractive, I must say, to have those kinds of personal attacks here.

However, on equalization—

Some hon. members: Oh, oh!

Hon. Ralph Goodale: Look in the mirror, Jim.

The Speaker: Order, please. The Minister of Finance has the floor and we will have a little order, please.

Hon. Jim Flaherty: Mr. Speaker, the Province of Nova Scotia has the option of electing the new system, the modified O'Brien system, this year or continuing with the Atlantic accords. The province has chosen, for this year at least, to elect the new modified O'Brien system.

What that means for the province in terms of transfers in budget 2007 is \$256 million more than in the previous fiscal year. That is good for—

The Speaker: The hon. member for Labrador.

*Oral Questions***ATLANTIC ACCORD**

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, the ranks of Atlantic Conservative dissenters keeps growing. First it was Progressive Conservative premiers, then a list of Conservative candidates condemned the attack on the Atlantic accords and then those Conservatives booted out one of their own after last night's vote.

Now John Crosbie, a Progressive Conservative, has been added to the growing list with a blistering memo proving that the finance minister betrayed my province and Atlantic Canada.

Those Conservatives are like jellyfish: totally spineless, no backbone and sting us when they can.

How can the former Progressive Conservative ministers continue to sit in that caucus and represent their provinces?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it goes without saying that we have the greatest respect for Mr. Crosbie, who was a Progressive Conservative minister of finance in this place. I had the opportunity to speak with him about these issues during the course of the past several months and we value and respect his views.

However, in terms of Newfoundland and Labrador and Nova Scotia, which have accord agreements, the plain fact is that those accord agreements are the status quo agreements which they can choose to continue with or they can go with the modified O'Brien formula. However, no province will be worse off in Canada as a result of the new equalization scheme.

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, last night, the newly independent member from Nova Scotia did the right thing and stood up for his province and his region. He voted with the Liberal Party and against the Atlantic accord betrayal. His five former colleagues from Newfoundland and Labrador and Nova Scotia fell in line with their bully boss, the Prime Minister, and voted, not just with their own party but with the separatists.

We had problems with harp seals and now we have problems with trained seals.

With one more vote to go, will Conservative ministers and members from Atlantic Canada finally stand up for their constituents and their province?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, let me remind the hon. member and the House that it was a Tory government, a Conservative government, that gave us the original Atlantic accord. Let me remind him that it was a Tory opposition that forced the Liberals, including some of them sitting there, to get the second Atlantic accord. Let me also remind him that while they are sitting, sniping from the sidelines, like the Premier of Newfoundland, we are working to deliver to our provinces.

* * *

●(1445)

[Translation]

CITIZENSHIP AND IMMIGRATION

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, no mother should have to make the choice between abandoning her

Canadian-born daughter and being sent back to her country of origin, and taking her daughter with her and being unable to protect her from the enormous risk of brutal genital mutilation.

Will the Minister of Citizenship and Immigration intervene and stay the removal order for as long as it takes for Ms. Touré's application to be reviewed on compassionate and humanitarian grounds?

[English]

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, we will not comment on the specific case or on the specific facts. We have a process in place. A number of procedures can take place. There is a hearing before the board and applications for humanitarian compassionate grounds. There is also pre-removal risk assessment and applications to the higher courts. That process needs to be respected and this needs to take place.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, in some circumstances, the interests of the child are inextricably linked to those of the parent. Oumou Touré and her two-year-old daughter, Fanta, are facing deportation to Guinea. The minister has the power to intervene on humanitarian and emergency grounds, grounds that should apply in this case.

Consequently, will the minister reconsider her decision to deport Oumou Touré, and thereby protect the future of her Canadian-born daughter?

[English]

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, as much as the member would like me to comment on the specifics of the particular case, I have indicated that I will not, and I shall not. However, I can say that there is a process in place. There is an application for humanitarian compassionate grounds in that process. Those processes need to be respected. People wanting to avail themselves of that process are entitled to do so.

* * *

[Translation]

ROYAL CANADIAN MOUNTED POLICE

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, based on information obtained through access to information, the *Journal de Montréal* reported this morning that wrongdoing and questionable behaviour on the part of RCMP officers had gone unpunished. Officers who abused prisoners or committed sexual assaults got off with a reprimand and a suspension with pay. Such acts were perpetrated at all levels of the RCMP, from the lower ranks to the senior ranks. This is in addition to many other disturbing facts.

Enough is enough. What is the minister waiting for to order a public inquiry?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, first, there have been 114 cases where incidents happened and officers had problems. It is, however, false to say that every case involved sexual misconduct.

Oral Questions

In addition, I have concerns with the list referred to by my hon. colleague. I have spoken to the commissioner and I will review all cases to determine whether all of these were extreme cases.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, about the RCMP again, but in connection with something completely different.

The government has recently made a number of unilingual appointments at the top of major agencies. We will recall, for instance, the appointment of a unilingual English-speaking ombudsman for victims of crime.

Will the minister give us the assurance that, this time, the new Commissioner of the RCMP will have equal mastery of both languages?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, as I indicated last week or the week before, we will soon have a new commissioner. Also, changes will be made to the procedure for investigating instances where officers may have done something inappropriate.

I think that even the members opposite will support this new procedure.

* * *

[English]

THE BUDGET

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, yesterday a courageous Nova Scotia MP decided that he could no longer stand idly by while the Prime Minister broke his word to his home province. He decided to keep his honour and stand up against the Prime Minister's promise-breaking ways. Unfortunately, not one of the Saskatchewan Conservative MPs has the same courage.

Today the *StarPhoenix* called Saskatchewan Conservative members:

—a group of political sycophants willing to bend the truth with constituents and try to convince them that black is white, instead of standing up for what they know to be true.

Why could at least one Conservative MP not stand up for Saskatchewan?

• (1450)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the Conservative members for Saskatchewan have certainly stood up for Saskatchewan, for a budget that delivers \$878 million in new money for the province of Saskatchewan. This is the largest per capita gain of any province in Canada.

Why the Liberals would be against that, I do not know. It is good for Saskatchewan. It is way more than the member for Wascana ever did for the province of Saskatchewan when he had the chance to do it.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, the Saskatchewan people are asking, Premier Calvert is asking, I am asking, where are our Saskatchewan Conservative members? Perhaps they have all joined the member for Palliser who ran away from the tough questions reporters were asking on equalization to buy a doughnut. None of them have the

clout or the influence to fight for Saskatchewan. The residents of Saskatchewan know this. They also know the budget is bad for them.

How could Canadians from any province believe, much less trust, a Conservative government and a Prime Minister whose word is not worth the price of a doughnut?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, here is what the member for Wascana did not do for Saskatchewan that this Conservative government has done: \$226 million more under equalization; \$756 million under the Canada health transfer; \$342 million for the Canada social transfer; and \$75 million for infrastructure. It is a great budget for the province of Saskatchewan.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, the Prime Minister has demonstrated that he is unable to govern and manage the Canadian federation. He made written promises to premiers, then he flat out broke his word. Now he is kicking out members of his caucus for stating the obvious: the Conservatives did not tell the truth.

Their budget promised to end fighting between governments, but at least five provinces are angry. To top it off, the Prime Minister does not even have the courage to meet the provincial premiers face to face.

Will he admit his bungling has become an embarrassment for all Canada?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, there is a member from Quebec criticizing a budget proposal that has been welcomed by Quebec. There is a member from Quebec with a leader who says that there is no fiscal imbalance.

This is an issue that had to be addressed in Canada. Once again, over 13 years the Liberals did not get the job done.

The Prime Minister and the government have done the job, restoring fiscal balance in Canada. It has not been easy, but if it had been easy, the Liberals would have done it.

[Translation]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, Canadians expect their Prime Minister to achieve consensus. With respect to the transfer, the Prime Minister ignored the positions of Newfoundland and Labrador, Nova Scotia and Saskatchewan. He has also proposed changes in the distribution of seats in Parliament and in the way senators are appointed. However, many provinces are opposed to these ideas, because they fly in the face of Canada's Constitution.

Is that why the Prime Minister is not brave enough to call a meeting of the provincial premiers?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, this is what the Liberal Party opposite is speaking against: more money for education; more money for health care; and more money for labour training in the provinces. These are not artificial academic numbers. These are funds that matter to each constituent. These are the basic services delivered by the provinces and territories and Canada.

Oral Questions

Because we have addressed the fiscal imbalance, which the Liberal Party does not believe exists, \$2.1 billion will go to the provinces and territories this fiscal year for health care, education, infrastructure, skills training and the environment.

* * *

•(1455)

[Translation]

GOVERNMENT PROGRAMS

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, much was written about budget 2005 by people who desperately wanted to stay in power and appease their old friends and the NDP.

[English]

One thing did not change in three budgets. The Liberals slashed funding for the community access program by over half. This program is vital for smaller communities to ensure we are connected with Canada and the world.

Could the Minister of Industry please tell the House and all Canadians who use CAP if our government will ensure funding for 2007-08?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, it is true the Liberals drastically reduced the funding levels for the community access program.

Unlike our predecessor, Canada's new government will support smaller communities. I am pleased to tell the House that the government is funding CAP programs for the years 2007 and 2008. We are getting the job done for Canadians.

[Translation]

The Bloc Québécois, on the other hand, is not delivering the goods for Quebeckers because it is in opposition, where it will remain forever.

* * *

[English]

THE BUDGET

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, we know the Mickey Mouse gang over there betrayed the good people of Saskatchewan. They deliberately misled the good people of Nova Scotia.

The finest people in the country come from Newfoundland and Labrador. For those people over there to betray the people of Newfoundland and Labrador is incredible.

One brave Conservative from Nova Scotia stood up for his people and showed all of us what it is like to represent our constituents.

My question is for the Minister of Fisheries and Oceans. Crosbie has said that you are not telling the truth. Danny Williams has said that you are not telling the truth. Who is telling the truth over there and will they stand up for the good people of Newfoundland and Labrador?

Some hon. members: Oh, oh!

The Speaker: I ask the hon. member to be careful in the phrasing of his question. I am not sure who he was alleging was not telling the truth, whether it was me or some other members in the House. It is not clear and I think he should perhaps avoid that expression.

The hon. the Minister of Fisheries and Oceans.

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, I am glad to answer the Mickey Mouse question.

First, as it relates to John Crosbie, we value the input of John Crosbie. In fact, he along with ourselves, my caucus members and the people on this side, are trying to solve the problems of our country and the problems of Newfoundland and Labrador.

We are not sitting on our hands or running around the country complaining like the hon. member or like the Premier of Newfoundland and Labrador. We are trying to solve the problem. Working collectively, we will.

* * *

ATLANTIC ACCORD

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, Ind.): Mr. Speaker, the Minister of Fisheries just said that they are trying to solve the problem. It is an easy problem to solve and I would like to make it easier for him. All he has to do is say that the Government of Canada will honour the contract signed by the Government of Canada.

It is a signed, sealed and delivered contract. It is a 12 year contract. We are two years into it. Consequential amendments to the budget by the Minister of Finance change the Atlantic accord.

Will the minister now just say, "It is all over. We will honour the signature of the Government of Canada. We will honour the Atlantic accord exactly the way it was written, no amendments. We will honour the work of John Hamm".

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as the hon. member knows, he and I have had many discussions on this subject.

Budget 2007 provides Nova Scotia flexibility and more money, as well as respecting the Atlantic accords and giving the province of Nova Scotia the opportunity to make an election. In fact, the province was concerned initially, after March 19, that its budget was coming up that Friday and asked for more time to consider the matter, which we have done. The province has since elected to enter into the agreement for one year to have more opportunities to consider it.

These are worthwhile considerations and at the present benefit—

•(1500)

The Speaker: The hon. member for Bourassa.

* * *

AFGHANISTAN

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, four ministers are at committee today to answer Canadians' questions on the Afghan detainee scandal, but Canadians know the government will say anything to cover up its incompetence.

Oral Questions

This week it is saying that releasing figures on detainees would be a “propaganda coup” for the Taliban, but access to information officials do not agree. They released some of these details weeks ago, seeing no threat to national security.

How about it? Why does the government continue its pattern of cover-up and secrecy on Afghani detainees?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, as I have said a number of times in the House, the details with respect to detainees is an operational security matter, and we will not discuss this matter in the House.

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, the government is still hiding things from us. I have here a document that shows that the government has information on detainees. A number of weeks have passed, and the government does not want to disclose this information. How many detainees have been transferred? How many detainees are there? How many visits have our authorities made? What is the status of the detainees?

If the government wants to keep what little credibility it still has, it must provide some answers. Compliance with conventions goes hand in hand with transparency. What is the reason for this orchestrated silence? What are the members opposite so afraid of? What is the reason for all the stunts by the Conservatives, each one more incompetent than the last?

[*English*]

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, the matter of details with respect to detainees is a military matter, not a political matter. The military have declared this as operational security, and we will respect it.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, on the detainee question, there was the saga of the report of foreign affairs, which the government told us did not exist, but later produced it, heavily censored. Now in response to a motion from the foreign affairs committee for information on the numbers of detainees captured, transferred and to whom, the government has invoked, as it did just now, operational security.

Why is the government really hiding this information? Is it really operational security, or is it the political security of the government itself?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, again, as is so often the case with the hon. member, it is untrue. This government has not changed the practice with respect to the redaction of documents.

The report he has requested was made available. It followed the same standard procedures that were in place when he was in office. This has not changed.

We will continue to work, as we have, in a transparent and open fashion to deal with this issue of detainees by enhancing the agreement left in place by the previous government, which turned out to have shortcomings. We have fixed that. We are dealing straightforwardly with the Afghanistan government to improve the situation on the ground.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, let us see how transparent the government is.

On the Pentagon website the United States government has made available entire lists of prisoners held at Guantanamo Bay. It gives names, citizenship, and other details. The Canadian government will not give us its numbers. Clearly, disclosure is not a matter of operational security for the U.S. forces.

Will the government admit that it refuses to disclose this information because it fears for its own political security, or has it lost track of those detainees?

Hon. Peter MacKay (Minister of Foreign Affairs, CPC): Mr. Speaker, once again, it is convenience with the truth by the member opposite; when he finds it convenient, he wraps his arms around the American example. Most times those members are insulting and pushing back against the Americans.

What we have done is followed the Canadian way, which is to work with the Afghanistan government to help it raise capacity to deal with an ongoing challenge in Afghanistan. We are doing that. We are building capacity every day in helping the Afghanistan people walk on their own and supporting their government and their democratic institutions.

* * *

[*Translation*]

INTERNATIONAL COOPERATION

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, during the 2005 G-8 summit in Scotland, member nations, including Canada, promised to increase development aid to Africa by \$25 billion. Recently, the World Bank criticized the G-8 for failing to keep that promise.

Does the Minister of International Cooperation realize that the budget for development assistance must be increased by a lot more than the 8% per year that her government has allocated?

● (1505)

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, allow me to remind the member that in our most recent budget, we reiterated our 8% commitment to international aid, and we also announced \$300 million in additional funds.

Furthermore, we are committed to ensuring that our international aid meets the highest standards of transparency and effectiveness.

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, allow me to remind the minister about the former Secretary General of the UN's statement that developed countries had to allocate 0.7% of their GDP in order to achieve the eight millennium objectives by 2015.

Will the minister shake off her inertia to present a plan that will meet this target and thereby really help Africa?

Routine Proceedings

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, with respect to Africa, allow me to remind the members of the commitment made by the Prime Minister, who is currently in Berlin and who said that Canada was on track to double its aid to Africa by 2008-09.

That being said, with all due respect to the member, our government has set targets it can meet, which is something the Bloc Québécois will never be able to do.

* * *

[English]

MICHAEL LUKYNIUK

The Speaker: I would like to draw to the attention of all hon. members that Michael Lukyniuk, Principal Clerk in the Legislative Unit, will be taking a well-deserved retirement later this summer after 30 years of faithful service to Parliament, including 16 years as a Table Officer in this House.

Michael is sitting at the Table right now and I know that you will join me in saluting his long and successful career on Parliament Hill.

Michael, we wish you and your family success, health and happiness in the years to come. Congratulations.

Some hon. members: Hear, hear!

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's responses to 17 petitions.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I have the honour today to present the 53rd report of the Standing Committee on Procedure and House Affairs regarding changes to the Standing Orders. The report contains certain changes to Standing Orders 31 and 37. If the House gives its consent, I intend to move concurrence in the 53rd report later this day.

● (1510)

AGRICULTURE AND AGRI-FOOD

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, pursuant to Standing Order 108(2) I have the honour to present, in both official languages, the 13th report of the Standing Committee on Agriculture and Agri-Food respecting the agricultural framework policy, including the dissenting opinion.

INDUSTRY, SCIENCE AND TECHNOLOGY

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Industry, Science and Technology regarding its order of reference of Thursday, May 17, 2007, Bill C-47, An Act respecting the protection of marks related to the Olympic Games and the Paralympic Games and protection against certain misleading business associations and making a related amendment to the Trade-marks Act. The committee has considered Bill C-47 and reports the bill with amendment.

PUBLIC ACCOUNTS

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 18th report of the Standing Committee on Public Accounts on Chapter 8 of the November 2006 Report of the Auditor General of Canada—Allocating Funds to Regulatory Programs—Health Canada.

I also present the 19th report of the Standing Committee on Public Accounts on the roles and responsibilities of the Treasury Board Secretariat and the tenure of deputy ministers.

In addition, pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to reports 15 and 16.

* * *

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGION OF NORTHERN ONTARIO ACT

Mr. Tony Martin (Sault Ste. Marie, NDP) moved for leave to introduce Bill C-451, An Act to establish the Economic Development Agency of Canada for the Region of Northern Ontario.

He said: Mr. Speaker, today I introduce a bill that would bump up the status of FedNor to a full-fledged economic development agency similar to the agencies that exist in other parts of the country where there are economic challenges. It would also redirect the mandate to focus solely on the nine ridings that make up northern Ontario. It would give FedNor a focused and expanded mandate with sound community, economic and development principles.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, if the House agrees to give its consent, I move that the 53rd report of the Standing Committee on Procedure and House Affairs concerning the Standing Orders of the House presented to the House earlier this day be now concurred in.

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

Some hon. members: Agreed.

An hon. member: No.

Routine Proceedings

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I rise on a point of order. I was advised that this report was going to be presented. It raises a little bit of concern in terms of the practice of the House with regard to reports from the procedure and House affairs committee.

Normally when they come forward with regard to changes to committees they are deemed to have been reported and concurred in. In this particular case the report is making changes to the Standing Orders. It involves the rights and privileges of members. It is a matter which has been dealt with in the press, but members have not had an opportunity in this Parliament to make an address with regard to Standing Order issues.

In that regard I would like to seek the opinion of the Chair with regard to the debatability of a concurrence motion in a procedure and House affairs committee report that does not deal with changes to the membership of committees, but deals with Standing Order issues.

This is particularly relevant, Mr. Speaker, because of the Standing Order requirement that within the first 60 days of any new Parliament there be a debate in this place on the Standing Orders. As you know, that particular provision of the Standing Orders was waived for whatever reason. As a consequence, members have not had an opportunity given to them to discuss matters regarding the Standing Orders.

•(1515)

The Speaker: I do not understand the hon. member for Mississauga South's point of order. I am not sure what clarification he is seeking from the Chair.

There was no consent for the motion that was proposed by the hon. member for Cambridge, so the matter is not proceeding at the moment.

I would not presume to dictate to any member how they would proceed in these circumstances. As the hon. member knows, he is an experienced member of this House, members can move motions for concurrence in committee reports. Members can put them on the notice paper and in due course they will appear on the order paper and they can be moved for debate in the House.

Any hon. member, I believe, is free to move concurrence in any committee report, to the best of my recollection of the rules, if that is the clarification he is seeking.

Mr. Paul Szabo: Mr. Speaker, I apologize. I should have concluded that in this particular case it is the practice of the House simply to ask, as the member has, for concurrence in that report without debate.

I have raised this matter before and the Chair has indicated that it is not our usual practice. I wanted simply to point out that should the matter come before the House again for concurrence in this report, I would like to reserve the right to have debate on that report.

The Speaker: That is a matter for the House to decide. The hon. member, as I say, has asked for unanimous consent and it has been refused, so it is not proceeding at the moment. What happens tomorrow or later is not within the control of the Chair as the hon. member knows.

Is the hon. member for Cambridge rising on the same point of order or is it another motion?

Mr. Gary Goodyear: Mr. Speaker, I would actually suggest that is not a point of order by the member. The member is rising on an issue of debate. None of the member's privileges have been compromised. He can fully debate the issue at any time that he would like to, including the first 60 days in September.

I believe the member is just trying to get in *Hansard*.

The Speaker: I have never heard of such a thing.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I rise on a point of order. I strongly object to the process and the implications of the motion put forward by the Bloc Québécois and passed by the Standing Committee on Procedure and House Affairs. Those listening must know that when a report is tabled, we do not know what it is about. It simply refers to something and we do not know what it really deals with before someone tells us and before we have the chance, perhaps, to read the blues.

I will be very brief. The process is absolutely not transparent. It takes place without debate and behind closed doors. This is serious, because this report, this motion describes three types of members: members affiliated with parties, independent members, and a third category. I will quote the blues for this committee in English, since that is all I have.

[*English*]

It states, "For the purposes of Standing Order 31.1(1), members of political parties not officially recognized in the House are not considered independent members".

So should this one day be approved, we would have three types of members in this House.

[*Translation*]

The members in question—the three and now four independent members—were never informed, never consulted and were never invited to appear before the committee. So much for democracy, especially when it comes to this committee. In general, committees are interested in hearing from witnesses—or so I thought—and finding out what people think and, at the very least, inform them.

I do not think that a handful of people in a single committee, as qualified as it may be, should be able to decide on the Standing Orders that govern this House, since this affects parliamentarians and basically takes away the Speaker's right to make decisions and have discretion.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I rise on a point of order. Given that that you decided to accept and to open the debate with the completely unfounded intervention by my colleague for Mississauga South, we will run with it.

Routine Proceedings

As for the point of order of my colleague for Rimouski-Neigette—Témiscouata—Les Basques, I will add the following point. I would like to remind my colleague and all those listening that, contrary to her comments that everything was carried out behind closed doors and that the committee was not transparent, yesterday's deliberations of the Standing Committee on Procedure and House Affairs were public. That is the first point. As for the second point, I know that you are the keeper of the standing orders. Rather than getting our names in Hansard and debating, as the hon. member for Mississauga South is adept at doing by talking about just about anything, we will keep to the standing orders.

I refer you to section 108, paragraph 3, section (a), subsection (iii). With regard to the components, duties and responsibilities of the Standing Committee on Procedure and House Affairs, of which I am vice-chair, it states in black and white what can be done, namely:

the review of and report on the Standing Orders, procedure and practice in the House and its committees;

That is exactly what my colleague for Cambridge has done on behalf of the committee.

● (1520)

Mr. André Arthur (Portneuf—Jacques-Cartier, Ind.): Mr. Speaker, not only do you preside over our debates but you also guarantee that there is fair play in this House. When the Bloc Québécois is not happy with the statements by one of its former members and it attempts, in an underhanded fashion, to undermine the right of independent members to ask questions and make statements, it is your duty to intervene to protect fair play here in this House.

[English]

Hon. Joe Comuzzi (Thunder Bay—Superior North, Ind.): Mr. Speaker, no one in the House can subscribe to the comments made by the whip of the Bloc Québécois. He does not even have the courtesy to comment on members of Parliament in their presence. If you read the blues, Mr. Speaker, you will find out to what I refer. Without his courtesy to other members, I do not think he bears any truthfulness in his comments.

I support the member for Rimouski-Neigette—Témiscouata—Les Basques and my other colleague. It goes without saying that our numbers are increasing substantially in the House, as you have witnessed, Mr. Speaker. We may have another party here with all the qualifications of a party that should have all of the support. I am not talking about just questions in the House. I am talking about the ability or the right to sit on committees. I am talking about the right to make statements under Standing Order 31 and all the other privileges that every other member of Parliament is afforded.

That is not to be taken away just because we choose, or because someone else chooses on our behalf, to say that we are not members of a political party and we choose not to join another political party of the House. Let me support my colleague from Rimouski in her statements.

Let me close by saying, Mr. Speaker, that you are the guardian in the House in all affairs that are afforded through procedural fairness and natural justice. When the procedures are offended, you are the final arbitrator on those issues of procedural fairness and natural justice for every member of the House. I know full well, Mr.

Speaker, that you will guard our rights as a sacred right of the Parliament of Canada.

[Translation]

The Speaker: I greatly appreciate the comments made by all hon. members who spoke on the matter. There are two important things, however, that must be considered. First of all, we have the report from the House committee tasked with reaching decisions concerning the Standing Orders of this House, the committee can recommend changes to the Standing Orders. That is one thing. The report has been submitted. The committee chair asked for the unanimous consent of the House to introduce a motion to adopt that report and unanimous consent was denied.

● (1525)

[English]

Second, we have the fact that the Speaker, as some hon. members have suggested, is in fact the guardian of the rights of hon. members, but the House is also master of its own procedure. If the House adopts Standing Orders, the job of the Speaker is to enforce the Standing Orders, which I do on a regular basis as best I can, aside from the ones that deal with noise in the chamber, which I have some trouble with. But on the others I am able to make decisions which generally are accepted in the House because they are based on the Standing Orders of the House.

What is in those Standing Orders is a decision for the House to make, and what will happen with this report in my view is a matter for the House to decide, not for the Speaker to decide. We will see what happens.

In the meantime, I appreciate the comments hon. members have made.

[Translation]

In my opinion, there is no point of order that justifies intervention by the Chair in this situation.

For now, we can move on to the remaining items in routine proceedings.

* * *

[English]

CONSCIENTIOUS OBJECTION ACT

BILL C-348

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, there have been consultations among the parties and I believe you would find unanimous consent for the following motion. I move:

That Bill C-348, An Act respecting conscientious objection to the use of taxes for military purposes, be withdrawn from the order paper.

The Speaker: Does the hon. member for Burnaby—Douglas have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Routine Proceedings

(Order discharged and bill withdrawn)

* * *

FOREIGN AFFAIRS

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, there have been discussions among the parties and I think you would find unanimous consent for the following motion. I move:

That this House request that the Government of Burma release the Leader of the National League for Democracy and Nobel Peace Prize laureate, Aung San Suu Kyi, from house arrest, which has been imposed on her since 1989.

The Speaker: Does the hon. member for Yukon have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

[*Translation*]

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

Some hon. members: Agreed.

(Motion agreed to)

Mrs. Carole Lavallée: Mr. Speaker, I seek the unanimous consent of this House to adopt the following motion:

That the government's notice of ways and means motion No. 13, tabled in the House by the Minister of Labour on December 8, 2006, be deemed adopted and that the bill listed on the order paper under "Introduction of Government Bills" and entitled "An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, the Wage Earner Protection Program Act and chapter 47 of the Statutes of Canada, 2005" be deemed to have been introduced in the House, deemed to have been read the first time and printed, deemed to have been read the second time and referred to a committee of the whole, deemed considered in committee of the whole, deemed reported with the following amendment:

"That clause 32 of the bill be replaced by the following:

32(1) Paragraphs 67(1)(b) to (b.3) of the same statute, as enacted by subsection 57(1) of Chapter 47 of the Statutes of Canada 2005, are replaced by the following:

(b) any property that as against the bankrupt is exempt from execution or seizure under any laws applicable in the province within which the property is situated and within which the bankrupt resides;

(b.1) goods and services tax credit payments that are made in prescribed circumstances to the bankrupt and that are not property referred to in paragraph (a) or (b);

(b.2) prescribed payments relating to the essential needs of an individual that are made in prescribed circumstances to the bankrupt and that are not property referred to in paragraph (a) or (b);

(b.3) without restricting the generality of paragraph (b), property in a registered retirement savings plan or a registered retirement income fund, as those expressions are defined in the Income Tax Act, or in any prescribed plan, other than property contributed to any such plan or fund in the 12 months before the date of bankruptcy,"

deemed concurred in at the report stage as amended, and deemed read the third time and passed".

● (1530)

The Speaker: Does the hon. member for Saint-Bruno—Saint-Hubert have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is no unanimous consent.

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Very briefly, Mr. Speaker, I rise on a point of order. Yesterday you made what I thought was a prudent ruling that we already had heard the motion several times previously and that we had heard the will of the House. Since it was already indicated that it would not have unanimous consent, you did not allow the full reading of it.

Today you have allowed it again. I merely raise the point that it is clear that there is not going to be unanimous consent for what we have heard already every day so far this week. I think it would be prudent in the future when we have this to not allow this kind of filibuster to continue.

The Speaker: I appreciate the hon. member's intervention. I do not mind saying that part of the reason I interrupted yesterday was because the hon. member I thought had been reading her motion before and in fact had made a statement. Had I realized, because as the hon. member knows I was in a serious conversation with one of his colleagues, I would have stomped on that statement.

[*Translation*]

The hon. member for Saint-Bruno—Saint-Hubert knows well that, when seeking the unanimous consent of the House for a motion, one has to move it immediately. As I said, she made a statement. I thought she might have changed a word here and there in her motion. That is why I did not interrupt her today.

Perhaps something else can be done about this tomorrow, should it continue, because this was the same motion. I think that she has brought it forward at least five times. I do not think it is necessary to present the same motion every day, and the hon. member for Saint-Bruno—Saint-Hubert is aware of all that.

The hon. member for Saint-Bruno—Saint-Hubert, on a point of order.

Mrs. Carole Lavallée: I shall be brief this time, Mr. Speaker. I am very sorry about yesterday, but you will understand that the reason the Bloc Québécois is pressing so hard to bring this motion forward over and over is to make sure that the Conservatives, first, make sense of it and, second, have enough sense to realize that this is an important motion. I will come back—

The Speaker: Fine, but everyone can read the motion, given that the same one is proposed day after day. The translation is available in Hansard, and I am sure that the hon. Leader of the Government in the House of Commons has read it many times.

Routine Proceedings

[English]

PETITIONS

HUMAN TRAFFICKING

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I have two petitions to present to the House today. Canadians all across this country are calling on our government to continue to combat the human trafficking crime that is occurring in our country.

POVERTY

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, a grade 11 student from Atikokan High School, Alacia Henderson, took it upon herself to make a statement about poverty. Alacia collected over 400 names drawing the attention of the House that funding programs for poverty should be increased, that funding for homeless shelters should be increased, and calling upon Parliament to lower the population of people living in poverty on the streets of Canada.

I commend this young lady for gathering these signatures and taking this initiative. Congratulations Alacia.

VISITOR VISAS

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I have two petitions to table in the House today. The first petition is on behalf of over 100 members of the Polish community in Hamilton and all of their friends.

Poland is a free, democratic and proud country within the European Union. As a member of the EU, Poland uses all of the same secure passport identification that other EU countries use, including biometric passport technology. In light of those circumstances, it is bizarre that people coming to Canada from Poland still need a visitor's visa.

Why do we not lift the visitor visa requirements, so that we can increase family visitation, tourism, cultural exchanges and trade missions? That is exactly what the petitioners are asking from the Parliament of Canada. I am delighted to promote their call for action by tabling this petition on their behalf today.

- (1535)

IMMIGRATION

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am also pleased to table another petition today calling on this House to adopt the NDP's Bill C-394, the once in a lifetime bill. This petition was circulated by the Philippino community in my home town of Hamilton.

All of the petitioners agree that family reunification must be a key component of a fair immigration policy. The current family class rules, as we all well know, are too restrictive and mean that many close relatives are not eligible to come to Canada.

The petitioners are asking Parliament to ensure, by passing Bill C-394, that Canadian citizens and landed immigrants are given the once in a lifetime opportunity to sponsor a family member from outside the current family class as it is currently defined in the Immigration Refugee Protection Act, so that they may be reunited with loved ones from around the world.

It has been my privilege to work with the Philippino community in Hamilton to bring this petition forward on their behalf today.

FISHERIES ACT

Mr. John Cummins (Delta—Richmond East, CPC): Mr. Speaker, I have a petition to present to the House today signed by many people from the province of British Columbia.

The petitioners call on the government to withdraw the new Fisheries Act, Bill C-45. The petitioners are requesting this of the government because they feel that there has been insufficient input from both recreational and commercial fishermen. They want this bill withdrawn and rewritten.

[Translation]

PHILIPPINES

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of citizens from my riding of Pierrefonds—Dollard and the surrounding area concerning human rights in the Philippines.

These petitioners call on the Parliament of Canada to take steps to ensure that Canadians who own mining companies operating in the Philippines or do business with that country not contribute to the murderous abuse that has been going on over there in the past several years.

[English]

HUMAN RIGHTS

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present two petitions today.

Over 80 residents of Montreal in the province of Quebec have pointed out that the Canadian Human Rights Act does not explicitly protect transsexual and transgender people from discrimination, harassment and violence based on their gender identity or gender expression.

The petitioners note that they are victims of discrimination, harassment and violence because of their gender identity and gender expression. They experience injustices such as the denial of employment, housing and access to transsensitive health care, and the inability to obtain identification documents because of their gender identity or gender expression.

The petitioners call on Parliament to immediately implement legislation to update the Canadian Human Rights Act to include gender identity and gender expression as prohibited grounds of discrimination.

HUMAN RIGHTS

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, over 50 residents of Montreal, Quebec and Toronto also call on this House to commit to respecting and promoting international standards in lesbian, gay, bisexual and transgender human rights by adopting the principles of the declaration of Montreal on LGBT human rights and the Yogyakarta principles on the application of international human rights law in relation to sexual orientation and gender identity.

Both of these very important international documents merit the support of the House and the government.

[*Translation*]

IMMIGRATION

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I would like to present a petition here today signed by citizens from throughout Canada and Quebec.

This petition calls for the establishment and immediate implementation of the Refugee Appeal Division. This could have helped the case of Ms. Touré, who currently faces possible removal. At this time, her daughter could face brutal genital mutilation in Guinea, without the possibility of being protected.

The Refugee Appeal Division is a cause that is dear to my heart. In this case, Ms. Touré's life could have taken an entirely different course.

[*English*]

FOREST INDUSTRY

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I actually have five separate issues to present here today but, with your permission, I would like to do at least two of them. The first one has to do with an important issue dealing with log exports from private lands.

These constituents from British Columbia are calling on the federal government to act inasmuch as logs from private lands are regulated by federal control rather than provincial control. They are drawing to the attention of the House that of approximately a million acres of private forest land on central Vancouver Island, nearly 70% of those logs are destined for export.

They are therefore calling on the Government of Canada to implement a tariff on logs exported from private lands to level the playing field and ensure that Canadian mills, as well as secondary industries that rely on the byproducts, are given equal opportunity.

They are asking the government to work with the province of British Columbia to implement a similar tariff on logs exported from Crown land.

• (1540)

NATURAL HEALTH PRODUCTS

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, the second petition also deals with an important issue and contains about 1,800 signatures. It has to do with the fact that Canadians use natural health products for health and wellness, and that the weight of modern scientific evidence confirms the mitigation and prevention of many diseases and disorders through judicious use of natural health products.

The petitioners are asking the government to remove the GST and provide greater access to natural health products by enacting Bill C-404, An Act to amend the Excise Tax Act.

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I would like to present a petition here this

Routine Proceedings

afternoon signed by hundreds of citizens, mainly from my riding of Madawaska—Restigouche.

These people are petitioning this minority Conservative government for two things. First of all, they are calling on the Conservative government to acknowledge and take action on the elimination of the waiting period within the employment insurance program.

Let us be clear. Although the government sometimes has considerable difficulty understanding this change, the petitioners are demanding it because seasonal workers, or those who work and lose their jobs, are not always able to make their mortgage and car payments, buy gas, or pay their grocery and utility bills, as many other citizens are able to do, and all because of the waiting period when they apply for EI benefits.

Second, the petitioners are asking that people who apply for EI benefits have the choice or the right to file their application either on paper or electronically, and that they not be obligated to file using only one format. People should have the choice.

[*English*]

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present this income trust broken promise petition on behalf of Mr. Dante Repagna, who remembers that the Prime Minister was boasting about his apparent commitment to accountability when he said, "the greatest fraud is a promise not kept".

The petitioners remind the Prime Minister that he recklessly broke his promise never to tax income trusts by imposing a 31.5% punitive tax which permanently wiped out over \$25 billion of the hard-earned retirement savings of over two million Canadians, particularly seniors.

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

[*Translation*]

IMMIGRATION

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I forgot to present two other petitions.

The first petition concerns conscientious objectors to the ongoing war in Iraq. These are American officers who are here and have applied for refugee status because of a conscientious objection. I am presenting a petition on their behalf.

Routine Proceedings

The other petition has to do with regularizing the status of individuals affected by the moratorium on deportation to countries such as Afghanistan, Burundi, the Democratic Republic of Congo, Haiti, Iraq, Liberia, Rwanda and Zimbabwe.

The petitioners are asking the government to reinstate a program that would enable individuals who have been here for more than three years to obtain permanent resident status and would facilitate the granting of such status for humanitarian reasons.

Those are the two petitions I am presenting.

* * *

[English]

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, Question No. 198 will be answered today.

[Text]

Question No. 198—**Mr. Peter Stoffer:**

With regard to the proposed move of the Coast Guard icebreakers *Terry Fox* and *Louis St. Laurent*: (a) what are the benefits identified by the government for this move; (b) what will be the cost of this move; (c) when will these moves take place; (d) where will the icebreakers be moved to; (e) what consultations have taken place with (i) the public, (ii) the employees, (iii) other government departments, (iv) the Coast Guard and the Department of Fisheries and Oceans, on this proposed move; (f) what provisions and benefits have been proposed for employees who will make this move; and (g) what limitations or benefits will this move place on Coast Guard operations and exercises?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, in response to the decision to redeploy the two icebreakers was made for financial reasons: a cost avoidance of \$10 million capital expenditure on additional infrastructure for Halifax that was already in place in Newfoundland. Coast Guard must ensure it invests as much as possible in its operations in support of federal maritime priorities. An additional benefit is ongoing cost avoidance for maintenance of the additional infrastructure had it been built.

In response to (b), given that this is a straightforward transfer of home ports of the two vessels from one area to another, costs of the redeployment are expected to be minimal.

In response to (c) and (d), the CCGS *Terry Fox* will be redeployed to St. John's in April 2008, and the CCGS *Louis S. St-Laurent* to Argentia in April 2009.

In response to (e), there were no specific consultations as it was an operational decision. However, this issue goes back almost 10 years and there have been a number of studies on moving the vessels.

In response to (f), an operations transition group will oversee operational and human resource aspects of the redeployment. No Coast Guard maritimes region personnel currently assigned to either of these vessels will be forced to move, nor will any indeterminate jobs be lost because of this move. Crew changes in the Arctic and elsewhere are currently managed from Halifax and this will continue throughout the transition. A period of co-crewing between the two regions will occur. The transition will take place over a five year

period, with extensive consultations with crew to ensure their needs are addressed. Over time, as the existing crews leave, transfer to other vessels, or choose to move, crew members from the two icebreakers will have St. John's as their home port.

In response to (g), there is no operational need to base the two vessels in Halifax, given that their main theatre of operations is the Arctic. The full range of services will continue. Also, the vessels will be two days' steam closer to the Arctic. The vessels will continue to work as needed in the Atlantic zone as is now the case, the most recent example being the work of the *Terry Fox* related to the seal harvest.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if Questions Nos. 195, 196, 197 and 205 could be made orders for returns, these returns would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 195—**Mr. Alex Atamanenko:**

With respect to the pet food recall as a result of tainted ingredients causing illness and death among Canadian pets: (a) what is the government intending to do to ensure the safety of pet food made in Canada; (b) what is the government intending to do to ensure the safety of pet food imported from the United States and other countries; and (c) what are the details and the timeline of the government's response to the outbreak from the time the government first learned about the pet food recall and the first illnesses were reported through the present time?

(Return tabled)

Question No. 196—**Mr. Charlie Angus:**

With regard to television programming shown by all Canadian private broadcasters: (a) does the government have access to cumulative and individual statistics of their Canadian programming that are more recent than fall 2004 from the Bureau of Broadcast Measurement's (BBM) television diary or more recent than 2005 from the BBM's meter surveys and, if so, (i) what are they, (ii) what are the most recent cumulative and individual statistics on the percentage of Canadian programming shown during primetime, (iii) what are the most recent cumulative and individual statistics on the breakdown of type of Canadian programming that is being shown during and outside of primetime; and (b) what is the government's plan for promoting Canadian programming in the future and what specific initiatives are being planned to guarantee a healthy future for Canadian programming on private broadcasters?

(Return tabled)

Question No. 197—**Mr. Charlie Angus:**

With regard to Canadian private broadcasters: (a) what is the estimated financial value of the benefits that Canadian private broadcasters derive from the laws and regulations of the government, including, but not limited to, simultaneous substitution, tax write-off exclusions for Canadian companies' advertisements on U.S. broadcasters, and protection from foreign competition; and (b) what is the estimated financial value of these benefits for each private broadcaster?

(Return tabled)

*Government Orders*Question No. 205—**Ms. Paule Brunelle:**

Regarding the document entitled “The Cost of Bill C-288 to Canadian Families and Business” released on April 19, 2007, by the Minister of the Environment: (a) what is the model of elasticity used to set the amount of the carbon tax at \$195 per tonne and what are the details; (b) what is the macroeconomic and energetics model used to assess the economic impacts associated with the implementation of Bill C-288, An Act to ensure Canada meets its global climate change obligations under the Kyoto Protocol, and what are the details; and (c) what are the details of all the methodological appendices used to support the Minister’s conclusions?

(Return tabled)

[English]

Mr. Tom Lukiwski: Mr. Speaker, I ask that all remaining questions be allowed to stand.

• (1545)

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

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 would ask you to call Motion No. P-10.

Motion No. P-10

That an Order of the House do issue for all studies and documents that were done and a list of people and organizations consulted regarding the government's plans to create an agency for the recognition of foreign credentials.

Mr. Tom Lukiwski: Mr. Speaker, Notice of Motion for the Production of Papers No. P-10, in the name of the hon. member for Trinity—Spadina, is acceptable to the government and this document is tabled immediately.

(Motion agreed to)

Mr. Tom Lukiwski: Mr. Speaker, would you be so kind as to call the Notice of Motion for the Production of Papers No. P-26, in the name of the hon. member for Edmonton—Leduc.

Motion No. P-26

That an Order of the House do issue for a copy of the Kelowna Accord.

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, no document entitled the Kelowna accord is to be found in the record of the Department of Indian Affairs and Northern Development, therefore I ask the hon. member to withdraw his motion.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I want to thank the minister. I am delighted to have this information officially from the minister, and I withdraw my motion.

(Motion withdrawn)

Mr. Tom Lukiwski: Mr. Speaker, I ask that all remaining Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***BUDGET IMPLEMENTATION ACT, 2007**

Hon. Jim Prentice (for the Minister of Finance) moved that Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, be read the third time and passed.

Hon. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I welcome the opportunity to introduce Bill C-52 at third reading. Once passed, the proposed legislation will implement key measures from budget 2007 along with other tax initiatives that were announced prior to the budget.

Our goal is to help Canada and Canadians unleash an extraordinary potential. We are a successful, independent nation that believes in tolerance, justice and providing a helping hand to the less fortunate.

As the world changes, Canadians need to work together to make Canada even more prosperous and strong. We have a plan, “Advantage Canada”, that will take us there, and the measures in Bill C-52 are an integral part of that plan.

To that end, Bill C-52 proposes to invest an additional \$39 billion over the next seven years to help the provinces and territories deliver the quality services that Canadians have come to expect from a country as great as ours.

It is difficult to visualize just how many dollars there are in \$1 billion, so I will like to put it in a different perspective. A billion dollars is a thousand million and \$39 billion would be 39 thousand million.

A billion hours ago, our ancestors were living in the stone age. A stack of one billion dollar bills will reach from the ground to 120 kilometres upward. If one sat down to count a billion dollar bills, and I would like that chore, and could count them at the rate of one per second, every second of every day, it would take more than 30 years to finish counting that one billion dollars.

If you earned \$1,000 a day, Mr. Speaker, and I am sure you are worth that, you would take 2,740 years to earn \$1 billion. If you had \$1 billion and you spent \$3,000 of it every day, and I am sure some of us would be able to do that, it would take 1,000 years to spend the whole \$1 billion.

When I say that our government is putting \$39 billion additional new money into the hands of provinces and territories to provide good services for Canadians, that is a lot of money, 39 billion new dollars. That will provide Canadians with health care, post-secondary education, new child care spaces, a clean environment and infrastructure like roads, bridges and public transit.

In addition, Bill C-52 contains a number of tax reduction measures that will improve the standard of living for Canadians. I am talking about the working family tax plan that will make it easier for working families to get ahead and stay ahead.

Government Orders

This plan includes a new \$2,000 child tax credit that will provide up to \$310 of tax relief for each child under 18 to more than three million Canadian families. The plan also increases the spousal and other amounts to the same level as the basic personal amount. This will provide up to \$209 of tax relief to two parent families with one parent who earns little income.

Single parents and family members caring for dependants will also benefit. The working family tax plan helps families saving for their children's education by eliminating the \$4,000 limit on annual contributions for registered education savings plans and increasing the lifetime contribution limit to \$50,000 from \$42,000. It also increases the maximum annual Canada education savings grants amount to \$500 from \$400.

As for our pensioners and seniors, the plan increases the age limit to 71 from 69 for registered retirement savings plans and registered pensions.

• (1550)

Bill C-52 also proposes to enact the tax fairness plan. This plan will provide tax assistance to our seniors by increasing the amount eligible for the age credit by \$1,000, putting it up to \$5,066. The plan will also help our seniors by allowing couples, for the very first time, to split their pension income. This represents tax savings of over \$1 billion annually for Canadian pensioners and seniors.

Going forward, the government is committed to providing additional tax relief for individuals to improve the rewards from working, saving and investing.

Canada's new government has built on its commitment to implement the 10 year plan to strengthen health care, a plan that provides \$41.3 billion in new federal funding over 10 years to provinces and territories.

In budget 2007 we built on that commitment. For example, the budget proposes an investment of \$400 million for Canada Health Infoway, an organization that is making significant progress in working with provinces and territories to implement electronic health records. This initiative will help reduce wait times, reduce the risk of medical errors and lead to better health outcomes.

Furthermore, Bill C-52 proposes funding of up to \$612 million to support all provinces and territories as they move forward with their commitment to implement patient wait times guarantees.

As we know, in July 2006 Canada's new government approved the use of a vaccine that provides protection for young girls and women against two types of human papillomavirus, or HPV. These viruses are responsible for approximately 70% of cancers of the cervix in Canada. This is the second most common cancer in women aged 20 to 44 after breast cancer, and that is a very disturbing statistic. That is why a measure from budget 2007 contained in the bill proposes to provide \$300 million in per capita funding for provinces and territories to fight HPV.

Canada's new government has a comprehensive and results oriented plan to clean our air, help address climate change and create a healthier environment for Canadians. With that goal in mind, budget 2007 proposes to invest \$4.5 billion toward a cleaner, healthier environment. Bill C-52 takes an important first step in that

direction by proposing to provide more than \$1.5 billion to a trust fund for initiatives undertaken by provinces and territories in support of clean air and climate change projects.

In addition, building on the initiatives taken in budget 2006, our government will strengthen conservation of sensitive land and species and preservation of our cultural and natural heritage. One such measure in Bill C-52 proposes \$225 million for the Nature Conservancy of Canada to conserve ecologically sensitive land in southern Canada.

The bill also proposes \$30 million in funding to support an innovative model of sustainable land and resource management development in the Great Bear Rain Forest on the central coast of British Columbia.

As members know, Genome Canada is a not for profit corporation that supports Canadian research leadership in genomics, a powerful emerging field, with the potential for significant advances in health care, sustainable development and in the environment. Since its creation, Genome Canada has been very successful at strengthening the genomics research environment in Canada, not only by attracting leading scientists but putting in place the advanced technology needed for genomics work.

Bill C-52 proposes to provide Genome Canada with an additional \$100 million in 2006-07 to sustain funding to support, among other things, Canada's participation in strategic international research collaborations.

Bill C-52 contains a number of other important measures, none more important perhaps as the proposal to provide additional funding to help in the reconstruction of Afghanistan.

• (1555)

Canadians, as we all know, have played a significant role in supporting that country's efforts to build a free, democratic and peaceful country. That is why the bill proposes to provide \$200 million in additional support for reconstruction and development of Afghanistan, with initiatives that create new opportunities for women, strengthen governments, enhance security and address the challenge of combatting illegal drugs.

We can see that Bill C-52 is a comprehensive bill, encompassing a broad range of initiatives to help Canadian succeed, to enhance important social services and to support our global contribution.

That is why timely passage of the bill is important. A number of measures in the bill will be lost if the bill does not receive royal assent by August 31, which for our purposes means by the time both the House and the other House rise in June. There are immediate and grave consequences which cannot be resolved in September. The money will be gone and the Liberals need to be aware of this, as well as all Canadians.

Let me explain this. Should the budget implementation act not receive royal assent before the government's financial statements are finalized in August, it will not be possible to account for these measures in 2006-07.

Government Orders

If the budget is not passed until the fall or later, the money for the measures, which I will mention, would have to be booked in 2007-08 from new money and to do so would have to compete with new demands.

The money from 2006-07 would by law have to go into the 2006-07 surplus and then be applied to the debt and not to program funding. Therefore, a number of measures would not go forward if the bill is not passed in a timely fashion.

Measures that would not go forward are: \$1.5 billion for a Canada trust foundation for clean air and climate change; over half a billion dollars for patient wait time guarantees trust; \$0.4 billion for the Canada Health Infoway; \$0.1 billion for CANARIE; \$0.2 billion for the Nature Conservancy of Canada; \$0.3 billion for the Great Bear Rainforest; \$0.6 billion for labour market agreements; \$0.3 billion for the Rick Hansen Foundation; \$0.1 billion in aid to Afghanistan; \$100 million to Genome Canada; and \$50 million to the Perimeter Institute for Theoretical Physics.

I mention all of this because there have been some bumps in the road, and some possible future bumps in the road, in both Houses of Parliament in ensuring that this important bill, which has been before us for some time, is passed in a timely manner. I do not think Canadians want to see these important measures I have just listed lost because parliamentarians cannot work together constructively for good things for Canada and Canadians.

I end by urging all members of both this House and the other place to give Bill C-52 their support in a timely manner, so the benefits can start to flow to Canadians as they should.

• (1600)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I want to ask my colleague a question. I will preface my comments by indicating that I served on the finance committee most of last year and worked with the member as the Parliamentary Secretary to the Minister of Finance. To my shock, I came to have some high regard for her personally and enjoyed her company. We travelled Canada and we spent some time working together. I came to know that she is a very engaging person and I have enjoyed that.

However, I disagree with her on some very fundamental points. I want to talk about the Atlantic accord. I have asked the member this question before. She has indicated that in her view the Atlantic accord was a “gerrymandered”, and she used that word, and ad hoc agreement. I disagree with her and I think I have made that clear.

I want to talk to her specifically about what the Atlantic accord is. There is a lot of confusion but it is very simple. At its essence, the Atlantic accord assured Nova Scotia and Newfoundland and Labrador that they would be the full beneficiaries of offshore, over and above whatever equalization program was in place at the time. Thus, if equalization changed, as it did under the previous administration, Nova Scotia would get the benefit of the new equalization plus the Atlantic accord.

The Minister of Finance mocks Atlantic Canada and insults Atlantic Canada when he stands in this chamber and says we have the choice of the new equalization or the old deal and the Atlantic accord. The Atlantic accord specifically said that whatever the new equalization is, Nova Scotia and Newfoundland and Labrador would

get the benefit of that, plus the offshore. It was not one or the other. It was both.

In Nova Scotia, as in Newfoundland and Labrador, everyone knows that this budget torched the Atlantic accord. Academics, economists, Conservative premiers and an all party resolution of the House of Assembly of Nova Scotia, including the minister married to the Conservative member for South Shore—St. Margaret's, all said that we have to honour the accord, that it has been broken. Mr. John Crosbie today was quoted in a secret memo from before now as saying that this breaks the Atlantic accord and that the choice they are forced to make “does not fulfill the 2005 agreement”.

There is no question that the Atlantic accord has been shunned and has been pushed aside. I want to ask my colleague, very seriously and simply, does she believe the Atlantic accord was honoured in this budget or does she agree with the member for Cumberland—Colchester—Musquodoboit Valley, who made the principled decision yesterday that it did not and he cannot live with that?

Hon. Diane Ablonczy: Mr. Speaker, it is no secret, of course, that there are some differences of opinion surrounding this issue, but I would like to point out a few things to my hon. friend.

First of all, the only reason the province of Nova Scotia has any rights to its own resources offshore is because of a Conservative government. He knows that. The Liberals were going to give his province nothing.

In fact, it was Conservatives who started fighting for offshore rights for Nova Scotia while in opposition and then followed through when they were in government by actually giving those rights to Nova Scotia in 1986. It was Conservatives who fought to push the former Liberal prime minister, who was not going to keep his promise to enter into the accords, into doing so. He did that because of pressure from Conservatives. Otherwise, he was not going to do that.

We also had a situation where there was a fiscal imbalance, where there were not enough transfers to the provinces for them to provide services to their citizens. Again the Liberals denied that there were any problems and said there was no fiscal imbalance. The current leader of the Liberal Party says there is no such thing as a fiscal imbalance, but again it was Conservatives who transferred huge amounts of money to the provinces, including the province that the member comes from.

As I just mentioned, there is \$39 billion in new money from this Conservative government to the provinces and territories of this country to fix the fiscal imbalance. Again, nothing like that would have come from the Liberals.

The province of Nova Scotia specifically is \$97 million better off today because of Conservative initiatives. If there are differences of opinion, as the member alludes to, then they will be worked out in good faith by this government because we want fairness in this country. We want fairness for every province, including the province of Nova Scotia.

• (1605)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to address the gaps in the budget with regard to first nations.

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We know that there has been a 2% funding cap in place since 1996. The Department of Indian Affairs and Northern Development's own documents have done an analysis on the impact of the 2% cap on education and housing and any number of programs.

The current budget actually does not address those funding gaps specifically. In fact, there has been some detailed analysis done. One in four first nations children living on reserve live in poverty. There is a 22% gap in funding for children in care on reserve. That has resulted in a human rights complaint being filed by the Assembly of First Nations because children on reserve have access to a far lower level of service than children off reserve. In fact, I have introduced a motion in the House called Jordan's principle, which talks about funding adequately and getting by jurisdictional disputes and putting children first.

I wonder if the parliamentary secretary would indicate how the government plans to address that vital 2% funding gap and ensuring that first nations in Canada have access to a standard of living that other Canadians expect.

Hon. Diane Ablonczy: Mr. Speaker, I certainly agree with my hon. friend that in this situation the conditions under which some of our first nations people live in this country are absolutely appalling. They are unacceptable and must be changed.

I would suggest to the hon. member that to some degree, and perhaps to a large degree, it is not just lack of money that is the problem. I would suggest that there are some systemic problems, including a lack of basic human rights on the first nations reserves, that are part of this problem, and she will know that our government has a number of initiatives to address this, including giving first nations people the human rights that other Canadians enjoy under the Human Rights Act.

I think we need to look at these issues as a package, but one thing that we cannot do is expect the status quo to work. I would urge the member to work with the government on some of the changes that need to be made in the systemic problems. Also, of course, as she knows, both our previous budget and this budget do put significant new money toward first nations initiatives and we will continue to do that.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I listened carefully to the remarks of the parliamentary secretary. I certainly applaud the initiatives of the budget and specifically of Bill C-52.

The tax cuts for families are very well received in my riding. The improved financial security from the measures for seniors, such as pension splitting and RRSP regulation changes, is also very important.

However, I want to refer specifically to a comment that she made in regard to the investment of \$50 million for research and development to the Perimeter Institute.

I have had the privilege of visiting the Perimeter Institute and the Institute for Quantum Computing. I want to confirm that she said if Bill C-52 is not passed that \$50 million could be in jeopardy, because if that is true, there are many residents of the KW area who will be very concerned. In fact, this would impact the future research capabilities of this great institution.

● (1610)

Hon. Diane Ablonczy: Mr. Speaker, I appreciate my colleague's comments. It is certainly our hope that all members of Parliament will want initiatives such as the Perimeter Institute to get funding in a timely fashion as it has been promised. I am pretty confident that this will happen.

I simply mention these concerns so that Canadians will be aware that there have been, as I said, and I want to be careful with this, some bumps in the road and some suggestions from the other place that there may be attempts to hold up these measures. I do not think that is going to be helpful to Canadians.

I think if there are differences of opinion between parties they should be worked out between the parties. Canadians and Canadian initiatives like the Perimeter Institute should not be held hostage for that purpose.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I did not get a chance to ask my hon. colleague a question, but I will use up part of my time to do so.

When she talked about how important it was not to waste time in passing the budget, I would just point out that the government itself wasted three and a half weeks in the month of April when it withdrew its own budget from the legislative process. It is difficult to know, if she thinks it is so terribly important, why the government itself caused an unnecessary three and a half week delay. I want to put that on the record.

In terms of my own speech, I would like to focus on two themes regarding this budget: incompetence and dishonesty. It is an incompetent budget in the sense that the minister is out of his depth, and it is a dishonest budget in a number of senses, including not merely broken promises but the denial that those promises were in fact broken, and in some cases the denial of the undeniable, not to mention as well the repeated statements of things that clearly are not true, like saying that the government has cut income tax when everybody knows that it has raised income tax.

I would like to pursue these two themes. In doing so, I realize that there are other things one could say about the budget. One could say that it is a meanspirited budget in its treatment of aboriginal people or children or students or all of the above. I also realize that these themes of incompetence and dishonesty could be applied to other aspects of the behaviour of this government, like the environment or Afghanistan, but in the time allotted to me I would like to focus exclusively on the budget and exclusively on these two particular themes.

Before I go into detail, let me say something about language. I have been in the business of reading budgets and commenting on budgets for quite a few years, long before I went into politics, and I have noticed that those commenting on the budget, the economic analysts and specialists, generally use language that is respectful and even deferential. They use very moderate words.

When I went through the commentary applied to this budget over the last several weeks, I made a collection of some of the adjectives that these normally very sober analysts have used to describe the budget. Some of these words are the following: unbelievable, worst in 35 years, nut job, stupid, clueless, insane, and idiotic.

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I have been at this kind of thing for more years than I would care to think about and never in my life have I heard words of that nature applied to the budget of a Government of Canada. I would suggest that this is indirect evidence that the extremity of the language of people unaccustomed to such language is matched by the extremity of the incompetence that would provoke such language from people unaccustomed to using such words, unless, that is, for some unexplained reason, there was a sudden contagious outburst of rudeness from economic analysts and economists.

I would like to give six examples of areas in which we see this combination of incompetence and dishonesty.

For the first of those, one has to go back in history a bit to when the Minister of Finance was a very senior member of the Ontario government. The Conservatives were running an election on a balanced budget. After they lost the election and the auditors came in, it turned out that there was a \$5.8 billion deficit. Here we have that combination displayed nicely, because to run a \$5.8 billion deficit is in itself incompetent, but it is dishonest to pretend that it is a balanced budget when in fact one knows it is a deficit. That is dishonesty. That was the first revelation, if members like, of that combination.

The second example I would use is the government's decision to raise income taxes in order to pay for a GST cut. That is incompetent in the sense that there is not an economist on the planet who would say that is a sensible thing to do. I think there are very few Canadians who would rather have a penny off the price of a cup of coffee than more money in their wallets through an income tax cut.

●(1615)

It also reflects the dishonesty theme. While everyone in the country knew that their income tax had been raised, the government persisted in saying that it had been cut even though all the tax return forms that Canadians fill out clearly stated the opposite.

Perhaps we could even say I am naive to be shocked by this but when the government of the day persists, not just once but time after time in making a statement that is self-evidently false, it is damaging to the political class, all of us in this Chamber. In some sense, Canadians will say that it is normal for politicians to say things that they know to be wrong. I do not think that is how politicians generally or ought to behave. Therefore, I do take offence when a government takes what is obviously a tax increase and repeatedly claims that it is a tax cut.

The third example I would mention is the federal-provincial relations and the whole situation of equalization which we heard about in some detail today. I would like to give a particularly interesting quote from the Minister of Finance in his budget. He said:

The long, tiring, unproductive era of bickering between the provincial and federal governments is over.

That is a very definitive statement. We would not have known that from question period today. People say that a successful budget is out of the news cycle in three days. I think we are on about day 80 and it was certainly in the question period cycle. It displays an extraordinary naïveté to think that any amount of money paid to the provinces would, in some magical sense, bring to a permanent end the long, tiring, unproductive era of bickering.

However, and perhaps more to the point, we have three clearly broken promises. We have three commitments made by the government to three provincial governments, Newfoundland and Labrador, Nova Scotia and Saskatchewan, and those commitments were clearly broken. What we see, and we have seen it for a number of weeks, is that the government persists in denying that it broke those agreements.

We would not have had an hon. member taking the huge step of voting against his own government and being kicked out of his own caucus if there were any doubt as to whether that agreement had been broken. We have a double set of dishonesty in breaking the promises and then in denying that those promises were broken.

There is another kind of dishonesty here. This is what we might call playing with numbers. We hear the finance minister quote these hundreds of millions of dollars that will go to this province or that province. However, we in the finance committee had the pleasure of listening to Premier Calvert of Saskatchewan last week or the week before. He went through in some detail how these numbers were just meaningless, a mish-mash. He said that the moneys would have gone to Saskatchewan anyway. He said that they were measured over five or ten years and that they were just concocted in whatever way was convenient for the government to come up with a number that sounds big.

There was a similar experience with the Canada-Ontario agreement where the government concocted numbers in a meaningless way to pretend that it was paying a lot of money to the Province of Ontario.

Perhaps it is because I am an economist, but I like to get numbers from the Department of Finance of the Government of Canada that I can trust. The way the government concocts its numbers just to serve whatever purpose it has in mind at any given moment, takes away that confidence in those numbers.

Related to that was the net debt gimmick. Some may remember that. Suddenly the government came out with the statement, "We are going to wipe out, abolish the net debt. Canada will be net debt free", as if we were supposed to all jump up and applaud. It is some arcane thing that it dragged up from the OECD.

●(1620)

We have noticed that the government never talks about it anymore. It never talks about it anymore because it was so ridiculed that it had to put that back into the cupboard. All it was doing was manipulating statistics to pretend to Canadians that something was different when in fact nothing had changed.

The government is playing with numbers, whether it is manipulating Saskatchewan numbers, manipulating Canada-Ontario agreement numbers or taking the arcane concept of net debt and pretending it is doing something new and different. It is a gimmick. This is the kind of behaviour that I object to.

My fourth point involves interest deductibility, which is where we have a real disaster for the government. A statement that is in the budget could not be more crystal clear. It states that as of a certain date companies would no longer be allowed to deduct for tax purposes interest on money they borrowed to invest abroad.

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Since the whole financial world came tumbling down on the minister, it became apparent to the minister that he had done something really stupid. He had neglected to point out that all other major countries allow their companies to deduct interest and, therefore, if Canada alone did not allow that to happen, our companies would be put at a huge competitive disadvantage and become more susceptible to takeover. He would then be creating disadvantaged Canada instead of advantage Canada, and the minister caved.

Do members know how the minister caved? I now come to honesty. He did not say that he was sorry that he had made a mistake. He said that everybody misinterpreted his budget. He said that everybody except himself had read the budget wrong. He said that none of us understood the budget except him. We know the effect of that. All of those thousands of tax experts who were down the minister's throat for doing something so stupid in the budget, as this interest deductibility measure, were all angry at him because he said that they had misread the budget. He could not admit that he was changing something. These analysts are all angry at the minister, which is not a very good position for a minister to put himself in and it is not very smart.

My main point is that this is another example of the sneaky dishonesty that we see again and again from the Conservative government.

My last point on interest deductibility is that having incompetently introduced a measure, which he had to withdraw but did not have the courage to say that he was withdrawing, the minister then withdrew it in an incompetent manner. There are two issues here: something called debt dumping and something called double-dipping.

I think the minister likes the sound of double-dipping because it sounds somehow evil and immoral so he wants to attack double-dipping. The problem is that every expert across the country says that the abuse does not come from double-dipping but from debt dumping. If the minister knew what he was doing, which he did not, he would have attacked debt dumping.

Debt dumping means that a foreign subsidiary can come into Canada, borrow huge amounts of money, deduct the interest from the debt so as to reduce its Canadian tax and then invest that money in some third country. This is a way to escape Canadian taxes inappropriately. There are some abuses there and we should crack down on them.

However, the way the minister is attacking double-dipping, the net effect will likely be an increase in the revenues of the Government of the United Kingdom or the Government of the United States. It is as if the minister's goal is to increase the revenues of foreign governments at the expense of Canadian companies, which makes no sense whatsoever.

Interest deductibility is a very good example. First, it shows that the minister is out of his depth in introducing the measure in the first place. Second, the manner in which he withdrew it, pretending that he was not withdrawing it and pretending that everyone else in the country misread the budget in the first place, shows a lack of straightforwardness in his behaviour. Third, when he attacks the

wrong target, attacks double-dipping when he should be attacking debt dumping, that shows a second level of incompetence.

● (1625)

The fifth problem I would like to focus on is the extraordinarily incompetent design of the feebate program. It is rare that an industry, when given a tax break or a subsidy, would be up in arms against it, but that is exactly what happened. The auto industry did not complain so much about the extra costs imposed on gas guzzlers. It was up in arms at the rebate the government gave to the energy efficient cars because 75% of that money was focused on one model, which was not very different, environmentally speaking, from the next model.

I want to quote one individual, a well-known expert on the auto sector, Dennis DesRosiers, who is normally one of those experts who uses very moderate language. He said:

(Honda) felt so slighted by this stupid 'feebate' that they have ... come out guns ablazing".... "The feds now not only have a policy in place that does not work, they have also turned the company most willing to work ... to address the auto issues of the day into an advertising juggernaut criticizing the federal government's policies."

The government has created enemies of all the tax analysts by telling them that they did not know how to read the budget, and now it is creating enemies in the auto industry in trying to give it rebates. Talk about incompetence.

Finally, last but not least, I come to the subject of income trusts. This is the mother of all broken promises but, as I said at the beginning, the government not only breaks promises but, once it breaks a promise, it denies it broke the promise. It denies the undeniable.

I had forgotten this but in the early days of the income trust debate, the government denied that it had broken a promise. That did not last very long because it was obvious that the Prime Minister had said it clearly in the election many times. In the early days, I have a quote from the Prime Minister responding on November 1, the day after Halloween when the policy was announced. The Prime Minister said:

The commitment of this party was not that we would have no taxes for Telus. It was a commitment to protect the income of seniors.

The Minister of Finance has brought in an age credit. He has brought in pension splitting. He is imposing fair taxes on the corporate community. I challenge the Liberal Party to support those things.

I had thought earlier today that was one promise that he could not deny but he tried. He tried for a day or two by saying that it was all about tax fairness. He then gave up because it was so impossible. He did acknowledge that he broken the promise on income trusts. However, my colleague has probably forgotten that in the early days he actually denied that he had broken the promise on income trusts.

I only have two minutes but I think I have spoken enough over the last several weeks on the subject of income trusts that I am able to summarize it fairly easily. This was not only a broken promise but it was a nuclear bomb dropped on the industry, when the Liberal plan, which was a more surgical plan, would have done the job correctly and which still will do the job correctly once the Liberals come to power.

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It was a comedy of unintended consequences. Advantage Canada became disadvantage Canada. Tax fairness became tax unfairness. An attempt to get more revenue for the government, because of its incompetence, turned into less revenue for the government. The income trust issue was not only an example of broken promises and, in that sense, dishonesty, it is perhaps exhibit A in terms of a government that is out of its depth.

We have not abandoned our struggle for the appropriate policy on income trusts and, because of this combination of gross incompetence and gross dishonesty, the Liberals, one and all, will be very proud to vote against this budget.

• (1630)

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 Western Arctic, Taxation.

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, I take the comments that the member makes on income trusts very lightly. He mentioned that his party had one plan.

The member for Markham—Unionville sits on the finance committee. He will have to do a little work in terms of addition. So far we have heard at least four so-called plans with respect to income trusts from his party. I do not think he can go too far and talk about right and wrong, BlackBerry emails and all that kind of thing when we have a party on the other side of the House that understands and is very unwilling to deal with the issue of income trusts.

I will focus a little more on the his comments with respect to the fiscal imbalance. It is nice to hear the member talk today about a fiscal imbalance, something his party was not interested in doing for the last 13 years. He perhaps has not acknowledged that there is a fiscal imbalance and that the government has worked at fixing that problem, but he has talked about a fiscal imbalance today.

I also find it odd that the Liberal member would vote against the budget based on the fiscal imbalance. It brings \$12.8 billion in federal support just for Ontario. Maybe he should consult with his provincial Liberal colleagues before he votes against the budget.

I have done a little research. I will mention a few of those. He should consult with Liberal Premier Dalton McGuinty who said, "This budget 2007 represents real progress for Ontarians". Did he talk to the Liberal finance minister, Greg Sorbara, who said, "There are real positive changes in this Budget 2007?" Did he speak to the Liberal energy minister, Dwight Duncan, who said, "Budget 2007 was a good step forward and the kind of thing we wanted to see"? Did he consult with the Liberal Mississauga West MPP, Bob Delaney, who praised budget 2007 saying, "There is nothing the federal government could have done more effectively than to address the fiscal gap?"

Was Dalton McGuinty wrong? Was Greg Sorbara wrong? Was Dwight Duncan wrong? Was Bob Delaney wrong?

Hon. John McCallum: Mr. Speaker, the member raises three points.

On the first point, and maybe he has not been listening, we only have one plan for income trusts. It consists of a 10% tax that is

refundable to all Canadian residents, and a moratorium on the creation of new income trusts. It is very simple. He should be able to absorb that.

Second, on the question of the fiscal imbalance, when does one know that a fiscal imbalance is no longer there? Given the finance minister's referral to the long, tiring, unproductive era of bickering between the federal and provincial governments now being over, maybe a fiscal imbalance no longer exists when everybody is happy.

If that is the government's interpretation of fiscal imbalance, then we are in a greater imbalance today than we have ever been. We have a member of Parliament crossing the floor because of being kicked out of his caucus. We have three extremely angry provinces and five unhappy provinces. Is that the government's definition of balance? I would have said that is a highly unbalanced situation. Are we to say that the fiscal imbalance is solved merely because the finance minister declares it to be so?

None of this makes any sense unless the government members have some definition of fiscal imbalance and what it means, and whether this thing exists or does not exist.

On the subject of Ontario, the member is in no place to speak for Ontario, when the government ripped hundreds of millions from Ontario in the Canada-Ontario agreement and when the Ontario government had slammed the government for its environment policy and for its redistribution policy of creating new seats. Selective quotes will not do the job.

• (1635)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to touch on something the member talked about in terms of concocted numbers. I argue that this budget goes far beyond concocted numbers and into concocted rhetoric.

In response to my question about a 2% cap on funding for first nations communities, the parliamentary secretary did not name the act, but said if we repealed section 67 of the Canadian Human Rights Act and had human rights on reserve, everything would be fine. In fact, we know that with this 2% cap in place, first nations do not have the resources to remedy, for example, complaints on housing.

Earlier the Minister of Indian Affairs and Northern Development denied the fact that an agreement called the Kelowna accord actually existed.

We all know that 18 months of consultation led up to a commitment by the then Liberal government and various ministers and premiers across the country to institute funding that would address some critical issues in first nations communities.

Would the member comment on the kind of notions that have come forward, which completely disregard the very real needs in first nations, Inuit and Métis communities across the country?

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Hon. John McCallum: Mr. Speaker, at least on this issue it seems the hon. member and I are in virtual total agreement. I agree the challenges of first nations are extremely important. It is a shameful situation for Canada. The government has ripped aside the Kelowna agreement and done virtually nothing for first nations. All I can say is we agree.

At the beginning, I also said that I believed this was a very meanspirited government with respect to its treatment of aboriginal people, poor people and students, but I would not dwell on that today. However, I certainly agree with the point she has made.

Hon. Brenda Chamberlain (Guelph, Lib.): Mr. Speaker, I thought the hon. member made some excellent points. Interest deductibility is a very big issue.

One of the things the member for Yukon has circulated today is the fact that income tax has increased under the new government. Calling it a new government is kind of a joke. It has now been in power for a year and a half. I wonder how long it can call itself new and improved. It is quite comical.

The government ran in the last election and promised it would help Canadians, particularly lower and middle income Canadians. Now, for Heaven's sake, it has increased income tax. It is shocking that the government, which promised during its campaign that it would not do such a thing, has done that. It is again another broken promise.

I want to draw attention also, as the hon. member did, to the fiscal imbalance. The Premier of Newfoundland is now running an ABC program, which is to vote anything but Conservative.

Could the member comment on those two points?

Hon. John McCallum: Mr. Speaker, I agree with what my colleague, the member for Guelph, has said. Let me put her point in context.

I do not know if she was here when the parliamentary secretary gave her speech about billions of dollars and how long it would take to count that. Let me ask her a question. How many nickels did the government take out of the pockets of Canadians when it raised the income tax rate? The answer is 28 billion nickels were taken out of the pockets of hard-working Canadians when the government imposed its income tax hike.

If the parliamentary secretary were here, I would ask her this question. How many hours would it take to count the 28 billion nickels that were taken out of the pockets of ordinary Canadians when the meanspirited government raised income taxes?

•(1640)

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, it is my honour to talk today about Bill C-52. It is an important bill. Honesty was mentioned many times by the member, and I think he is treading on very dangerous ground.

I attended every one of the committee meetings dealing with income trusts, for example. Not once did the member bring forward the concept of the Liberal plan or discuss it with any of the witnesses during those sessions. I challenge him to check the blues on that. It was after they were all done.

It is completely dishonest to say that the Conservatives checked to see whether the experts we had in front of us believed in his plan. For someone who represents one area and lives in another, honesty is a really difficult thing I think.

Hon. John McCallum: Mr. Speaker, the hon. member does not seem to understand that we on this side of the House, unlike the government, like to do our investigations first and then make our policy. It is our intention to hear the witnesses, absorb their wisdom and then come out with a policy.

I know the Minister of Finance likes to do it the other way. He dreams up some out of his depth crazy ideas and then consults the experts and finds out it is wrong.

We prefer to consult the experts before we announce our policy.

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I am pleased to speak again about the budget tabled in this House earlier in the session.

Earlier today, during the previous two speeches, mention was made of the fiscal imbalance. That makes me laugh. I listened carefully to the speeches and did not get involved in the debate between the Liberals and the Conservatives on the fiscal imbalance, because the Liberals have always refused to admit that the fiscal imbalance exists and the Conservatives claim that it has been fixed.

Here is the Conservative technique for correcting the fiscal imbalance: the Minister of Finance gets up in the House and reads his budget. While reading, he simply says that the fiscal imbalance has now been corrected once and for all. That is all there is to it. The Conservatives believe that they just have to keep on repeating the same thing and it will come true.

This is not the case, however. Serving the public and doing the work we do in the House takes more than words: it takes action.

Let us review the basics of the fiscal imbalance. This concept was first defined and discussed in Quebec by the Séguin commission, which carefully examined the matter. This has always been a Bloc Québécois issue. At the time, only the Bloc talked about it; the other parties denied that it existed. We started explaining to the Conservatives what it was all about. We have made progress, but they still do not understand what it is all about because they claim to have solved it.

When the members of the Séguin commission defined the concept of fiscal imbalance, they did not pick a name for it out of a hat. They did not open the dictionary to a certain page and point to some words when they named it fiscal imbalance. It was not an arbitrary choice.

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There were reasons. First, it is an imbalance. Second, the nature of this imbalance is fiscal. It was not a monetary or budgetary issue. Basically the central government, the federal government, had too much tax revenue, too great a fiscal capacity, in relation to the requirements and the jurisdictions established by the Constitution. On the other side, the governments of Quebec and of the other provinces do not have a large enough tax base to assume all the responsibilities provided for in said Constitution. This is so true that the federal government generates significant surpluses year after year and takes the liberty, with each budget—including the Conservative budgets, no matter what the Conservatives say—to meddle in the jurisdictions of Quebec and the provinces.

I would like to point out that if the federal government's fiscal capacity were not greater than its needs, it would not feel the need to interfere in provincial jurisdictions. In fact, it could not do so. Nonetheless, since it has too much fiscal capacity, too much money, it goes ahead and interferes in provincial jurisdictions. In the meantime, Quebec and the provinces do not have enough funding or a large enough tax base to meet all their needs. They are facing an increasingly precarious situation.

That is what is happening. The fiscal imbalance exists. The only solution to this fiscal imbalance is a tax transfer. This seems logical enough to me. I meet a lot of people in my riding. On the weekend I went to a sidewalk sale on Wellington Street in my riding to meet with people and talk to them. When I tell them we need to correct the fiscal imbalance with a tax transfer, almost everyone understands the principle quickly enough: fiscal imbalance and tax transfer seems logical enough to them.

•(1645)

The Conservatives are the only ones who do not understand, or at least not the Conservatives from Quebec. The Liberals and the New Democrats do not recognize the principle either, but the Conservatives have not really delivered the goods. They made a significant budgetary transfer; that is true. This will provide Quebec with supplementary sources of revenue. That is the reason we supported the budget. We have done our job.

The Bloc Québécois fought hard for this funding. The government has made progress and transferred funding to Quebec. We have decided to support the budget. This is a good illustration of the Bloc's importance. During the latest votes on the budget we noticed how quiet the Conservatives were when the Bloc Québécois voted in favour of their budget. They were well aware that they need us to make their Parliament work.

So there is no tax transfer in this budget. That is clear. In committee I asked the minister and his officials about this. Everyone admitted that there was no tax transfer. There were only budget transfers. What everyone also admitted was that nothing guarantees that this money will be there next year, or any other year. This is so true that the Conservative Party is even paying big bucks to advertise on television in Quebec, saying that if the Leader of the Opposition became prime minister, he could take back the money. By saying this, the Conservatives are admitting that this is not a permanent or definitive solution and that Quebec is still dependent on the federal government for this money. All Quebeckers, federalists and sovereignists alike, from all parties in the National Assembly, want

to be free of this dependence. We want to be able to count on autonomous revenues and do not want to always be subject to the whims of the federal government.

The solution for Quebec is to get back either the tax fields—like the GST—or tax points, which will ensure stable, predictable revenues that will grow over time with the economy and will be fair and equitable.

In short, there are some benefits in this budget that are due to the fact that this is a minority government. It needed the support of the Bloc Québécois, because Quebeckers decided to send a strong contingent of members to Ottawa. The government had to give more resources to Quebec. We supported the budget, but the fiscal imbalance has not yet been corrected. There is still much work to be done, and we will continue to do what is necessary to defend the interests of Quebeckers.

•(1650)

[*English*]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I noted with interest some of the comments that the member opposite made. I am wondering if he would comment on how the people in his province are receiving the good news that there will be this \$2,000 child tax credit, saving Quebec parents almost \$300 million.

Also, there is an increase in the basic spousal amount providing another almost \$60 million in tax relief. Certainly, there are many initiatives here that I would think that he would be glad to support in Bill C-52.

[*Translation*]

Mr. Thierry St-Cyr: Mr. Speaker, when I meet the citizens of my riding, we often have the opportunity to discuss to what extent the federal tax system is ill-adapted to the choices made by Quebeckers. Children were mentioned, and this is a perfect example. On our federal tax returns, Canadians can claim child care as a tax credit when we send our children to day care.

Obviously, since Quebec society decided to collectively pay for child care and offer services for \$7—low-cost child care—parents in Quebec receive fewer tax credits than parents everywhere else in Canada. Of course, parents in Quebec pay for these child care costs in other ways. They pay them through the taxes they pay to the Government of Quebec. However, they cannot claim a higher amount by saying that they pay \$7 out of their pockets and the rest through their taxes.

This means that the federal government saves between \$200 million and \$250 million every year. I do not recall the exact figure at the moment, but the federal government saves a huge amount of money. The Canadian tax system is taking more money from the pockets of Quebec parents simply because we decided to create a system that is praised, incidentally, throughout Canada and around the world. This demonstrates just how costly federalism is for Quebeckers, and to what extent it is ill-adapted and does not take into account Quebeckers' choices and realities.

Government Orders

The medium- and long-term solution for Quebeckers is, of course, sovereignty. In the meantime, the Bloc Québécois is here to demand this correction, among others, to the Canadian tax system. I have often raised this issue at the Standing Committee on Finance. My colleague, who also sits on that committee, and I underscored the importance of correcting this. However, none of the federalist parties supported the simple principle of fairness, which is rather unfortunate.

[English]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, there are a couple of points in the budget that I would like to ask the member to clarify.

I want to touch on child care. New Democrats have been calling for a universal, quality, regulated, public child care system. Quebec has a good model, where parents in the province of Quebec can go to work or to school each day knowing that their children are placed in quality, regulated child care.

Yet, this budget failed to provide funding for that. People argue that what we call a family allowance is supposed to help create child care spaces when in effect we know it does not. It does not even substantially go toward covering the cost of child care. I wonder if the member could comment on that.

I also wonder if he could comment on the fact that there is virtually no money in this budget for either affordable housing or social housing. Many people from coast to coast to coast, as well as my own province of British Columbia, in my riding of Nanaimo—Cowichan, just simply cannot find affordable housing. I wonder if the member could comment on that as well.

• (1655)

[Translation]

Mr. Thierry St-Cyr: Mr. Speaker, on the first point my colleague raised, I explained earlier what concerns the Bloc Québécois and Quebec the most about child care. We have a quality child care system that works well and is appreciated. In fact, people like it so much that there is a shortage of spaces. That is the only problem at present in Quebec with the child care centres that cost \$7 a day. The program is so popular that there are not enough spaces.

We asked that the \$200 million the federal government saves annually on the backs of Quebec parents be turned over to the Government of Quebec, which could invest the money in its child care system and increase the number of spaces. We were not asking for special treatment for Quebeckers. We were simply asking that the federal government not line its pockets at the expense of Quebeckers who have made this choice. The government should not say too bad for Quebeckers who have made this choice, which does not jive with federal taxation, and then take \$200 million a year.

I introduced this motion in committee, and I was disappointed that it was not supported by any other party. It would have been useful for the rest of Canada. It would have set a good example. Other opposition parties, or even the government, could have supported the motion, saying that people in Quebec had made a choice and would not be penalized tax-wise. That would have sent a clear message to other provinces, which might have wanted to follow Quebec's lead

and recover the money the federal government saves because the provinces have affordable child care.

[English]

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, this is just about the last time we will have a chance to speak about the 2007 budget. We are drawing near the end but without losing hope that we can try to persuade the government to make amends for the errors it has made along this journey.

We have just seen a living example of that today in this House with the member for Cumberland—Colchester—Musquodoboit Valley, who stood up in the House today as an independent to speak for his province and his region against a government, his own government and his own party, that has broken its word and has failed miserably to address the needs of Atlantic Canada.

That member stood in the House today to plead with the government to reconsider, to simply stand up and say “we made a mistake and our word is good”, to say that the agreement it signed will be kept and that Atlantic Canadians can count on the government to be there as it promised.

It is not too much to ask, is it, when we consider what is involved? It is a written commitment from the government to the provinces of Nova Scotia and Newfoundland and Labrador and it is an agreement with the province of Saskatchewan. These are agreements to address the fact that these are provinces in the developing stages of accessing their raw resources and oil and gas revenues.

It was not an extraordinary request today. It was based on an agreement. It was based on an understanding for the good of the country and for the good of those regions that are developing their resources and which need and have asked for and received from the government the agreement to develop those resources without being hurt in an equalization formula, without seeing a clawback at a time when they most need the revenue.

They are not asking for a favour to go to regions forever and a day, but simply that the government's word be kept, that an agreement be maintained so that those provinces could reap the benefits of their resources and ensure that in fact the very difficult economic and social circumstances being faced in those provinces would finally be dealt with.

This is the story of this budget. It is hard to believe that it has only been since March 19 that we have been dealing with this, because there have been so many issues.

Each and every day some problem has emerged, some new development has occurred, some story has been developed and some line changed, whether we are talking about the Atlantic accords or the deal with Saskatchewan and the promises broken by the government, or whether we are dealing with the change of heart with respect to interest deductibility and the earlier commitment by the government to crack down on corporate tax avoidance, or whether we are talking about the failure of the government to meet its commitment to our original peoples and to respond in the face of a very explosive situation.

The government has failed to act and has only compounded the problems and made the situation worse.

Government Orders

● (1700)

We are here making our last plea for the government to come to its senses in a number of areas. We do not expect that we will agree on everything, but we are asking the government to deal with some very critical issues and to make some significant changes in this budget.

The fundamental problem with this Conservative budget is that it has failed to be honest with the Canadian people, just as the budgets of the previous Liberal government failed to be honest with the Canadian people. As a result, decisions have been made in the absence of full democratic participation. Decisions have been made that will set back the human development of this country many years.

Decisions have been made that will prevent the Conservative government from taking action when human crises emerge. Today we are hearing news of such looming crises, some actually happening before our very eyes. The news out of British Columbia about floods in Skeena—Bulkley Valley is mind-boggling.

Some of us can remember what it was like when we went through the flood of the century in Manitoba. We remember the way the Liberal government spurned us in our time of need. I remember how former prime minister Jean Chrétien came into my riding and threw one sandbag, un sac de sable, and continued on with his election despite the crying need of Manitobans.

The people overcame. The people persevered. The people of Winnipeg, with the help of volunteers from all parts of the country, with the help of members of the armed forces and with the commitment by the local and provincial governments, averted a situation of most dire consequences.

Will this be the case when it comes to British Columbia today? Does the government have the flexibility, the foresight and the compassion to actually intervene in this very difficult situation? As we speak, artifacts are being evacuated from the Ksan Historical Village. Hundreds of families are awaiting flood notice, from B.C.'s northwest to the Fraser Valley.

This situation demands swift federal action. Has it happened? Have we heard anything? Has the government moved to help people who are being evacuated or to help prevent the loss of precious artifacts that are part of our original peoples' history? Is this a priority for the government? That is the big question mark today.

At a time when we are looking at a budget and dealing with the needs of this country through the fiscal means of the state, surely we can expect the government to immediately announce a plan of attack to deal with this kind of situation. We have not heard a word yet.

I will raise another issue. Just this week we learned of tellers who work at the CIBC in this country being forced to begin a lawsuit to get money that is owed to them because they worked overtime and have never been compensated for that overtime. This is at a time when the profits of the big banks have never been so great, when the compensation packages, payouts and executive salaries of the CEOs of our five major banks have never been so exorbitant and enormous, and this is at a time when the vast majority of workers at these banks are being exploited, taken advantage of and not being paid their rightful salaries.

Mr. Mike Wallace: We're talking about the budget.

Ms. Judy Wasylycia-Leis: I hear my friend from Burlington asking if this is in the budget.

Mr. Mike Wallace: What's this got to do with the budget?

Ms. Judy Wasylycia-Leis: My goodness, of course this is in the budget.

● (1705)

A budget is about ensuring that everyone in this country is paid for his or her worth and is allowed the opportunity to work in jobs that are fulfilling and meaningful and that support families to ensure they can be productive members of our society. That is the purpose of a budget.

It is not about giving more leeway to the big banks so their profits can grow. It is not about loosening the ties of government so that the free market will reign in every aspect of our society without due regard for human condition. It is about ensuring a balance between the needs of the people of this land and the desirable position of preserving our environment and this earth for the future and for future generations.

That is what a budget is all about and, on this front and on every aspect relating to a budget, the government has failed. It has failed in terms of providing for a long term strategy to deal with the explosion of corporate takeovers in this country. It has failed to address the enormous loss of jobs in the manufacturing sector.

It has failed to respond in any way to the rising dollar, which is now almost on par with the American dollar, creating serious problems in many parts of this country. Yet the government and the Minister of Finance simply sit back and let the governor of the Bank of Canada suggest that all is well, that all they need to do is raise interest rates and keep our focus on inflation no matter the human consequences. He sits back and does nothing. There is not a peep from the government, the Minister of Finance or anyone on the government benches about the impact of the rising dollar on our economy.

I am not here to suggest that there are any easy answers. There are not, but there is one area where there are answers and it lies in a budget. A budget is supposed to provide the resources to compensate for those kinds of economic circumstances that might be beyond our control. It is about investing strategically in our economy so we are equipped in strategic sectors, in specialized ways, to create products, to provide jobs and to create trade.

This budget does not do that. This budget hardly touches this whole area of jobs, the economy, training, education, work and child care. It is basically a budget that has decided to take every available surplus dollar and do what the Liberals did for 13 years, which is to lowball the budget, not tell Canadians the kind of money they have and put it against the debt.

Government Orders

What have we just seen with this budget under the Conservatives? Between this budget and last year, \$22 billion has gone against the debt, even though when all of that is factored in we will not be much closer to a reduced debt to GDP ratio than if we had taken that money and invested it in areas that deal with serious economic and social issues and also grow the economy.

This budget is absolute foolishness when it comes to fiscal prudence. It is absolutely wrong-headed. It is a lost opportunity. I again will remind members in this House that they would never in a million years pay off their mortgage if the roof was leaking, because they know that if they let the roof keep leaking the house would be destroyed, and so what if it is all paid off? There is no house left.

• (1710)

The same is true of a country. The same is true of families, neighbourhoods and communities. If we take away the very means by which people can survive and provide for themselves and their families, and can contribute to their communities by being involved in volunteer organizations and can use their skills to work in meaningful jobs that pay enough just to keep one's head above water, then there is no country left. Can the government understand what we are talking about?

The government should take some of that money and say that it owes it to the first nations of this country, the Métis and the Inuit to start to address the historic deficiencies caused by government after government. If it started in fact to invest in those programs that would allow aboriginal people to be full participating members of our society, we would be a heck of a lot further along.

Would we be standing here today hearing about a potentially explosive situation if this budget had done a single thing to meet the needs of aboriginal people? This budget does not do a thing to redress the historic imbalances and deficiencies caused by previous governments, particularly the last several Liberal governments.

Would we be here today if just a portion of that \$22 billion had gone to deal with third world conditions on reserves? There is mould, fungus, and contaminants growing in people's houses. Communities have roads washed out and food prices going through the ceiling. We have people living in the most decrepit conditions.

Would we still be facing a potentially violent situation, a potentially explosive situation? Of course not. People react to the conditions around them. When the world ignores a whole community's condition and refuses to deal with historical injustice and takes no steps to give hope, then we create those conditions for eruption and upheaval in our society today.

We have dealt with this at the finance committee. Mr. Jock from the AFN was at our committee. When he was asked what do we do now that the federal government has put no money into aboriginal affairs and the communities are up in arms, what do we do to fulfill our responsibilities as a nation? He said, "just give us some hope". He was not asking for the moon. He said, "give us some hope that we can convey to our communities, so we have the possibilities of building again".

What if the government had taken a portion of that \$22 billion and invested it in a few more child care spaces? Then a mother today who has to work would not be scrambling to try to figure out how to

care for her child and earn a living that she must just to stay alive. Instead, the government is putting that family in jeopardy.

Does the government want to pay now or pay later? No one here is saying take all the money and spend it. We are saying put some money against the debt, put some money against programs that have been cutback by Liberals, and put some money into strategic areas that will grow the economy, such as the infrastructure deficit.

We have the silliness of this tax back guarantee which will mean a few dollars for Canadians and not mean very much in terms of their economic well-being and their ability to survive, but it would mean a lot if it is pooled and will grow the economy, and deal with the deficit at the infrastructure level. There is so much we can do. The government has failed miserably.

• (1715)

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, my colleague at the tail end of her speech mentioned that the federal government should be having strategic investments into projects that will have strong economic benefit. I agree with her.

For example, in this budget we have put forward \$1 billion over eight years as recommended by the province of British Columbia for the Asia-Pacific gateway and corridors initiative. We are going to build \$400 million for the south Fraser perimeter road, north Fraser perimeter road, and the Roberts Bank rail corridor.

We are putting new interchanges in place in Regina. We are improving access to the airport in Winnipeg, an announcement that is just down the road from where the member is. We are helping build a new multi-modal facility in Edmonton at 41st Avenue.

We are putting \$1 billion in the Asia-Pacific gateway. It has a partnership between the federal government, the province of British Columbia and all western provinces, NDP, Conservative and Liberal premiers in all of western Canada. It is \$1 billion. It is an incredible opportunity for Canada.

In the first century of this country we were an Atlantic trading country recognizing our ties to Europe and our opportunity to link Europe with the United States and the trade opportunities there. The Asia-Pacific gateway is about recognizing the trade opportunities between all of the Pacific Rim and Canada and through to the United States. It is a \$1 billion.

The NDP premier in the member's province supports it. All of western Canada supports it. Why is she voting against the Asia-Pacific gateway and against the best interests of western Canada?

Ms. Judy Wasylycia-Leis: Mr. Speaker, we at no point have denied the fact that there are some elements of this budget that are supportable. We have never questioned certain investments that are part of this budget, but we decry the fact that so much has been left undone and the government has made choices that are not in the best interests of building a strong country.

Government Orders

Let me say to the member, if he believes in strategic investments, why was there not a meaningful plan to deal with a \$60 billion infrastructure deficit? Why was there not anything in this budget to deal with an absolutely deplorable housing situation in this country? Why was there nothing in this budget to help first nations people? Why was there nothing in this budget of significance to create child care spaces? What happened to families, to neighbourhoods, to communities, to quality of life, to decency and humanity? What happened to civil society?

How is it that the minister and the government could not see the importance of balancing out the \$22 billion that went against the debt to ensure that some of that money went to grow the economy, some went to deal with our debt, and some went to support Canadians?

• (1720)

The Acting Speaker (Mr. Andrew Scheer): Questions and comments, the hon. member for Guelph.

Hon. Brenda Chamberlain (Guelph, Lib.): Mr. Speaker, I want to talk a little bit about what the hon. member is yelling about right now, quite frankly, because it is a real concern to me when she talks about aboriginal people and what has happened to them. There was a thing called the Kelowna accord in case she forgets and there is a reason that it is not being implemented. It is because the NDP decided to bring down the past government.

The NDP is critical of everything. It does not matter what anyone does or what government works. It is critical, but it does not have positive solutions. There is a reason the NDP has 28 members.

Ms. Jean Crowder: Twenty-nine.

Hon. Brenda Chamberlain: Twenty-nine. I stand to be corrected.

Things like the Kyoto accord which the NDP voted down. The Liberal government wanted to implement it, but oh no, the NDP wanted to go to the polls. This was important to that party. What about addressing the fiscal imbalance? We could have done that. Oh, no, the NDP did not want to accept that.

The member brings up child care. How can she stand in this House and possibly bring up such a thing when the NDP voted that down by bringing a Liberal government down. We had an agreement with every single province that we worked for years to get and finally it went down because the NDP had the nerve and the gall to let this country down on child care.

I have so many constituents who wanted child care, wanted Kyoto, and wanted a better deal for cities rights across Canada. I think that is shameful.

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Andrew Scheer): Order, please. I would ask for a little bit of order as we finish up this question and comment period. The hon. member for Winnipeg North.

Ms. Judy Wasylycia-Leis: Mr. Speaker, the people I represent and the people I have come to know across this country have waited so long for the Liberals to fulfill their election promise to have a national child care program that their infants are now teenagers going into adulthood.

Whether we are talking about child care, aboriginal issues, the environment, housing, cities, education or health care, in each and every instance we in the New Democratic Party worked like we have never worked before to convince Liberals, when they were in government, to effect change in those areas and to keep their promises.

However, we kept hitting our heads against a brick wall. We could not get through to those Liberals. Nowhere was that more relevant and apparent than when it came to the child care program, which has been the longest running broken political promise in the history of this country.

I can remember the promise in 1993 and it has been repeated in every election since. I wish the Liberals had had the gumption, the courage, the foresight, and the leadership to keep their word and build a legacy for this country for our future generations.

• (1725)

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I want to ask my colleague about another area where there has been a real failure in the budget.

I do not think the budget, in a serious way, addresses the growing economic inequality in Canada. It is becoming a very serious matter, certainly around the whole question of income distribution. It is something about which New Democrats have always been very concerned.

We know, for instance, that the average earnings of the top decile are now 81 times that of the poorest decile in Canada. When we look back, in 1976, the difference was only 32 times, so there has been a huge growth in that gap.

In fact, the gap between the rich and poor in Canada is at a 30 year high in after tax terms. It has been growing quickly in the past 10 years that under economic conditions that traditionally leads to its falling. So none of the projections that we hear commonly from the Liberals or the Conservatives have proven true.

I wonder if my colleague could comment on the increasing polarization of income in Canada and what that really means for Canadian families.

Ms. Judy Wasylycia-Leis: Mr. Speaker, the member, my colleague, is absolutely right. We are in the middle of an all time high or a record in terms of the gap between the rich and the poor. Never in the last 30 years have we seen the gap so wide between the rich and the rest of us.

I want to refer to the excellent study by the Canadian Centre for Policy Alternatives called "The Rich and the Rest of Us", which actually documents this in full colour.

The member for Burlington might be aware of the excellent presentation we had at our committee by Armine Yalnizyan, who actually pointed out the very serious mistake made by the government in taking all available surplus dollars and putting them against the debt. The government did that instead of helping families survive and ensure that their children were given the opportunity to be cared for in safe quality child care spaces, were given the opportunity to go to university, and were given the opportunity to embark on exciting careers in our economy today.

Routine Proceedings

The government has absolutely missed and squandered an opportunity. Never has this nation had so much wealth and never has so little gone to the vast majority of Canadians.

It has actually become an embarrassment for this nation around the world. Not only are we the worst among the G-8 nations in terms of our greenhouse gas emissions, we are just about the worst among G-8 nations in terms of the human resource development index.

Our record in terms of equality between the sexes, between regions, between individuals is deplorable. In fact, a crisis is looming as we ignore this situation which is heading down the path of paying so much more in the future.

That again speaks to the fact that the government does not have a fiscally sound policy. It has embarked upon a penny wise, pound foolish approach, and it is denying people their right to live with some decency in a civil society.

Mr. Paul Szabo: Mr. Speaker, I rise on a point of order. Since the bells are going to ring in a couple of minutes, it would probably not be very helpful to start a speech for only two minutes and maybe not even be available when it was resumed.

I wonder if the House would give unanimous consent to allow one more question of the member.

The Acting Speaker (Mr. Andrew Scheer): Does the hon. member have the unanimous consent of the House to ask one question?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): I think right now we are at 5:30 p.m. I would ask the hon. member for Mississauga South to raise his point of order after the deferred recorded division is taken.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

The House resumed from May 11 consideration of the motion.

The Acting Speaker (Mr. Andrew Scheer): It being 5:30 p.m. pursuant to order made on Thursday, May 31, 2007, the House will now proceed to the taking of the deferred recorded division on the motion to concur in the fourth report of the Standing Committee on Citizenship and Immigration in the name of the hon. member for Trinity—Spadina.

● (1730)

[Translation]

Call in the members.

● (1800)

[English]

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

(Division No. 197)

YEAS

Members

Alghabra	Angus
Asselin	Atamanenko
Bachand	Barbot
Barnes	Bélangier
Bell (Vancouver Island North)	Bell (North Vancouver)
Bellavance	Bennett
Bevington	Bigras
Black	Blaikie
Blais	Bonin
Bonsant	Boshcoff
Bouchard	Bourgeois
Brison	Brown (Oakville)
Brunelle	Cannis
Carrier	Chamberlain
Chan	Charlton
Chow	Christopherson
Comartin	Comuzzi
Crête	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
D'Amours	Davies
DeBellefeuille	Demers
Deschamps	Dewar
Dhaliwal	Dhalla
Dosanji	Duceppe
Easter	Eyking
Faillie	Freeman
Gagnon	Gaudet
Godfrey	Godin
Goodale	Gravel
Guarnieri	Guay
Guimond	Holland
Hubbard	Ignatieff
Jennings	Julian
Kadis	Karetak-Lindell
Karygiannis	Kotto
Laforest	Laframboise
Lalonde	Lavallée
LeBlanc	Lemay
Lessard	Lévesque
MacAulay	Malhi
Malo	Maloney
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Sault Ste. Marie)	Masse
Mathysen	McCallum
McDonough	McGuinty
McGuire	McKay (Scarborough—Guildwood)
McTeague	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Merasty
Minna	Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown)	Nadeau
Nash	Neville
Ouellet	Owen
Pacetti	Paquette
Patry	Pearson
Perron	Peterson
Picard	Plamondon
Priddy	Redman
Regan	Robillard
Rodriguez	Rota
Roy	Russell
Savage	Savoie
Scarpaleggia	Scott
Siksay	Silva
Simard	Simms
St-Cyr	St-Hilaire
St. Amand	St. Denis
Steckle	Stoffer
Szabo	Telegdi
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thibault (West Nova)	

*Private Members' Business***PRIVATE MEMBERS' BUSINESS**

[Translation]

**PERFLUOROCTANE SULFONATE VIRTUAL
ELIMINATION ACT**

The House resumed from May 31 consideration of the motion that Bill C-298, An Act to add perfluorooctane sulfonate (PFOS) and its salts to the Virtual Elimination List under the Canadian Environmental Protection Act, 1999, as reported (with amendments) from the committee, be concurred in.

The Acting Speaker (Mr. Andrew Scheer): The House will now proceed to the taking of the deferred recorded division on the motion at report stage of Bill C-298, under private members' business.

● (1810)

[English]

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

*(Division No. 198)***YEAS**

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	Angus
Arthur	Asselin
Atamanenko	Bachand
Barbot	Barnes
Batters	Bélanger
Bell (Vancouver Island North)	Bell (North Vancouver)
Bellavance	Bennett
Bernier	Bevington
Bigras	Black
Blackburn	Blaikie
Blais	Blaney
Bonin	Bonsant
Boshcoff	Bouchard
Boucher	Bourgeois
Breitkreuz	Brisson
Brown (Oakville)	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinoogoe
Brunelle	Calkins
Cannis	Cannon (Pontiac)
Carrie	Carrier
Casson	Chamberlain
Chan	Charlton
Chong	Chow
Christopherson	Comartin
Comuzzi	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cummins
D'Amours	Davidson
Davies	Day
DeBellefeuille	Del Mastro
Demers	Deschamps
Devolin	Dewar
Dhaliwal	Dhalla
Dosanjh	Doyle
Duceppe	Dykstra
Easter	Emerson
Epp	Eyking
Faille	Fast
Fitzpatrick	Flaherty
Fletcher	Freeman
Fry	Gagnon
Galipeau	Gallant
Gaudet	Godfrey
Godin	Goldring
Goodale	Goodyear
Gourde	Gravel

Tonks
Valley
Wasylycia-Leis
Wilson
Zed — 147

Turner
Vincent
Wilfert
Wrzesnewskyj

NAYS

Members

Abbott	Ablonczy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Arthur	Batters
Bernier	Blackburn
Blaney	Boucher
Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinoogoe
Calkins	Cannon (Pontiac)
Carrie	Casson
Chong	Cummins
Davidson	Day
Del Mastro	Devolin
Doyle	Dykstra
Emerson	Epp
Fast	Fitzpatrick
Flaherty	Fletcher
Galipeau	Gallant
Goldring	Goodyear
Gourde	Grewal
Guergis	Hanger
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Jaffer	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Khan
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lee	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Manning	Mark
Matthews	Mayes
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Pallister	Paradis
Petit	Poilievre
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Schellenberger	Shipley
Skelton	Smith
Solberg	Sorenson
Stanton	Storseth
Strahl	Sweet
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Toews
Trost	Tweed
Van Kesteren	Van Loan
Vellacott	Verner
Wallace	Wappel
Warawa	Warkentin
Watson	Williams
Yelich — 115	

PAIRED

Members

André	Baird
Cardin	Clement
Finley	Gauthier
Lemieux	Lussier
Menzies	Mourani — 10

The Acting Speaker (Mr. Andrew Scheer): I declare the motion carried.

Private Members' Business

Grewal	Guarnieri
Guay	Guergis
Guimond	Hanger
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Holland	Hubbard
Ignatieff	Jaffer
Jean	Jennings
Julian	Kadis
Kamp (Pitt Meadows—Maple Ridge—Mission)	Karetak-Lindell
Karygiannis	Khan
Komarnicki	Kotto
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lake
Lalonde	Lauzon
Lavallée	LeBlanc
Lee	Lemay
Lessard	Lévesque
Lukiwski	Lunn
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Malhi	Malo
Maloney	Manning
Mark	Marston
Martin (Esquimalt—Juan de Fuca)	Martin (Sault Ste. Marie)
Masse	Mathysen
Matthews	Mayes
McCallum	McDonough
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Merasty	Merrifield
Miller	Mills
Minna	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown)	Nadeau
Nash	Neville
Nicholson	Norlock
O'Connor	Obhrai
Oda	Ouellet
Owen	Pacetti
Paquette	Paradis
Patry	Pearson
Perron	Peterson
Petit	Picard
Plamondon	Poillievre
Prentice	Preston
Priddy	Rajotte
Redman	Regan
Reid	Richardson
Ritz	Robillard
Rodriguez	Rota
Roy	Russell
Savage	Savoie
Scarpaleggia	Schellenberger
Scott	Sgro
Shiplay	Siksay
Silva	Simard
Simms	Skelton
Smith	Solberg
Sorenson	St-Cyr
St-Hilaire	St. Amand
St. Denis	Stanton
Steckle	Stoffer
Storseth	Strahl
Sweet	Szabo
Telegdi	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Thibault (West Nova)	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Toews	Tonks
Trost	Turner
Tweed	Valley
Van Kesteren	Van Loan
Vellacott	Verner
Vincent	Volpe
Wallace	Wappel
Warawa	Warkentin
Wasylcia-Leis	Watson
Wilfert	Williams
Wilson	Wrzesnewskyj
Yelich	Zed- — 264

NAYS

Members

Pallister— 1

PAIRED

Members

Baird

Clement

Gauthier

Lussier

Mourani— 10

The Acting Speaker (Mr. Andrew Scheer): I declare the motion carried.

It being 6:14 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

Order, please. I see a number of hon. members engaged in conversations on the floor of the House. It will be difficult to proceed to private members' business unless we get a little of order. I would invite the hon. members, if they need to carry on conversations with their colleagues or with ministers, to do so outside the chamber.

* * *

● (1815)

FOOD AND DRUGS ACT

Hon. Carolyn Bennett (St. Paul's, Lib.) moved that Bill C-378, An Act to amend the Food and Drugs Act and the Food and Drug Regulations (drug export restrictions), be read the second time and referred to a committee.

She said: Mr. Speaker, I am pleased to have the opportunity tonight to discuss with my colleagues from all parties Bill C-378, An Act to amend the Food and Drugs Act and the Food and Drug Regulations (drug export restrictions).

My bill is aimed at controlling the cross-border trade in prescription drugs and vaccines. The bill would amend the Food and Drugs Act to prohibit the export of drugs set out in schedules D and F to the Food and Drug Regulations, Vaccines and Prescription Drugs, except as permitted under the regulations.

The bill would make it an offence under the Food and Drugs Act to export prescription drugs in prohibited circumstances. By amending the Food and Drugs Act, the legislation will protect Canadians.

My bill is constructed to protect the Canadian pharmaceutical supply from being bulk exported south of the border. There is such a large price differential between American and Canadian pharmaceutical prices that there is great pressure on the U.S. at this time to import cheaper drugs from Canada.

With over 35 million members, AARP is the leading non-profit, non-partisan membership organization for people age 50 and over in the United States. It wields an enormous amount of power and is at this time launching a very major communication initiative.

Private Members' Business

However, during my meeting with the organization in Washington during the break week, it was clear that its real intention was not to import pills from Canada, but to import prices from Canada and to make Americans very angry that they were paying too much for brand name prescription drugs.

Let me put it plainly. Canada cannot become America's discount drug store. Canada needs to protect itself from dramatic expansion of importation by the U.S. of drugs intended for our patients. The prospect of the U.S. legalizing large scale purchases from our domestic supply is real.

The threat to Canada's drug supply increased on January 10, after some U.S. politicians stepped up their efforts to facilitate bulk imports of prescription drugs from Canada with the introduction of the pharmaceutical market access and drug safety act of 2007. The legislation was introduced by Senators Dorgan and Snowe and Representatives Emanuel and Emerson, who are co-sponsoring the companion house legislation.

The legislation, which has the backing of key U.S. Democrats and Republicans, would allow individuals to directly order medications from outside the U.S. It would also allow U.S. licensed pharmacists and wholesalers to import FDA approved medications from a number of countries, including Canada.

In May senators both approved the measure and then voted to require U.S. health authorities to certify drug imports were safe. Since the U.S. federal drug administration has already made it clear that it will not provide certification, the bill was dead on arrival. The House of Representatives is set to debate a similar measure soon, but few expect things to change.

However, Representative Emerson has stated that she is committed to finding a way to make this legislation happen. Because it is unlikely the legislation will get through the house and energy committee, we believe she is looking to attach drug importation to another bill. Furthermore, dozens of U.S. jurisdictions at state and local levels continue to introduce measures designed to help local citizens, government employees, retirees and others buy Canadian drugs.

Any of these measures pose an imminent and serious threat to the security and integrity of Canada's drug supply, and a genuine threat to the health of Canadians. It may have been good short-term politics, but it is terrible long term policy.

American seniors are rightfully outraged by the high prices of pharmaceuticals in their country, but outsourcing price controls is not a responsible approach.

In Canada we have addressed price control with the Patented Medicine Prices Review Board, which regulates drug prices to ensure that the prices of patent protected brand name drugs are not excessive. Canada has regulated drug prices for the past 15 years.

The United States does not have a similar control mechanism, and the problem is exacerbated by U.S. drug companies spending millions of dollars every year to defend their higher prices. Every year, U.S. drug companies spend hundreds of millions of dollars on political influence, including lobbying, campaign donations and extensive ad campaigns to defend their high prices and fight against

price control. The American drug industry employs over 600 lobbyists in Washington alone, more than one for every member of congress. This system drives U.S. prices even higher.

Another important difference between the Canadian and American system is the regulation of advertising.

● (1820)

[*Translation*]

Prescription drug advertising is one of the most controversial practices in the American pharmaceutical industry. During the first nine months of 2002, American pharmaceutical companies spent over \$16 billion promoting their products to physicians and consumers. This kind of advertising drives prices up and is prohibited in nearly all other western countries.

In Canada, the Therapeutic Products Directorate strictly regulates prescription drug advertising.

[*English*]

I would also like to discuss how drug importation legislation represents a threat to American patients by allowing relinquishment of necessary community based medication monitoring and management at increasing risk from potential counterfeit drugs.

The incidence of counterfeit medicines is small but is growing in developed nations. The recent tragic death of a British Columbia resident, determined by a coroner to have been caused by counterfeit medicines in her possession, serves as a reminder that North America is not immune from the global phenomenon.

The counterfeiting of medicines is an issue that threatens the quality and integrity of Canada's drug supply, a problem that will be greatly exacerbated if U.S. drug importation legislation is passed into law without a clear and effective Canadian prohibition on bulk drug exportation.

I was pleased to see the public safety committee's report entitled "Counterfeit Goods in Canada — A Threat to Public Safety" which included this recommendation:

—the Government of Canada institute a campaign to raise awareness of counterfeit and pirated goods to make the public aware of the economic and social costs associated with this scourge, and emphasize the public health and safety hazards they represent. The campaign should also raise Canadians' awareness of the involvement of organized crime in the counterfeiting and piracy of goods.

Internationally the WHO is very concerned about counterfeit drugs. The WHO has struck the International Medical Products Anti-Counterfeiting Taskforce, tasked with increasing international collaboration to combat counterfeiting.

Private Members' Business

I would also like to point out that allowing bulk prescription drug imports would not significantly reduce U.S. prescription prices for very long. Even a recent University of Texas study concluded that based on the worst case scenario, Canada's stocks of prescription drugs would amount to about a 38 day supply for the United States, assuming all U.S. medications were Canadian sourced. Once U.S. demand depletes Canadian stocks, prices will almost certainly rise, narrowing or even possibly eliminating the difference between U.S. and Canadian pharmaceutical prices.

Some may argue that Canada should just increase manufacturing of pharmaceuticals to meet U.S. demand.

[*Translation*]

However, Canada's innovation-focused pharmaceutical industry develops, manufactures and distributes drugs designed to meet the needs of Canadian patients and the Canadian market. It bases its production on the size of the population and the incidence of the illness or condition to be treated.

Manufacturers produce sufficient prescription drugs to meet the expected national demand. Consequently, if one country imports its prescription drugs from another, it diminishes the exporting country's stock of drugs to meet the expected needs of patients in that country.

Labelling regulations also differ from country to country. As a result, prescription drugs produced for the American or South American markets cannot just be sent to Canada to meet an unexpected need.

Given the complexity of calculating annual estimates of the needs of Canadian patients, together with the detailed methods used by drug companies to manage their inventory and respond to patients' needs, it is unrealistic to think that products manufactured for Canada could meet American demand.

•(1825)

[*English*]

Cross-border trade is not only detrimental from a public policy perspective, it is also virtually impossible to do.

I would like to underline again that Canada cannot meet the prescription drug needs of approximately 280 million Americans without putting our own supply at risk.

Take for example the events of the fall of 2005. In November 2005 when Roche Canada took the unprecedented step of suspending sales of Tamiflu to the Canadian market, there were reports that Internet pharmacies were busily filling foreign prescriptions at a significant profit. One B.C. pharmacy alone was reportedly filling 400 orders a day from the U.S. That is a significant number when according to the Canadian Pharmacists Association only 4,000 Canadians received the drug that September. Another Internet pharmacy in Montreal issued news releases promoting to U.S. customers its Tamiflu stocks.

The Canadian Pharmacists Association reacted to the Tamiflu incident by saying that the government should have acted to protect the country's supply of the drug. Again, when supply gets siphoned off to the U.S., it is Canadians who come up short.

This situation is a perfect example of the types of scenarios Canadian patients will face if Canadian governments continue to allow drugs to be diverted to the U.S.

This is not an issue unique to North America. In April of this year the European Union passed resolution 31 stating:

Is concerned about the intention of the US Congress to authorise parallel imports of medicines from the EU Member States, that may create obstacles to the EU patients' supply and favour counterfeiting of medicines; asks the EU, therefore, to raise this issue at the forthcoming Summit—

I would also like to take the opportunity to commend my colleague, the member for Vancouver South who in 2005 when he was health minister anticipated this problem and put forward legislation, Bill C-28 to consensus in the House. Unfortunately, an election was called before the bill went forward.

Current Canadian policy is to use only reactive measures and seek to manage shortages once they have already occurred. This is not enough and it may well be too late.

The issue of bulk exports to other countries of medicines and vaccines destined to Canadians should be an issue of concern to all of us. It is of particular interest to the Canadian Pharmacists Association and the Ontario Pharmacists Association.

I believe the passage of Bill C-378 is essential to protect the supply and integrity of prescription drugs here in Canada and will send a strong message to our American colleagues of the futility of their short-sighted legislative initiative.

I urge all colleagues to support my private member's bill, Bill C-378.

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, I listened to the member for St. Paul's with great interest.

First of all I would like to take this opportunity to commend her on this effort. I know she has put a lot of work into this private member's bill.

I was shocked to hear in her remarks just how quickly the Canadian drug supply could be depleted if we were to continue to allow bulk exports of pharmaceuticals to the United States. In particular, if the situation were to change in the United States and the Americans were to allow for bulk importation, our drug supply that we need for Canadian seniors and youth, people from coast to coast, could be depleted in as little as 38 days by our huge neighbour, the elephant living to the south of us, the United States.

Bill C-378 is trying to be proactive and take measures to stop our supply from being depleted before it ever happens, to protect the Canadian drug supply.

Private Members' Business

If the government is not proactive and reacts, if legislation changes in the United States and allows for bulk importation, what tools does the government have at its disposal to react? How quickly could the government act and make those changes? We realize we would not have much time. We would have 38 days until our entire supply was depleted. What tools does the government have and how quickly could the government respond in a crisis situation like that?

• (1830)

Hon. Carolyn Bennett: Mr. Speaker, that is an excellent question. It is one which, when we were in government, we were concerned about in terms of the need to immediately protect a drug like Tamiflu when we see hoarding and those kinds of things that happen. It is the reason that seniors organizations have been very supportive of this bill and the previous Liberal government's bill.

The Minister of Health believes that through regulation he might be able to act. We feel that is not strong enough. There needs to be an explicit change to the act and therefore the regulations so that overnight the minister could actually exercise his will in being able to protect one specific drug, as the member said, if there was a big sucking sound of all of the drugs from Canada going south, and probably he would have more—

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

Mr. Steven Fletcher (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I have two questions for the member.

It is a little ironic that the member has brought forward this bill because not so long ago the Liberals were in the power and they had the opportunity to do so. The Internet pharmacy industry actually reached its peak in 2004 at sales of \$850 million per year. Last year the total annual sales were \$211 million. There was a very sharp decline in the fourth quarter to 75% below its peak under the Liberal regime. It is reasonable to assume that when the next statistics come out, there will be an even further decline because of the sharp appreciation of the Canadian dollar. That is one area.

My other question deals with the fact that when the amendment was put forward in the United States there was a provision stating that no imports would be allowed unless the Secretary of State—

The Acting Speaker (Mr. Andrew Scheer): I hate to cut off the hon. parliamentary secretary but I have to allow the hon. member for St. Paul's to respond.

There are only about 30 seconds left, so we will go to the hon. member for St. Paul's.

Hon. Carolyn Bennett: Mr. Speaker, dealing with the first question, this bill is about bulk imports. The statistics the member was referring to are individual Internet sales. Those are going down, I hope, because of public education about the risk patients are putting themselves in by taking drugs that they have ordered over the Internet which may well be counterfeit.

We have a huge problem also with Internet pharmacies putting Canadian flags on the drugs and they are not actually Canadian companies. That is being lost in the data that is being collected. It is a very good sign that the Internet sales to individuals are going down.

I would also advise the member that this week in Quebec four physicians were disciplined by the College of Physicians and Surgeons. This idea that Canadian physicians would be paid \$5 or \$50 to co-sign a script is just bad medicine and an unethical practice.

Those two—

• (1835)

The Acting Speaker (Mr. Andrew Scheer): Order. We have run out of time. Perhaps the hon. members could have a conversation afterward about this point.

We will resume debate with the hon. Parliamentary Secretary to the Minister of Health.

Mr. Steven Fletcher (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I am pleased to speak to this private member's bill. This is a very serious issue and the government takes the issue of security of supply of prescription drugs and the protection of the health of Canadians very seriously.

When, in late October, the member for St. Paul's introduced the bill, she mentioned concerns about the effect of the then recent and potentially future U.S. initiatives aimed at facilitating cross-border drug sales to the United States. These two initiatives were restricted to individual purchases rather than wholesale or bulk shipments.

As I will outline further, we have not seen any impact from these initiatives. In fact, total sales to the United States have declined.

The member referred specifically to a U.S. measure to allow Americans visiting Canada to return with up to a 90 day supply of prescription drugs for their own use. In other words, this provision affected personal physical imports only, so-called foot traffic.

Although the measure became law on October 4, 2006, it essentially endorsed the then current U.S. administration practice regarding personal imports.

Members should know that the value of foot traffic purchases of prescription drugs in Canada has remained constant in recent years.

There was another U.S. development last fall, also in October, but not specifically referred to by the member at that time.

Private Members' Business

The U.S. Customs and Border Protection Agency ended its approximately one year practice of selectively seizing individual prescription drug purchases sent by mail from Internet pharmacies in Canada. While such personal mail order imports continue to contravene U.S. law, they have been tolerated, enabling the Internet pharmacy business in the first place.

As with the measures for foot traffic, we have not noticed any increase in sales associated with this U.S. Customs decision. In fact, the latest information from Health Canada shows that Internet pharmacy sales to the U.S. dropped by an additional 20% in the last quarter of 2006, resulting in total 2006 annual sales of \$211 million.

The overall sales have dropped by 75% from their peak of \$850 million in 2004. Why the decline? Several factors are at play. These include: the introduction of the U.S. Medicare act part D, which, for the first time, provides drug benefit coverage for millions of previously uninsured or underinsured seniors; actions by manufacturers to restrict the supply of drugs sold to Canadian pharmacies involved in cross-border drug sales; the higher Canadian dollar; and, U.S. residents pursuing imports from other countries have also contributed.

When Bill C-378 was introduced last October, the government's assessment of the situation was that the U.S. initiatives with respect to foot traffic and mail order seizures did not pose a threat to the Canadian drug supply. This assessment has been proven valid. In the case of foot traffic, that is because sales predate Internet commerce and have existed for about 20 years. They have never posed a concern with respect to Canada's drug supply and the volume of such sales has been stable in recent years at an estimated \$500 million.

The halting by U.S. customs of selective seizures of drug imports did not really change anything either as such personal imports have already been tolerated for a number of years anyway.

The most recent statistics bear this out. Foot traffic remains stable and Internet pharmacy sales dropped by 50% in 2006 and likely have dropped significantly more due to the sharp appreciation of the Canadian dollar since the more recent statistics.

Over the past several years, officials with Health Canada and the Department of Foreign Affairs and International Trade have continuously monitored the value of cross-border drug sales to the United States and related developments in that country, including the U.S. measures in October. Let me assure the House that they will continue to do so.

● (1840)

In the meantime, the Americans face ongoing challenges posed by the world's highest priced prescription drugs, explaining their continued preoccupation with finding way to make drugs more affordable. That is why the idea of importing lower priced drugs from Canada and other countries continues to be a political issue in the United States.

Federal legislators and state and municipal governments continue to see imports as part of the solution. Individual Americans, especially those without drug coverage, are also looking to other countries for relief from high drug prices.

At the federal level, in previous sittings of the U.S. Congress, a number of bills have been proposed to legalize drug imports, including bulk imports, from Canada. These legislative proposals were not able to gain a lot of support or traction, primarily due to the Republican majority in Congress and opposition by the U.S. administration. This was the case despite the fact that some bills were sponsored by Republicans.

However, I should point out that while some individual Republicans have supported and even sponsored drug import legislation, the official Republican Party position remains steadfast in opposing drug imports and in accepting high U.S. prices.

As the members in this place know, the U.S. legislative environment has been affected somewhat by the Democratic win in both houses of Congress last November. In this context, it is important to note that legalizing drug importations from Canada and other countries has reportedly been among the legislative priorities for some leading Democrats.

As I just noted, some Republicans have supported drug importation. In January of this year, a bipartisan group of U.S. Congress and Senate lawmakers introduced a bill that would allow importation from other countries. The pharmaceutical market access and drug safety act of 2007 would legalize both bulk or wholesale, as well as individual retail imports, including transactions via Internet pharmacies.

A democratically controlled Congress does suggest a greater potential for U.S. legalization of bulk imports. However, the overall view of Congress is that the prospects of enactment of legislation giving a clear green light to drug imports is dim at best.

To illustrate the point, let us look at developments in the last few months. In the U.S., opposition to the legalization of drug imports remains strong in many quarters. The enactment of legislation to legalize drug imports, without provisions for major impediments to such imports, is unlikely. This is especially the case given the Bush administration's opposition to drug importation.

There is potential for legislative horse-trading after such a controversial bill is introduced in the U.S. Congress. The U.S. Senators "endorsed" drug importation in early May, but included a provision—and this is very important—to disallow such imports unless the Secretary of Health and Human Services first certifies that they "pose no additional risk to the public's health and safety", and that they will significantly reduce costs to consumers.

Private Members' Business

Proponents of importation have labelled this amendment as a poison pill, and with good reason. All observers agree, including the bill's lead sponsor, Senator Dorgan, that it has effectively neutralized the bill's drug importation provisions. This is because the actualization of those provisions would now require U.S. administration support but the president, by virtue of his past opposition to drug importation, is not expected to offer that support.

Even if the provisions were to be put into force, the administrative burden included in the bill, which is 140 pages long, is so onerous that its implementation would be significantly slowed. Its extensive administration and oversight regime includes requirements for inspections of exporting facilities and multiple procedural requirements of both exporters and importers. This suggests that there would be very slow uptake in the provisions.

I could go on but the bottom line—

• (1845)

The Acting Speaker (Mr. Andrew Scheer): We need to move on. Resuming debate, the hon. member for Québec.

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, today we are examining Bill C-378, which seeks to control the cross-border trade of prescription drugs and vaccines.

Bill C-378 could be an answer to concerns about reductions in inventories of drugs designated for Canadians. It also seeks to restrict bulk exports of drugs. Although there is no shortage at present, this bill would establish preventive measures to avoid such a situation. Regulating drug exports would prevent an unfortunate situation from arising.

Bill C-378 seeks to restrict drug exports within the framework of NAFTA. According to this agreement, it is possible to limit exports to prevent a shortage. In the event of a shortage, the federal government could prohibit bulk exports of drugs in order to retain a sufficient inventory in Canada to safeguard public safety. Hence, the bill would give effect to these provisions.

Earlier I was saying that this bill could allay concerns about the possibility of reductions in drug inventories. However, the Bloc Québécois does have to raise one question. Although there seems to be a consensus on this issue, there are nevertheless some points to consider that are of particular interest to me. First, is there a risk of meddling in Quebec's jurisdiction if more powers are given to the federal minister? Second, does the Minister of Health not already have the authority to act in the event of an emergency? Third, it is not really clear that the United States would allow bulk importing given the power of the pharmaceutical lobby and President Bush's opposition to such a measure. Fourth, along the same lines, could the government act quickly if the United States decided to allow bulk importing? One might think that, under NAFTA and the WTO, there are already measures to protect against bulk purchasing of drugs, for example.

All these questions are apparently on the table and the introduction of this bill is certainly interesting. Nonetheless, as far as passing this bill is concerned, we are not there yet. In my opinion, we need more time since this evening's debate is the first one this House has held on this situation. We know that some sectors,

including the Canadian Pharmacists Association, are worried about prescription drug inventories, which could be seriously jeopardized if such a situation prevailed. Apparently, if every American decided to buy drugs in Canada, after 38 days of making their purchases here, there would be no drug supplies left for Quebeckers and Canadians.

This is certainly a compelling matter and it requires us to look at this problem, which is currently not as much of an issue as it once was. We should perhaps qualify the dangerous situation we could find ourselves in. Why did the Americans want to buy their drugs here in Canada? Because the exchange rate was really good for the Americans. Since the value of the Canadian dollar has gone up, the Americans' appetite to buy in Canada is probably not as real today. That is my first observation.

The second observation is that there was a time when a lot of prescription drugs were being bought here in Canada. What is happening now is that the U.S. government implemented the medical insurance system called Medicare. This has slowed the Americans' zeal to buy in Canada. Many people who were in a more vulnerable situation for purchasing drugs no longer do so here. The situation may not be as problematic as it was a year ago.

• (1850)

The volume of purchases has also declined. People came here to buy prescription drugs and they bought them through Internet pharmacies, which were a serious problem for some pharmacies that lost their pharmacists. Working for Internet pharmacies appealed to a lot of pharmacists. Small pharmacies began to lose their professional resources to lucrative positions with Internet pharmacies.

The situation in Quebec is perhaps a little different. I am not saying that nobody in the pharmaceutical industry is concerned, but in Quebec, we have set up some protection, and we know that Ontario has done the same. Western provinces are the ones trying to come to terms with Internet pharmacies. The provinces could just adopt legislation, but it is not up to me to tell other provinces what to do. I would rather talk about what Quebec has done to protect itself from various possible situations.

As in many other areas, Quebec is way ahead in terms of the sale and monitoring of prescription drugs. It has measures to prevent the online sale of prescriptions drugs to American clients. Under Quebec's Pharmacy Act, a pharmacist can sell prescription drugs only to patients whose prescriptions were written by a person authorized under Quebec law or the laws of another Canadian province to prescribe the drug if that person practices in Quebec. That makes it harder to do.

Private Members' Business

Furthermore, the Code of Ethics of Physicians states that in order to give a prescription to a patient, a physician in Quebec must have assessed the patient. If an American wants to buy prescription drugs online or in person, he must see a Quebec physician. A Quebec physician must assess the patient, make a diagnosis, develop a treatment plan, provide information and obtain consent.

I am rather concerned about that. It is all well and fine to buy drugs on the Internet or through other means, but one must also consider the quality of the product. Responsibility for a product can hardly be ensured when there is no medical prescription and the patient was never seen by a doctor. Many Americans should think about that too, because we cannot tell who is responsible for product quality and for providing the right treatment to the right patient.

In Quebec, efforts have been made to oversee a process with potentially serious consequences, since it is often difficult to undo things where people's health is concerned.

Already, the Collège des médecins du Québec has struck physicians off the roll for having illegally sold drugs on the Internet to Americans they had never even met. That is not a common occurrence, but it has happened. Nor are practising physicians in Quebec allowed to countersign a prescription from another physician without complying with the same requirements as for the prescription. A Quebec physician who countersigns a prescription from an American physician risks being sued, not only in Quebec, but also in the United States. Clearly, Quebec has tried to provide the best framework possible for all these transactions which could have a harmful effect on the health of individuals.

In terms of online business, Quebec already has the necessary tools to protect pharmacies' supply and ensure that patients receive the appropriate medication for their condition and information on how to use it. Some control is needed, and this bill might motivate the provinces to take action to increase protection and improve control. Physicians who did not comply with this procedure would risk prosecution. Harsh penalties have been applied, and some operations have even been shut down. Some practitioners were required to restrict their professional activities for 18 months and even pay fines for illegally running a business that was not approved.

• (1855)

This bill requires that we take a serious look at the situation. Hon. members will see from our questions how the Bloc Québécois receives Bill C-378 for the benefit of the public.

[English]

Ms. Penny Priddy (Surrey North, NDP): Mr. Speaker, I will follow up on the comments of my colleague who just spoke. This is indeed a bill that merits our attention. It is an issue that merits our attention. I think that in some ways we have had intermittent attention paid to it around Internet pharmacies, but perhaps not in the larger perspective of what drug exportation has the potential to mean.

In my understanding of the bill, and I will look to my Liberal colleague to be nodding or shaking her head if I misspeak, there is a concern that for Canadians, for the most part in some kind of emergency, drugs would not be available because we would have a shortage through bulk exportation or exportation in large amounts to

the United States. The example that my Liberal colleague from St. Paul's used was around Tamiflu.

There are a couple of things that affect this. When the United States politicians introduced the pharmaceutical market access and drug safety act, and I believe it was in 2007, I think that efforts or initiatives were stepped up in order to be able to access bulk exports on an even greater basis, because that act appeared to be opening even further a door that was probably open anyway but was going to be open on a much more official kind of basis.

I live in the border city of Surrey. Our 400,000 people make us a city. I do not think that this bill is intended to stop the carload of senior citizens who drive up there from Bellingham to get their personal prescriptions filled. I think we have to be clear about how the bill is not intended to simply completely close down the gates to any kind of sharing or purchasing of drugs by American citizens.

We know that we are very fortunate in this country. Although our system could be better in that we could have a national drug plan, and we are working on it, that is for another day, we are able to have our prescriptions at prices that are more affordable for us than they are for many American citizens who indeed either cannot afford them or do not have coverage.

There are somewhere around 250 million Americans who do not have any medical coverage whatsoever and they are not going to be able to afford prescriptions anyway. While we have some people in those circumstances, it is much more severe in the United States. I do not think this bill is saying that those kinds of people would not be able to access any drugs at all from Canada.

However, I think there has been a dramatic expansion and there is a potential for a dramatic expansion of importation to the U.S. of drugs in large bulk amounts. That is perhaps a bit different from what we heard from another colleague. With the United States opening the door, and with manufacturers here who I am sure would be willing to sell in bulk amounts, I think that would be a dramatic expansion.

I do not think there is any question that the business of Internet pharmacies has decreased. I hope, as my Liberal colleague does, that it is because people perhaps have a greater understanding of what some of the risks might be and are able to access those drugs at home. This is not about the expansion or contraction of Internet pharmacies filling individual prescriptions, although those indeed are dropping.

• (1900)

There is an interesting question about this that I get asked all the time when this comes up. It has come up in B.C. a number of times as we see people coming in from the United States. People say that this will probably create jobs, so why can the manufacturers not put on more shifts and manufacture more drugs? It is perfect, they say, there is the solution.

However, the manufacture of drugs does not work in the same way that manufacturing tomato sauce works. Some of those drugs have ingredients that are perhaps more scarce in terms of their biological sources. Also, it takes time to manufacture additional amounts of drugs.

As well, many medications are time dated, so drug manufacturers cannot just create a warehouse or a storehouse full of medications that are ready to export when somebody asks for them. They may be out of date, and the manufacturers are not going to have the excess sitting on their shelves, excess that they have not been able to forecast. They do their business based on forecasting, which is primarily based on the needs of Canadian patients. That is where they develop their business plan. They develop it on what they see as the trend line in medications that are being used and approved in Canada.

There are two other things I want to mention. I have seen what happens in emergencies. Not every drug that would be bulk exported is a vaccine, and I understand that, but vaccines are part of that bulk export. When SARS hit Canada, I was at Home Depot one day and saw people pushing huge carts full of crates and crates of masks out of the store. By the way, those little paper masks would not have done any good anyway, as we discovered. As we probably know anyway, they not terribly effective, but people were hoarding them in case something happened.

In any kind of an emergency there is this human response to hoard: drugs, food, things that will protect us, water, or whatever it might be. I worry that in the case of that emergency where a vaccine is needed, and again, Tamiflu is the example that was used, there might be a health risk for Canadians. I want everybody to be healthy. I want Americans, Canadians and people around the world to be healthy, but we have a responsibility as legislators of this country and as people involved in health to ensure that there are the health resources necessary to meet the needs of Canadian citizens.

When we are talking about bulk exporting, I have another concern. My understanding is that regulators at the border have said that they have an opportunity to check only about 1% of what crosses the border. We all know that there are such things as counterfeit drugs. I do not think there are going to be people looking to see whether these are counterfeit drugs that are being shipped across the border or whether they are being shipped across the border in a box that says "Christmas presents for Aunt Millie".

Mr. Speaker is telling me that I have one minute left. I look forward to further debate on this bill, but when we are looking at bulk exports, I do think that there are many risks involved and it is only responsible of the Government of Canada to look at this and ensure that Canadians are protected first.

• (1905)

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I am pleased to rise this evening to speak to this important legislation introduced by the hon. member for St. Paul's, who was absolutely the very best minister of public health in the history of Canada, and few would debate that.

I served in cabinet with the hon. member and she brought to the cabinet table a tremendous understanding of health and wellness issues. In fact, I remember her from time to time saying as a minister that we in Canada do not necessarily have a health care system, we have a sick care system.

We look after people only when they are sick. We do not do enough on wellness and preventative medicine, and helping keep people well. She brought a great sense of knowledge, practicality,

Private Members' Business

and at the same time, vision to her role as minister of public health. I am very pleased to support her bill today.

The whole issue of bulk import of drugs into the United States is an extremely important one. In the U.S., the cost of drugs to Americans is a tremendously politically charged issue. It is one that is at the very centre of the health care debate in the U.S.

We all know the challenges that our own health care system here in Canada faces, but the U.S. health care system is under even more pressure because of the inefficiencies and ineffective nature of the private insurance system and some of the other challenges facing the U.S. system.

American legislators are debating, and have debated, the whole idea of allowing bulk import of drugs from Canada through Internet pharmacies. In fact, what they are doing is trying to achieve what we have achieved here in Canada in terms of our regulatory framework around drug pricing.

The more efficient approach for them to take, and the less intrusive approach in terms of the impact on our public policy and our citizens, would be for them to simply regulate their drugs with a similar approach to our approach here in Canada, which effectively assures Canadians good access to important and lifesaving pharmaceuticals at a more reasonable price.

Instead of that, the legislators like to say that they will not regulate drug prices in the United States of America, but instead of regulating them there they outsource the regulation to Canada. That sounds perfectly innocent to Canadians. It does not sound like a big deal until we consider what the impact will be on our own drug supplies here in Canada.

The goal of the drug pricing regime we have in Canada is to ensure that Canadians have access to the pharmaceuticals they need at a reasonable price. It was never intended to, and never designed to, provide Americans with drug prices at a low cost.

American politicians are saying they are against price regulations. It is kind of an ideological perspective, not unlike our colleagues opposite sometimes on certain issues if I may say that respectfully, and similarly wrong as well. The fact is what they are doing by outsourcing their drug pricing regime to Canada is actually jeopardizing the access for Canadians to the drugs they need at reasonable prices.

The question we have to ask ourselves is this. Why would multinational pharmaceutical companies that invest billions of dollars into research and development continue to supply Canada to the same extent that they have in the past if in fact the products they were shipping to Canada were being used to effectively cannibalize the market in the U.S. and reduce their profits?

It stands to reason that in a market-based economy they will make a decision to the benefit of their shareholders that will effectively prevent Canadians from having access to the drugs that they need at the price they want.

Adjournment Proceedings

•(1910)

It is important for us to do two things. First, we need to ban the export of pharmaceuticals to the U.S. Our pricing regime was never intended to create some artificial regulatory arbitrage between the two countries which have very clever entrepreneurs. I have a lot of respect for entrepreneurs as I, my dad and my grandfather were all entrepreneurs. However, whenever there is a difference in regulatory regimes there is a potential for some sort of arbitrage, and that, effectively, is what is going on here.

No value is being created by the bulk export. It is not a sustainable industry. It is one that has a nascent profitability but it is one that, while it provides some pure profitability, it does jeopardize the long term access Canadians have to the drugs they need at reasonable prices.

I think we need to make the point very clear with American legislators that they cannot simply continue to avoid the debate on issues like drug regulatory frameworks. We also need to point out to organizations like the American Association of Retired People and others, the equivalent of CARP here in Canada, that what they are pushing for is not even in the long term interest of Americans.

Not only is this dangerous for Canadians in terms of reducing our citizens' capacity to have the drugs they need, but in the long term it actually does jeopardize the security of the pharmaceutical supply chain to Americans.

First, we need to ban the export of drugs to Internet pharmacies to the U.S. and, second, we need to make it very clear to American legislators and perhaps to Americans directly that this type of short term band-aid solution could jeopardize the security of their supply chain for their pharmaceuticals in the long term. Therefore, it is a no win situation for citizens on both sides of the border.

The Acting Speaker (Mr. Andrew Scheer): 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*]

TAXATION

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I rise on an issue that I raised in question period a number of weeks ago. I have raised this issue many times in the House of Commons. It deals with the fairness in the tax system as it applies to the northern residents tax deduction.

I have made the point over the year that this northern residents tax deduction, which was put in place by the Conservative government in the late eighties to assist northerners with the high cost of living, has remained at the same level throughout 20 years.

The benefit from this program has degraded over that time. We really need to see some fairness put into this program and see that the

northern residents tax deduction be brought forward and raised at least by the amount of inflation over the period of the 20 years.

I would note as well that in the federal budget this time the issue of fairness was raised as it concerned the capital gains exemption for small businesses. It, too, had been in place for 20 years and was put in place at a half a million dollars. In the new budget, it was raised to \$750,000 under the policy of fairness to the people who would of course get the benefit from that capital gains exemption.

So, we have seen that fairness is a part of the Conservative rhetoric on the budget. I would hope that the Conservatives would consider it when it comes to this very important part of the tax system to northerners.

When I speak of northerners, I am not speaking simply of my riding, the Northwest Territories, but also Yukon, Nunavut and of course many of the northern ridings that stretch across the provinces in the north. There are quite a number of ridings that have residents who are affected by and take advantage of the northern residents tax deduction.

When it was introduced, the policy objectives of the northern residents tax deduction were to create a stable and trained resident workforce in the north. The disincentives to this were, of course, the high cost of living.

I do not have to raise this too much here, but the cost of living in the north, across northern isolated communities across this whole country, is extremely high. In some cases, it is twice that of southern Canada and even higher than that in many cases.

Although there may be high wages for some people in northern situations, those wages have not made that much of a difference because, as the progressive tax system in Canada works, the higher wages, the more taxes paid.

Due to the high cost of living, northerners are also taxed more through the consumption tax known as GST. The cost of goods are more. Northerners are paying more for the basic cost of living, so they are paying more for the taxes that are applied to that cost of living through the GST.

There is also reduced access to goods and services. So, when people do purchase items in the north, when they look for services, they by and large have to pay much more than southern Canadians.

Of course, the additional costs that come from the extreme climate conditions in the north, for example, in Tuktoyaktuk—

•(1915)

The Acting Speaker (Mr. Andrew Scheer): The hon. Parliamentary Secretary to the Minister of Finance.

Hon. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I thank the member for Western Arctic for his rather unexpected concern about tax relief. Since coming into office, the tax measures we have introduced through our first two budgets are providing nearly \$38 billion of personal tax relief, benefiting hard-working Canadians in all regions of the country over this and the next two years. That includes northern residents.

I note that the member opposite voted against personal tax relief. Going forward, we are committed to providing further tax relief.

The member opposite has spoken about one specific and unique form of tax relief, the northern residents deduction, which applies to Canadians living in northern and isolated regions. This deduction, when combined with other tax relief measures, reduces the tax burden of northern residents.

For 2007, the maximum northern residents deduction is \$5,475. When combined with the basic personal amount of \$8,929 and the Canada employment credit of \$1,000, introduced in budget 2006, a single resident of the north can earn over \$15,400 tax free. That is over 50% more than other Canadians. However, it does not end there.

The northern residents deduction also includes possibly two tax-free employer provided vacation trips per year, as well as unlimited employer provided medical travel. Combined, these elements help offset the extra costs of living in Canada's north.

However, Canada's Conservative government has moved beyond tax relief to help those living in northern and isolated regions to the territorial level. To ensure that territorial governments can provide their northern residents with a comparable range of programs and services as the rest of Canada, the Conservative government also enhanced the territorial formula financing program. As a result of budget 2007, total territorial formula financing payments in 2007-08 increased to \$2.2 billion. That is \$115 million more in funding than last year.

I note that all three northern leaders have praised this enhanced formula. Nunavut Premier Paul Okalik said, "We appreciate budget 2007". Yukon Premier Dennis Fentie said it was "a positive step in the right direction". Northwest Territories Premier Joe Handley said, "Budget 2007 is good news to us".

It is surprising that the member for Western Arctic seemingly disagrees. He voted against the budget. He voted against the new funding for the north. He voted against budget 2007's new \$25 million per year funding for infrastructure, which we want to provide for each territory. Last year he voted against budget 2006, which gave \$300 million more to Canada's territorial governments to address urgent housing pressures, and \$10 million more for other services.

Adjournment Proceedings

The real question is this. Why is the NDP member for Western Arctic disagreeing with all three northern leaders on budget 2007 and why he is voting against the very tax relief that he claims to want?

● (1920)

Mr. Dennis Bevington: Mr. Speaker, the figures surrounding the territorial formula financing are one thing, but the cost of living to northerners remains the same. When we look at the cost of living in comparison to other places, then we begin to understand why the system was initiated in the first place. It has not kept up with inflation, which means more of a burden on northerners. It has been more of a burden on employers up north.

In every case, economic development is being stymied in the north because of the lack of employment in some cases. The opportunities in economics have to reside with the individual taxpayer—

The Acting Speaker (Mr. Andrew Scheer): The hon. Parliamentary Secretary to the Minister of Finance.

Hon. Diane Ablonczy: Mr. Speaker, I urge the member to reflect on the magnitude of his failure to support budget 2007's new territorial formula financing arrangement. There is more than one way to provide relief, help, assistance and support for people in the north. We have a range of measures, as I have just pointed out.

Let me read a quote from Premier Dennis Fentie that appeared the Whitehorse *Star* on April 19. He said:

I cannot overstate how important this new territorial funding formula arrangement is for the Yukon...It is perhaps the most important achievement of our government to date.

Clearly, we are working with people in the north, taking real action to better the lives of people in Canada's north. We recognize the challenge. We have programs and a principles based territorial formula to assist.

Again, the real question is this. Why is the member for Western Arctic voting against these important measures for his very own constituents?

The Acting Speaker (Mr. Andrew Scheer): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a. m., pursuant to Standing Order 24.

(The House adjourned at 7:24 p.m.)

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