



CANADA

House of Commons Debates

VOLUME 142 • NUMBER 100 • 2nd SESSION • 39th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, May 28, 2008

—
Speaker: The Honourable Peter Milliken

CONTENTS

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

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Wednesday, May 28, 2008

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 hon. member for Cariboo—Prince George.

[*Members sang the national anthem*]

STATEMENTS BY MEMBERS

[*English*]

KHILAFAT JUBILEE

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, I would like to express my best wishes to the Ahmadiyya Muslim community in Canada on the occasion of its Centenary Khilafat Jubilee celebrations this week.

As Ahmadis celebrate 100 years of Khilafat, or religious succession, we should take pride in the important contributions they have made and continue to make to our society.

Numbering almost 10,000 in Canada, people will find these Canadians making positive contributions in every sphere, from volunteerism to broadcasting.

I am pleased to be part of the opening of the new Baitun Nur Mosque in Calgary on July 5.

Our government considers cultural diversity to be one of this country's greatest strengths. May all Canadians take this opportunity to learn more about the diversity of religious communities in Canada.

* * *

RAE AUSTIN

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, my community lost a special man this past week. Rae Austin died on May 22 after a short illness.

Rae was born in Tuft's Cove in 1936, was a graduate of Dartmouth High and StFX and began working for CMHC, which took him and his family to Toronto, Ottawa and Thunder Bay.

He returned to Nova Scotia and continued his career as a public servant serving under the dynamic and progressive minister of housing, Scott McNutt, in the reforming government of Gerald Regan. He became a very successful businessman and a well-known developer.

He enjoyed politics and ran for federal political office in 1980 when he came very close to wresting the federal seat from long-time MP and senator, Mike Forestall.

Most important, was Rae's dedication to his family. He leaves behind his wife of 47 years, Joan, as well as his daughters, Raeanne, Catherine, Corrine and Sarah.

Last night in Dartmouth we remembered a dedicated citizen, a reforming public servant, a man with a big smile and a bigger heart. Nova Scotia lost one of the best in Rae Austin.

* * *

[*Translation*]

PARLIAMENT HILL WORKERS

Mrs. Vivian Barbot (Papineau, BQ): Mr. Speaker, as members know, Parliament is the ultimate forum for democracy, the place where the representatives of the people assemble to make decisions about our collective destiny.

Our demanding work would be even more difficult if not for the invaluable contribution of the House of Commons employees. We rarely have an opportunity to thank these people who support us day after day. They work behind the scenes to help ensure our democracy runs smoothly.

The Bloc Québécois and I would like to pay tribute to those Hill workers who are celebrating 25 years of service. I would particularly like to honour and thank Marguerite Charlebois, a hostess at the Parliamentary Restaurant, who has always had a warm smile and kind words for us all.

* * *

[*English*]

NATIONAL DAY OF ACTION

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, tomorrow, May 29, Canadians will once again stand in solidarity with first nations people on the National Day of Action. My NDP colleagues and I are proud to express our support.

Statements by Members

Together, we are calling for action that will guarantee fairness in funding for first nations education, action that will put an end to the shameful living conditions that exist in first nations communities across Canada, conditions like overcrowded and unsafe housing and dangerous drinking water, and action for a fully funded child welfare system and full implementation of Jordan's principle, which passed unanimously in the House last December.

The Minister of Health and the Minister of Indian Affairs and Northern Development both speak of their support for a child first principle and yet the needs of first nations children, like Jacob Trout, are not being met.

The National Day of Action is a united call for the government to put an end to the suffering of aboriginal families in this country. It is an opportunity for the government to do the right thing and act now.

* * *

WEDDING JUBILEES

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, an old proverb states that he who finds a wife finds a good thing. Last week, Lakeshore, Ontario, in my riding celebrated many good things.

Conceived of by former mayor Bob Croft and organized by a dedicated team of community volunteers, the town of Lakeshore, with its partners, the Woodslee Credit Union and the Belle River Knights of Columbus, paid honour to local couples who have been married for at least 50 years.

This was no one night spectacular, though. It took four nights to celebrate 141 couples married from 50 to 70 years, with a heritage of over 650 children, nearly 1,400 grandchildren and almost 400 great grandchildren, and still counting.

In a culture of shifting relationships and poor role models, these living examples bear witness to my generation that one man and one woman can indeed stay committed in true love for life. It has been said a good man gives an inheritance to his children's children. To all, from my grandparents' generation, I receive their gift with thanks and wish them many more years of wedded bliss together.

* * *

RON WALLACE

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, Haligonians bid a fond farewell last weekend to a remarkable man known for his tolerance, compassion and a deep love of his port city. Ron Wallace, former optometrist and member of the Legislative Assembly of Nova Scotia passed away in his 91st year.

He will be fondly remembered as Halifax's longest serving mayor, a job he loved, and as a dedicated family man.

[*Translation*]

There are many who will never forget his quirky comments and entertaining remarks.

The *Halifax Herald* described the former mayor as a lean, pipe-smoking guy with a good sense of humour and penchant for gardening. It also mentioned that he was a champion boxer as a young man.

[*English*]

I ask the House to join me in offering our condolences to Ron Wallace's family and our thanks to a man who made a great city even better.

* * *

● (1410)

HEROISM

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, I would like to take this opportunity to acknowledge a local Regina hero, Tina Trombley.

Tina was out with her sisters on July 17, 2005, when she twice stepped in to help a stranger who was being seriously beaten outside a Regina bar. Tina was cradling the unconscious stranger in her lap when a drunken woman inexplicably drove a vehicle into the crowd. Tina was run over and dragged down the street, caught underneath the vehicle. She spent six weeks in the hospital and had to undergo extensive physical therapy.

Because of her selfless bravery, Tina will be awarded the prestigious decoration for bravery this year by our Governor General, an award that she truly deserves.

It is also worth mentioning that she will be the first person from Saskatchewan to receive the award. The example that she has set in her display of bravery and selflessness and the willingness to step in when a fellow human being was in danger should inspire us all.

I ask all members to join me in congratulating Tina for her courageous actions and for the community of Regina and especially the workers at Sasktel who provided support for Tina as she recovered from her injuries.

* * *

[*Translation*]

MICHEL SLEIMAN

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, last Sunday Lebanon elected a new president of the republic. When he was sworn in, Michel Sleiman made a remarkable appeal for national unity. The President of Lebanon is right to say that his people have paid dearly for national unity and that the Lebanese must protect it hand-in-hand.

A new era where “the interests of the country will have priority over partisan and religious interests” will only unfold if Lebanese people of all persuasions focus on the national interest and guard against the influence peddling of foreign countries.

Michel Sleiman is recognized for his great tenacity in resolving conflicts. His success will be a victory for the cause of peace in Lebanon and the entire Middle East.

*Statements by Members***CARBON TAX PROPOSAL**

On behalf of the Bloc Québécois and myself, I hope that the new President of Lebanon will go down in history as a peace builder. I would also like to acknowledge the members of my Lebanese support committee in the gallery.

* * *

[English]

WOMEN'S INSTITUTES

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, Emily Carr once said, “I believe that never was a country better adapted to produce a great race of women than this great Canada of ours”.

The Women's Institutes was created in 1919 with the objective of providing leadership within all Canadian communities and to develop responsible citizens by studying issues of national and international importance.

With over 18,000 members, 1,257 branches in 10 provinces, this invaluable institution contains committees on various factions of Canadian life: agriculture, industry, citizenship, education, health and international affairs.

Among the many chapters in my riding this year, three will be celebrating their 100th anniversary: Wellington, Mountain View and Prince Edward county.

With their motto, “For Home and Country”, these ladies have served not only the communities of Prince Edward—Hastings but also around this country with their emphasis on education and resourcefulness.

I thank the ladies very much. They are the bedrock of our society and I wish them another 100 productive years.

* * *

TASTE OF ASIA STREET FESTIVAL

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, this year, the sixth annual Taste of Asia Street Festival will take place in Markham, Ontario on June 28 and 29 on my riding boundary.

This annual event is co-hosted by the Federation of Chinese Canadians in Markham, the town of Markham, the Association of Progressive Muslims of Ontario and with the cooperation of the Canadian Federation of Intercultural Friendship.

Last year, the event was attended by over 50,000 persons over two days and this year they are expecting an even bigger crowd. Activities during the festival will include cultural performances, food offerings, sports, community displays and outreach.

Right here on Parliament Hill, all members of the House are cordially invited to attend the Ottawa launch of the sixth annual Taste of Asia this afternoon in room 237-C in the Centre Block. This large and growing South Asia Week event is honoured to share its pride and vitality with Ottawa and Canadians on Parliament Hill.

We look forward to seeing everyone there as we help kick off this remarkable event.

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, over the past number of weeks, our suspicions have confirmed that rather than fulfilling their responsibilities here in the House, the Liberals have mistakenly understood their role as one of being in opposition to Canadian taxpayers.

In their most vigorous attack against Canadians so far, the Liberals have launched their carbon tax plan, effectively discriminating against Canadians, the most vulnerable industries and citizens in Canada.

If the Liberals ever get to implement their plan, we may as well say goodbye to our lumber industry and so long to our farmers. Manufacturers may not survive, truckers may as well park their trucks, and shopkeepers should just turn off the heat.

No matter what weasel words the Liberals use to sell their plan, their hidden agenda is to make Canadians pay like they never have before. Unfortunately the people who can least afford to pay for this will be hurt the most. Our seniors will pay. Low income families will pay. Our young families will pay.

This regressive tax proposal is one that will hurt the hard-working residents in far northern communities the most. The people in the Peace country should know that I will never support such a regressive and discriminatory carbon tax.

* * *

● (1415)

CLUSTER MUNITIONS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, delegates from over 100 countries are meeting in Dublin to finalize a treaty to ban cluster bombs.

Tiny bomblets left behind from cluster bombs pose a mortal threat to innocent civilians, especially children, long after conflicts end.

The cluster munitions ban treaty builds on the Ottawa treaty banning land mines on which Canadian peace organizations, concerned citizens, civil society and progressive politicians worked together across party lines.

Regrettably, the Conservative government today is threatening the integrity of the cluster munitions treaty. Shamefully, the U.S. is boycotting the negotiations. And to our shame, Canada is playing hardball on a provision to allow cluster munitions in joint operations with non-signatory states. That means the U.S. What a dereliction of moral duty.

It is time for Canada to show independent leadership, stop serving as a U.S. lapdog and support a total ban on those inhumane, cowardly, immoral weapons.

*Oral Questions***CLUSTER MUNITIONS**

Hon. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, I stand in the House today to recognize the important events currently taking place at the Dublin diplomatic conference on cluster munitions.

Canada took the lead with the land mine ban treaty, also known as the Ottawa convention, in 1997. This week there are new negotiations taking place. The cluster munitions treaty being discussed hopes to ban the use, production, stockpiling and transfer of cluster munitions and place obligations on countries to clear affected areas, assist victims and destroy stockpiles.

Cluster munitions stand out as the weapon that poses the greatest danger to civilians since anti-personnel land mines, yet there currently is no provision in international law to specifically address problems caused by them.

Please join me today in continuing Canada's support against land mines and cluster munitions by supporting the new international treaty on cluster bombs.

* * *

*[Translation]***MEMBER FOR MARC-AURÈLE-FORTIN**

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, during the Quebec bar association's convention, which begins on Thursday, our colleague and member for Marc-Aurèle-Fortin, who is also the Bloc Québécois public safety critic, will not only be speaking at the "Droit et politique" workshop, but will also be receiving the distinction "advocatus emeritus" for his outstanding contribution to the advancement of law and of Quebec society as a whole. This prestigious distinction was created by the bar to honour its most exemplary members.

Since obtaining his degree in 1965, our colleague has distinguished himself as president of the bar, as well as holding important positions within the Quebec government, including that of Minister of Public Security from 1994 to 1996 and from 1998 to 2003.

My colleagues and I would like to extend our sincere congratulations to the member for Marc-Aurèle-Fortin on being selected to receive the Quebec bar's "advocatus emeritus" award.

* * *

*[English]***INTERNATIONAL AID**

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, during question period on Monday, the hon. member for Sudbury raised a question on the government's announcement to match Canadian contributions to the victims of the May 2 cyclone in Burma.

The government's initial announcement only covered donations made between May 15 and June 6, just three weeks, and would not be retroactive to the date of the cyclone, yet the Minister of International Cooperation had said that the program would cover six weeks. When asked when this became policy, the minister could not respond. In a point of order following Monday's question period, the hon. member for Wascana pointed out, with proof in hand as usual,

that the government's own website stated that the period covered was in fact three weeks and was not retroactive to the date of the cyclone.

If people look at the website today, they will see that the date has been changed in an attempt to hide the incompetence of the government.

Thanks to a Liberal opposition, matching contributions that reflect the generosity of Canadians will now be retroactive to May 2.

* * *

● (1420)

LEADERSHIP CAMPAIGN FINANCING

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, the countdown is on. Millions of dollars in loans from wealthy and powerful elites were given to the Liberal leader and other Liberal candidates during the most recent Liberal leadership race to be used for their campaigns.

According to the Canada Elections Act, if a candidate receives a loan during a leadership race, the loan must be paid back within 18 months. If the loan is not paid back by the deadline, it becomes an illegal donation.

We are only six days away until the June 3 deadline. The former Liberal leadership candidates have six days to pay back their loans worth up to millions of dollars. There are six days left for Elections Canada to decide if it will give the Liberal Party special treatment by extending the repayment deadline.

Will the Liberal leadership candidates disregard the loan payback deadline, thereby ignoring contribution limits and breaking the law? Will Elections Canada give special treatment to the Liberal Party?

ORAL QUESTIONS*[English]***FOREIGN AFFAIRS**

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the forced resignation of the foreign affairs minister has become an international black eye. It was covered by 370 news organizations in 28 countries around the world. The Prime Minister's refusal to take matters of security seriously has become an international embarrassment.

Will the Prime Minister persist in his appalling lack of judgment, competence and leadership, or will he finally admit that this is a matter of security that requires a full and independent inquiry?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, on the contrary, the Prime Minister showed strong leadership on this issue. As soon as he became aware of the breach that occurred, he took action and the resignation of the foreign affairs minister was forthcoming. He paid a price. Action was taken immediately on the grounds of national security.

[*Translation*]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, I want to show the extent to which the Prime Minister's position lacks judgment and how ridiculous it is. Yesterday he said, "We have no evidence the documents have been circulated."

I ask the government a simple question: how could the Conservatives have evidence of anything at all if they do not conduct a serious investigation? How could they have evidence that these documents did not circulate, that other documents have not circulated, that various kinds of information have not circulated, and that national security has not been compromised if they refuse to conduct a full and independent inquiry?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we know a number of things. For example, we know that the documents were returned to the Government of Canada.

In regard to the other questions, the Department of Foreign Affairs has been asked to study the situation and the appropriate agencies may be asked for help in doing that.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, this is what they did with NAFTA-gate but that does not put an end to it at all. In the current case, secret documents were forgotten, there were possible ties—

Some hon. members: Oh, oh!

Hon. Stéphane Dion: Secret documents were forgotten and there were possible ties to organized crime, allegations of electronic surveillance, an incompetent lightweight as foreign affairs minister, and a government that still fails to see a national security issue in all this.

How long will the Conservatives continue to make themselves a laughingstock and destroy their own credibility in the eyes of Canadians and our allies? Are they doing it out of incompetence, or because they have something to hide, or both?

[*English*]

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 raises as issues of national security people's private lives. The breach here was one related to the security of the documents, not the questions in people's private lives. Action was taken as soon as that became apparent and it was decisive action.

The difference when we talk about embarrassment on the international stage is a Liberal Party leader who advocates invading Pakistan as a way of success in Afghanistan.

• (1425)

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, today is a day to think about lost opportunities for Canadian leadership overseas.

We could be campaigning for a seat on the Security Council. We could be leading the fight to ban cluster munitions. We could be helping out in China and Burma. But instead, what are we doing? The Conservative government has been interfering in American elections. It has been losing classified documents for weeks on end and betraying the confidence of our allies. The government's actions have made us a laughing stock in every newspaper in the world.

Is this what they mean—

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

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, Canada's leadership on the world stage is impressive. We are leading in Afghanistan. We are leading in NATO. We are the second largest contributor to the peacekeeping force in Darfur. We are the second largest donor in the world to the World Food Programme. These are impressive contrasts with the previous government.

The Liberal leader wants to go into Pakistan. That is his way of solving the Afghanistan issue. That is his idea of leadership. The Liberal idea of how to get on the United Nations Security Council was to spend millions on a campaign to try and buy that seat with free tickets to Cirque du Soleil and God knows what other entertainment events.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I will trade our reputation on the international stage for theirs any day.

Some hon. members: Oh, oh!

The Speaker: Order. We have to be able to hear the question. The hon. member for Etobicoke—Lakeshore has the floor to ask a question.

[*Translation*]

Mr. Michael Ignatieff: Mr. Speaker, this is what the government has accomplished: embarrassment in Bali, retreat at the Security Council, and complete disappearance during the crises in Burma and China. The Prime Minister chose a foreign affairs minister who was not up to the job. The government is making us an international laughingstock.

What is he going to do now to restore Canada's reputation on the international scene?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Conservative record on foreign affairs is one of the proudest in the world. It is that way because of Conservative governments and people like John Diefenbaker and like Brian Mulroney, who led the fight against apartheid.

We have had here this week the President of the Ukraine. We have had a delegation from Latvia. We have today the President of Estonia.

Oral Questions

Those are all countries that were recognized and supported in their fight for freedom by Conservative governments, while Liberals were cozying up to communists, saying that there really was no difference between the United States and the Soviet Union and the west and the Soviet Union, but guess what? There is a difference between freedom and cozying up to authoritarians. We stand for freedom because—

Some hon. members: Oh, oh!

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

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, after the minister of foreign affairs resigned, the Prime Minister said, in Europe, that there was no problem, no security risk, and the famous secret documents had not been circulated. In other words, to hear the Prime Minister, we wonder why the minister resigned.

On a more serious note, in addition to showing a lack of judgment, why is the Prime Minister stubbornly denying the obvious security problem?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, cabinet rules are clear. The member realized he had made a serious mistake, and his resignation was accepted. The issue of the documents is very important and security is very important. That is the reason why the minister of foreign affairs resigned.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, for two days the Prime Minister has been telling us that leaving secret documents lying around is a serious mistake. And yet the *Globe and Mail* reports that the first reaction by the Prime Minister and his office was to keep the minister in his position, to continue as if nothing had happened and to wait and see what TVA would disclose.

How can the Prime Minister claim to have acted responsibly when on Monday he was still hoping to save his minister's skin, even knowing that secret documents had been mislaid?

• (1430)

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 Bloc Québécois is not correct. The Prime Minister acted as soon as he learned that cabinet rules had been broken. The member for Beauce realized he had made a serious mistake, and his resignation was accepted.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, we are told that the Prime Minister's Office only learned on Monday about the loss of sensitive documents. So for five weeks no one was concerned about where they were. It was only when a lawyer told them about it that someone got worried. Everybody knows that the Department of Foreign Affairs has the most rigorous system for tracking sensitive or confidential files.

Is the Leader of the Government in the House of Commons going to deny that such a system exists?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr.

Speaker, there are various systems in the departments and with cabinet for ensuring security of documents. Those must be adhered to rigorously.

It was the failure to adhere to those requirements that resulted in the resignation of the member for Beauce as foreign affairs minister.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, the government is certainly responsible for much of the five weeks it took to realize they had been lost.

Not only should the former minister of foreign affairs have been aware himself that he had mislaid documents, but the Prime Minister's Office should have been too. Is the truth not rather that it was when they knew that Julie Couillard would be disclosing it that very evening on television that they decided to act?

Is the Leader of the Government in the House of Commons going to admit that the Prime Minister knew about the document being lost and admit that the government tried to conceal it to serve partisan interests?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, it is right to realize his responsibilities in relation to documents. That is something very important. The mistake made by the member for Beauce was a serious one and that is the reason for his resignation.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the NDP called for the minister to resign a long time ago. Clearly, he repeatedly demonstrated poor judgment.

Now that we know the member was in the habit of leaving confidential documents lying around and forgetting about them for five weeks, can the government tell us if other documents have gone missing? Will the government hold an inquiry to make sure that national secrets were not forgotten at a Starbucks or the gym?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC):

* * *

[*English*]

CANADA-U.S. RELATIONS

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the former minister was in charge when the NAFTA-gate leak happened. Despite protests from his officials, but under pressure from the Minister of Public Safety and the PMO, he got a young Republican fundraiser appointed to a job at the Canadian embassy, Frank Sensenbrenner, now apparently the epicentre of that leak.

In light of that new information, will the government make sure, as promised by the Prime Minister in this House on March 5, "that every legal and investigative technique necessary" will be "undertaken to find out who exactly is behind" the NAFTA leak?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as the leader of the NDP is fully aware, the Clerk of the Privy Council undertook an extensive examination into this matter, retaining the best available consultants. In their findings clearing the Prime Minister's Chief of Staff and our ambassador in Washington as not having released any classified information, the difficulty, of course, was that the memo in question was circulated to over 200 people, some of whom were outside the foreign affairs department.

There is no evidence of the type that he suggests and as we have seen in the newspaper articles, but simply mere assertions. The facts and the findings of the report state quite differently.

* * *

FOREIGN AFFAIRS

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, it is now clear that our questions about the conduct of the former foreign affairs minister have been absolutely legitimate, but circumstances still demand some clarification from the government.

When did the government learn about the missing cabinet documents? When were the documents retrieved from Madam Couillard? Who retrieved them? Was it the RCMP? Was it CSIS? Was it PCO security? When and by whom?

• (1435)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I think there has been a fair bit of media attention on this question. There is not a lot of mystery. Documents were left. They were left in an unsecured place. Madam Couillard undertook with her lawyer to return those, and they were returned. We do know that they were returned and she has indicated that publicly.

With regard to whether there are any other security issues related to that, Foreign Affairs is conducting a review of that matter and can draw on whatever resources it wants. There is no mystery there. The event is a pretty simple one and has nothing to do with people's personal lives.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, since the government House leader would not answer the question, I have a question for the public safety minister.

We have been led to believe that more was happening behind the scenes than has been admitted by the government. Can the public safety minister confirm that between May 1 and May 8 of this year there was a meeting of CSIS and the Prime Minister's Office to discuss the conduct of his foreign affairs minister?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, all these questions have been thoroughly answered.

I hope the member opposite is not so naive as to think that meetings between CSIS members and the Prime Minister on any subject would be a matter of total public record. How naive is he being?

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, that does not sound like a "no" to me.

I would like to ask the chosen representative of the government a simple question. It would appear that the Prime Minister, at noon on

Monday, said that he did not take these issues seriously at all. It also would appear, from the press reports that the government House leader has referred to, that the documents were returned well before that. There is even one report that the Prime Minister received a resignation letter from the former foreign affairs minister on Monday morning.

Can he account for the Prime Minister's statement at lunchtime?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I can account for it quite simply. Sometimes journalists get things wrong.

[*Translation*]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, it is true that everyone makes mistakes. Nevertheless, I would like to ask the government a simple question.

After problems with the minister first surfaced, it took a good five weeks for him to resign. Why did government members sit on their collective duff for five weeks?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): On the contrary, Mr. Speaker, that did not happen. As soon as the Prime Minister became aware of this issue, action was taken and the resignation of the foreign affairs minister resulted.

There was no delay. Action was immediate. As the Prime Minister has indicated quite clearly, what took place was that as soon as he discovered the information the foreign affairs minister offered his resignation and the resignation was accepted.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, in 2005, the D.R.P. security company, owned by Robert P  pin and Julie Couillard, bid on an air transport security contract. The Minister of Public Safety confirmed that systematic checks were done on bidders. The Minister of Public Safety and the security services therefore knew about the shady past of the member for Beauce's ex-girlfriend.

How could the minister be so negligent in his responsibilities as to not forward that information to the Prime Minister?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, this matter is not about the private lives of individuals. In the matter involving the minister of foreign affairs, the issue is the documents that were left in an unsecured location. That is the issue.

• (1440)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, an investigation was done in 2005 into the ex-girlfriend of the hon. member for Beauce, the swearing-in incident, trips to the UN and Afghanistan, and his meeting with President Bush. They would have us believe that the RCMP and CSIS did not inform the Minister of Public Safety and the Prime Minister's Office.

Oral Questions

Why did the Minister of Public Safety and the Prime Minister, who were in the know, not take the necessary measures to ensure public safety, unless they were trying to hide the facts?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I have already said, the minister of foreign affairs' mistake had to do with documents, not with his private life. Private lives remain private.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, many things do not add up in the Couillard affair. The Minister of Public Safety has a report that dates back to 2005 on Julie Couillard's shady past, because she had bid on a contract. Yet on March 31, 2008, I saw the Minister of Public Safety in a restaurant in Ottawa with the member for Beauce and his former companion, Julie Couillard.

Is this not proof of the negligence and carelessness shown by the minister responsible for public safety?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the only thing being proven here is that the hon. member from Quebec City is very engrossed in members' private lives.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the minister's duties do not end at 5 p.m. It is a 24-hour-a-day job. The Minister of Public Safety covered up the facts for partisan purposes. The Conservatives are using the argument of "no evil seen, no evil done". They are hiding behind a privacy defence, even though the member for Beauce, the Minister of Public Safety and the Prime Minister were all fully aware of Julie Couillard's shady past.

Is this not sufficient proof that this government lacks transparency and failed in its responsibilities?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, it is not this government's objective to make the private lives of the members of this House transparent.

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I know that the Prime Minister would rather collect Air Miles in Europe than answer our questions. He is letting his puppets do the covering up. But he did say something in Paris. He said that he was sure there was no problem for five weeks, that the only thing that happened to the documents was that the former minister forgot them, but that it was nothing serious. If it was nothing serious, he must have known something was going on and had some information.

Could the naive Minister of Public Safety tell us whether the RCMP and CSIS conducted any checks for the Prime Minister?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I have indicated, we do not believe that the private lives of individual members are matters for public debate. We will not inquire into them, monitor them or control them no matter how many times the Liberal Party encourages us to do that.

It is our view the Prime Minister's trip in Europe is very different. We believe that Canada should stand tall on the world stage and we make no apologies for being there representing Canada's interests and advancing the interests of helping our environment and reducing greenhouse gases.

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, he did not understand. This is Earth calling. My question was not complicated. For five weeks, the Prime Minister said that there was no problem and not to worry, because there was no problem. If he thought there was no problem, it must have been because he had information. And if there is information, it is because a minister had done some checking.

My question is simple. Have the RCMP or CSIS investigated what the Prime Minister said? That way we will know that there is no problem with these documents.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Prime Minister just learned about this on Monday—on Monday—and not five weeks ago—just on Monday. The Department of Foreign Affairs has been asked to look into the situation.

[*English*]

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, the absolutely arrogant and dismissive response from the Minister of Public Safety is absolutely unacceptable.

Will he state publicly whether or not there was a meeting between CSIS and the Prime Minister's Office to discuss the conduct of the former foreign affairs minister. This is an absolutely legitimate question?

I ask again, was there a meeting between May 1 and May 8 of this year between the Prime Minister's Office and CSIS to discuss the former foreign affairs minister?

•(1445)

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, my colleague opposite is the one who is doing the shouting and the screaming. Apparently, he is absolutely ignorant of items related to the security of this nation.

It would not be, nor should it be, nor will it be the policy of any prime minister to be publicly talking about meetings he or she may or may not have had with members of CSIS. Those types of meetings are items of national security and the member opposite is being quite naive in trying to abandon an approach like this.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, that is absolutely nonsense. As a former attorney general and a former premier of the province of British Columbia, what this minister is now saying is absolute hogwash.

The fact is that the Prime Minister's Office met with CSIS to discuss the former foreign affairs minister. Why would he not say whether or not a meeting took place? Did a meeting take place or not?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, it is pretty clear that when we have lost a point in debate the only way we can possibly recover is to try to get enough froth going so that it makes it look like we still have a point.

Oral Questions

Once the hon. member has calmed down and eased off the caffeine a little bit, he will recognize that as attorney general in the province which I come from, there is no way in the world he would be publicizing any kinds of meetings when it comes to items of security and with agencies of security. He knew that then, he knows that now, and he is just playing a silly game right now.

* * *

TAXATION

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, the Liberal leader repeatedly said he was against a federal carbon tax, but in true Liberal fashion he flip-flopped. He now thinks it is a good idea to punish Canadians through higher prices at the pumps, on their home heating bills, and even at the grocery store.

My constituents have told me they are very worried about a carbon tax. Environmentalists are raising concerns, the manufacturing sector is worried about the devastating impact this could have on the price of exports and even some of the Liberal leader's colleagues do not support his flawed idea.

Can the Minister of Finance tell us what he has been hearing about the Liberal carbon tax and whether the government has plans to implement it?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we are sure hearing a lot from Canadians about the Liberals' proposed new regressive tax on carbon, along with their plan to hike the GST. We hear a lot about that as well.

Carbon tax and GST go after people who are poor, go after people on fixed incomes, go after seniors in Canada, go after the manufacturing sector, and make it more difficult for the manufacturing sector in Canada by driving up its costs. They target poor seniors and threaten manufacturing jobs. No wonder even Premier McGuinty disagrees with his little brother's plan.

* * *

HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, yesterday B.C.'s Supreme Court decision makes it abundantly clear that Insite, the supervised injection facility in east Vancouver, is a health facility. The ruling also makes it clear that closing Insite would be "inconsistent with the state's interest in fostering individual and community health, and preventing death and disease".

Can the Minister of Health assure the House today that his Conservative government will abide by the court's decision and not appeal this important case?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I am not in charge of appeals. That is the Minister of Justice.

But I can say to the House that on this side of the House at least we are disappointed with the judgment. We disagree with the judgment. We are, of course, examining our options and I would say to the House that we on this side of the House care about treating drug addicts who need our help.

We care about preventing people, especially our young people, from becoming drug addicts in the first place. That is our way to reduce harm in our society and we are proud of taking that message to the people of Canada.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, if the Minister of Health claims that he cares about people who use drugs and the issues they face, then he will respect the decision of the court. The medical, scientific and now legal conclusions just could not be any clearer. Insite is a life-saving facility and harm reduction is an essential component of Canada's drug strategy.

When will the minister put aside his personal ideological position, respect the court's decision, and get to work on changing Canada's drug laws to allow access to health facilities such as Insite? When is he going to do that? He is taking too long.

• (1450)

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, it is a bit rich for the member from the New Democratic Party to start lecturing us on ideological positions. That is its bread and butter over there, but we on this side of the House are here for public policy.

We are here to help our kids and prevent them from getting on drugs in the first place. We are here to help addicts. We think the best public health is when we get addicts off the drugs, to treat them, to treat them as human beings, and to be there with the passion. That is what we believe on this side of the House.

Some hon. members: Oh, oh!

The Speaker: Order. I urge all hon. members to exercise a little more self control. We are wasting time and no one wants to waste time in question period.

The hon. member for Mississauga—Brampton South.

* * *

CANADA-U.S. RELATIONS

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, the NAFTA-gate report indicated that there were Americans who had access to the Obama memo, yet they were never interviewed. These interviews were said to be "beyond the scope of the investigation". This is especially troubling with recent reports alleging that the son of a Republican congressman with strong links to the PMO had the memo before it was leaked.

Why did private investigators feel that talking to these Americans was not worth their time? Who are they covering for?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as the report that was undertaken by the Clerk of the Privy Council indicated, there were media sources that did not cooperate and there were others where there was no point in approaching. The real issue is the question: "If he had evidence? If he had anything to raise?"

Oral Questions

Liberals were the ones talking about this issue in the House. If they thought this was in question, they should have brought it to the attention of the investigation. In fact, I seem to recall they were concerned that the investigation was too thorough and taking too long. We make no apologies for a thorough investigation and one, I might add, that cleared the Prime Minister's chief of staff.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, the report was a whitewash, no matter what the government claims. The NAFTA-gate report leaves the leak of the Obama memo strangely unresolved.

According to the report, investigators thought about calling the Associated Press but decided not to, claiming lack of jurisdiction. They used the same excuse to avoid talking to Americans who had access to the memo.

How can we accept the findings of this report if private investigators could not be bothered to pick up the phone and make these calls?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the hon. member belongs to a party that claims to stand up for public servants, yet he stands in the House, under the privilege provided to members of the House, and smears the reputation of the top civil servant in this country, the Clerk of the Privy Council, by describing his work as a "whitewash". I believe it is now time for that member to apologize, the same way that his leader has had to apologize already on a number of occasions for his comments.

* * *

JUSTICE

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, we do not hear much from the President of the Treasury Board these days. He keeps a low profile in Manitoba. He does not answer questions in the House. His parliamentary stand-in takes the heat on Conservative election financing.

Is the President of the Treasury Board, and wannabe future judge, avoiding questions on election financing because he was convicted of violating the election laws in the province of Manitoba?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I welcome that member to the justice file. I think this is the only issue that she has raised.

If she wants to get involved in justice issues, instead of worrying about no appointment, maybe she could go back and talk to law enforcement agencies in Winnipeg who are quite concerned about auto theft and youth crime. Maybe those members could begin by explaining why they helped gut the private member's bill sponsored by the member for Regina—Qu'Appelle that had mandatory sentencing for people who steal cars.

Why does she not go back to Winnipeg and explain that?

• (1455)

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I suggest the minister read the bill I sent over to his office yesterday that I tabled some weeks ago.

The Prime Minister is seriously lacking in judgment if he thinks Manitobans will roll over and accept this hypocritical appointment.

The Treasury Board President named the panel that will decide on his own judicial appointment. The Conservative government is planning to appoint a man to the bench who pleaded guilty to breaking the law.

Why is it that behaviour the Prime Minister finds unacceptable for a cabinet minister qualifies him to be a judge in Manitoba?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that member has discovered the justice issue and is now drafting a private member's bill. I hope those members have decided to help support cracking down on auto theft, tackling identity theft, and mandatory sentences for drug crimes.

The government has a slightly different agenda. We are doing something that has not been done in this country for a long time. We are standing up for victims and law-abiding Canadians. That is our agenda.

* * *

[Translation]

SHIPBUILDING INDUSTRY

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the Standing Committee on International Trade's report on the free trade agreement between Canada and the European Free Trade Association is clear. It says: "—the Canadian government must without delay implement an aggressive Maritime policy to support the [shipbuilding] industry—". In fact, that is the only recommendation in the report.

How will the Minister of Industry act on that recommendation, and when will he do so?

[English]

Hon. David Emerson (Minister of Foreign Affairs and International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, as the hon. member knows, the free trade agreement with the EFTA countries has the longest phase-out in Canadian history built into it in terms of a 10 to 15 year phase-out for the shipbuilding industry.

My hon. colleague, the Minister of Industry, has replenished the structured financing facility that supports the shipbuilding industry. There is something in the order of \$8 billion of publicly procured ships in the order books that will be coming down to our shipyards over the next 10 years.

* * *

[Translation]

REGIONAL DEVELOPMENT

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, the Minister of the Economic Development Agency of Canada for the Regions of Quebec asked for a review of the Pôle Québec Chaudière-Appalaches file to ensure that the organization was not treated unfairly. The minister's decision to stop providing financial support to non-profit organizations with an economic development mandate has raised a number of concerns throughout Quebec.

Will the minister step back from his Conservative ideology, tell the people of Quebec what they want to hear, and restore funding for all such organizations to previous levels?

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, Economic Development Canada's mandate is to support economic development in Canada, and that is what we are working to achieve.

* * *

[English]

FOREIGN AFFAIRS

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the government today smacks of cover-up and now it needs to reconcile its stories. Up to now the story has been that this is a matter of private life, but the Minister of Public Safety has said that if it were a matter of security, he would not say so to Canadians. Therefore, which one is true?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I think the Liberal leader was here so he should surely know that no such thing was said by the Minister of Public Safety. He simply said that people who were concerned about national security did not talk about these kinds of meetings in a public forum. That is all he said, nothing more than that, and nothing else has changed.

* * *

ABORIGINAL AFFAIRS

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, two weeks ago the House was dealing with a number of key pieces of legislation that would directly affect the lives of aboriginal people in Canada.

The bill on matrimonial real property on reserve is about correcting an obvious inequality and protecting the vulnerable in the event of a marriage breakdown. We are also dealing with the bill on our government's commitment to extend the same human rights protections to first nations on reserve, which all other Canadians enjoy.

Would the Minister of Indian Affairs and Northern Development update the House on the progress of these and other legislative initiatives that would improve the lives of aboriginal people in Canada?

• (1500)

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, we are making good progress on many pieces of legislation, but I particularly like to highlight the progress on Bill C-30, a historic bill on specific claims. The bill is now in the Senate. It will have hearings again tonight on that. It is going through because the government and the Assembly of First Nations are working closely together on that bill. We co-drafted the bill. It addresses wrongs that go back decades and decades.

Oral Questions

We are extremely proud to have all party support to once again look after the needs of first nations. It is time to get the job done for first nations in our country.

* * *

THE ENVIRONMENT

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, today the Prime Minister continues his summer spinning tour of Europe, meeting with the Conservative Chancellor of Germany who has committed her country to spending \$800 million to protect the world's forests, to establish a national home retrofit program and to meet Germany's climate change targets.

Could the government summon the courage to commit to putting a real price on carbon? When will the government stop damaging the environment here at home and ruining our reputation when abroad?

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the member is absolutely wrong. He knows Canada now is a world leader in the fight against climate change.

The Prime Minister is in Bonn, Germany. In fact, the United Nations today awarded the Prime Minister an award on Canada's contribution to biodiversity, again a world leader.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, instead of being a leader on environmental and climate change issues, the Prime Minister is embarrassing us in Europe, just as the Minister of the Environment did in Bali before the holidays. The Conservatives are always quick to look for an excuse, so they are blaming their own mismanagement on 13 years of Liberal inaction and incompetence.

The problem is that their plan does not have a fixed, absolute cap. Without that, we cannot reduce greenhouse gases. When can we expect to have a real plan?

[English]

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the NDP record on the environment is unbelievable. In the budget the government wanted to end the subsidies for big oil sands, the big oil producers. The NDP is supporting the Liberals to have that continue. This government stands against it.

With regard to the Great Bear Rainforest, there are \$30 million for biodiversity. What did the NDP do? It voted against that. It supports the big oil companies.

* * *

ABORIGINAL AFFAIRS

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, there will be a second day of action, which comes as no surprise. Aboriginal people are frustrated by the government's refusal to address our concerns. It has been more than two years since it cancelled the Kelowna accord and all we get in its place is window dressing.

Government Orders

More aboriginal people are in care now than there were students at the height of the residential schools era, and the education of aboriginal children is sorely lacking.

When will the government stop ignoring aboriginal people and deliver a real plan? Will the minister stop his swagger and give us some substance?

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, we are interested in substance. That is why we are not following through on the Kelowna press release. When we came into office, we found out that there was nothing in the budget allocated for the Kelowna accord. There were no details as to how it was going to work. There was nothing in there that said how we were going to change the system to make it work. That is why Bob Nault, the former minister from the Liberal times, in case he forgets this, said that the Kelowna accord would not get the job done.

That is why we are moving on specific things such as action plans on clean water, action plans on housing, including the first ever market housing fund, action plans on specific claims, action plans on human rights. We are getting it done.

* * *

FISHERIES AND OCEANS

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, members of Parliament, premiers, coastal Canadians, Inuit and many more have been calling on the Government of Canada to take a stand against a ban on humanely harvested Canadian seal products. They are tired of unethical fundraisers undermining a difficult but honest living.

Could the Minister of Fisheries and Oceans update the House on the action the government is taking in the European Union and on the world stage to stand up for our sealers?

• (1505)

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, I thank the hon. member for his support on this issue.

The Prime Minister, who has raised this issue previously in Europe and at the United Nations, has been in two countries these past two days, France and Germany, and has raised the issue with both leaders.

At the Northwest Atlantic Fisheries Conference this past week, I arranged to ensure it went on the agenda. We have the open public support of Norway, Iceland, Greenland, the Faroe Islands and Russia. We are doing our job. It is up to them to support us.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of His Excellency Toomas Hendrik Ilves, President of the Republic of Estonia.

Some hon. members: Hear, hear!

GOVERNMENT ORDERS

[English]

CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999

The House resumed from May 27 consideration of the motion that Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be read the third time and passed, and of the motion that this question be now put.

The Speaker: It being 3 p.m. or so, the House will now proceed to the taking of the deferred recorded division on the previous question at the third reading stage of the Bill C-33.

Call in the members.

• (1515)

[Translation]

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

(Division No. 114)

YEAS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	Bains
Barnes	Beaumier
Bélangier	Bennett
Bevilacqua	Bezan
Blaney	Boshcoff
Boucher	Breitkreuz
Brisson	Brown (Oakville)
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinoogee	Cannan (Kelowna—Lake Country)
Casey	Chan
Chong	Clarke
Clement	Coderre
Cotler	Cullen (Etobicoke North)
Cuzner	D'Amours
Davidson	Day
Del Mastro	Devolin
Dhaliwal	Dhalla
Dion	Doyle
Dryden	Dykstra
Easter	Emerson
Epp	Eyking
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Folco
Fry	Galipeau
Godfrey	Goldring
Goodale	Goodyear
Gourde	Grewal
Guarnieri	Hall Findlay
Hanger	Harris
Harvey	Heam
Hiebert	Hill
Hinton	Holland
Hubbard	Ignatieff
Jaffer	Jean
Jennings	Kadis
Karetak-Lindell	Karygiannis
Keddy (South Shore—St. Margaret's)	Keeper
Kenney (Calgary Southeast)	Khan
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauson

Government Orders

Lebel
Lee
MacKay (Central Nova)
Malhi
Mark
McCallum
McKay (Scarborough—Guildwood)
Merrifield
Minna
Moore (Fundy Royal)
Murphy (Charlottetown)
Neville
Norlock
Obhrai
Pearson
Poilievre
Proulx
Ratansi
Regan
Richardson
Russell
Scarpaleggia
Schellenberger
Sgro
Silva
Solberg
St. Amand
Steckle
Strahl
Szabo
Temelkovski
Thompson (New Brunswick Southwest)
Tilson
Tonks
Turner
Van Loan
Verner
Wallace
Warawa
Watson
Wilson
Zed — 173

LeBlanc
Lukiwski
MacKenzie
Maloney
Mayes
McGuinty
Menzies
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Murphy (Moncton—Riverview—Dieppe)
Murray
Nicholson
O'Connor
Paradis
Petit
Prentice
Rae
Redman
Reid
Ritz
Savage
Scheer
Scott
Shipley
Skelton
Sorenson
St. Denis
Storseth
Sweet
Telegdi
Thibault (West Nova)
Thompson (Wild Rose)
Toews
Trost
Tweed
Vellacott
Volpe
Wappel
Warkentin
Williams
Yelich

NAYS

Members

André
Asselin
Bachand
Bell (Vancouver Island North)
Black
Bonsant
Cardin
Charlton
Christopherson
Crête
Cullen (Skeena—Bulkley Valley)
DeBellefeuille
Deschamps
Faille
Gagnon
Gravel
Julian
Laframboise
Lavallée
Lemay
Lussier
Marston
Martin (Winnipeg Centre)
McDonough
Ménard (Marc-Aurèle-Fortin)
Mulcair
Ouellet
Perron
Plamondon
Savoie
St-Cyr
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Wasylcia-Leis — 64

Angus
Atamanenko
Barbot
Bigras
Blaikie
Bourgeois
Carrier
Chow
Comartin
Crowder
Davies
Demers
Duceppe
Freeman
Gaudet
Guimond
Laforest
Lalonde
Layton
Lessard
Malo
Martin (Esquimalt—Juan de Fuca)
Martin (Sault Ste. Marie)
Ménard (Hochelaga)
Mourani
Nadeau
Paquette
Picard
Roy
Siksay
Thi Lac

PAIRED

Members

Blais
Brunelle
Guay
Lemieux
Lunney
Rajotte
Stanton
Bouchard
Carrie
Kamp (Pitt Meadows—Maple Ridge—Mission)
Lévesque
Manning
St-Hilaire
Vincent — 14

The Speaker: I declare the motion carried.

[*English*]

Accordingly, the next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Hon. Jay Hill: Mr. Speaker, I think if you were to seek it you would find unanimous consent to apply the results of the vote just taken to the motion currently before the House.

The Speaker: Is there agreement to proceed in this fashion?

Some hon. members: Agreed.

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

(*Division No. 115*)

YEAS

Members

Abbott
Albrecht
Allen
Ambrose
Anderson
Barnes
Bélanger
Bevilacqua
Blaney
Boucher
Brisson
Brown (Leeds—Grenville)
Bruinooge
Casey
Chong
Clement
Cotler
Cuzner
Davidson
Del Mastro
Dhaliwal
Dion
Dryden
Easter
Epp
Fast
Fitzpatrick
Fletcher
Fry
Godfrey
Goodale
Gourde
Guarnieri
Hanger
Harvey
Hiebert
Hinton
Hubbard
Jaffer
Jennings
Karetak-Lindell
Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)
Komarnicki
Ablonczy
Alghabra
Allison
Anders
Bains
Beaumier
Bennett
Bezan
Boshcoff
Breitkreuz
Brown (Oakville)
Brown (Barrie)
Cannan (Kelowna—Lake Country)
Chan
Clarke
Coderre
Cullen (Etobicoke North)
D'Amours
Day
Devolin
Dhalla
Doyle
Dykstra
Emerson
Eyking
Finley
Flaherty
Folco
Galipeau
Goldring
Goodyear
Grewal
Hall Findlay
Harris
Hearn
Hill
Holland
Ignatieff
Jean
Kadis
Karygiannis
Keeper
Khan
Kramp (Prince Edward—Hastings)

Points of Order

Lake	Lauzon
Lebel	LeBlanc
Lee	Lukiwski
MacKay (Central Nova)	MacKenzie
Malhi	Maloney
Mark	Mayes
McCallum	McGuinty
McKay (Scarborough—Guildwood)	Menzies
Merrifield	Miller
Minna	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown)	Murray
Neville	Nicholson
Norlock	O'Connor
Obhrai	Paradis
Pearson	Petit
Poillievre	Prentice
Proulx	Rae
Ratansi	Redman
Regan	Reid
Richardson	Ritz
Russell	Savage
Scarpaleggia	Scheer
Schellenberger	Scott
Sgro	Shiplay
Silva	Skelton
Solberg	Sorenson
St. Amand	St. Denis
Steckle	Storseth
Strahl	Sweet
Szabo	Telegdi
Temelkovski	Thibault (West Nova)
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Toews
Tonks	Trost
Turner	Tweed
Van Loan	Vellacott
Verner	Volpe
Wallace	Wappel
Warawa	Warkentin
Watson	Williams
Wilson	Yelich
Zed— 173	

NAYS

Members

André	Angus
Asselin	Atamanenko
Bachand	Barbot
Bell (Vancouver Island North)	Bigras
Black	Blaikie
Bonsant	Bourgeois
Cardin	Carrier
Charlton	Chow
Christopherson	Comartin
Crête	Crowder
Cullen (Skeena—Bulkley Valley)	Davies
DeBellefeuille	Demers
Deschamps	Duceppe
Faillon	Freeman
Gagnon	Gaudet
Gravel	Guimond
Julian	Laforest
Laframboise	Lalonde
Lavallée	Layton
Lemay	Lessard
Lussier	Malo
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
McDonough	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Mourani
Mulcair	Nadeau
Ouellet	Paquette
Perron	Picard
Plamondon	Roy
Savoie	Siksay
St-Cyr	Thi Lac
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Wasylycia-Leis— 64	

PAIRED

Members

Blais	Bouchard
Brunelle	Carrie
Guay	Kamp (Pitt Meadows—Maple Ridge—Mission)
Lemieux	Lévesque
Lunney	Manning
Rajotte	St-Hilaire
Stanton	Vincent— 14

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

ROUTINE PROCEEDINGS

[English]

PUBLIC SECTOR INTEGRITY COMMISSIONER

The Speaker: I have the honour, pursuant to section 38 of the Public Servants Disclosure Protection Act, to lay upon the table the report of the Public Sector Integrity Commissioner for the fiscal year ended March 31, 2008.

[Translation]

This report is deemed permanently referred to the Standing Committee on Government Operations and Estimates.

* * *

[English]

POINTS OF ORDER

TABLING OF DOCUMENTS

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, yesterday, during question period, I was speaking of the national campaign for the students of Attawapiskat and when I referred to the 2,000 letters that had been delivered by the students of St. Edmund Campion, 5,000 from Aurora and 1,500 from Clarke Road Secondary School, the member for Kitchener—Conestoga at that time challenged me to table the documents in the House.

The students from St. Edmund Campion drove from Brampton this morning to deliver the 2,000 letters. Since the Conservative Party asked me to table those, I would ask the Conservatives to second this so I can table, with the unanimous consent in the House, as per their request, the 2,000 letters from the students in Brampton fighting for a grade school in Attawapiskat.

I would like my hon. colleagues in the Conservative Party to know that I did follow up. I believe next Monday or Tuesday they are coming from Aurora with 5,000 letters and I will be more than willing to table those then.

I look for the unanimous consent of all parties.

The Speaker: Is there unanimous consent to permit the hon. member to table these documents?

Some hon. members: Agreed.

Some hon. members: No.

Points of Order

ALLEGED COMMENTS BY MEMBER FOR HAMILTON CENTRE

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, yesterday, the Parliamentary Secretary to the Minister of the Atlantic Canada Opportunities Agency and to the Minister of International Trade raised a point of order regarding unparliamentary language in the House the day before.

I want to say that the discussion that is in question here was not even a matter on the floor between two members. It was a non-partisan discussion. We were not talking about anything that has to do with a bill or politics.

Where the member gets off feeling that his rudeness under the guise that my words “very aggressively and deliberately attacked” a member, I have no idea.

However, there is no question that in my response I went beyond his rudeness, which is where I should have kept it and responded in kind, but I did cross the line. I did use unparliamentary language, language that is unacceptable. Therefore, I apologize to the member and to anyone else who may have heard that.

● (1520)

The Speaker: I thank the hon. member.

* * *

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, under the provisions of Standing Order 36(8) I have the honour to table, in both official languages, the government's response to eight petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present, in both official languages, the report of the Canadian delegation of the Canada-Europe Parliamentary Association respecting its participation at the meeting of the second part of the 2008 Ordinary Session of the Parliamentary Assembly of the Council of Europe held in Strasbourg, France, April 14-18, 2008.

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the following report of the Canadian delegation of the Canada-United States Inter-Parliamentary Group respecting its participation at the 47th Canadian-American Days, Myrtle Beach, South Carolina, United States of America, March 25-30, 2008.

[Translation]

Mr. Luc Harvey (Louis-Hébert, CPC): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canadian branch of the Assemblée parlementaire de la Francophonie respecting its participation at the meeting of the executive committee of the network of women parliamentarians of the APF, held in Brussels on February 19 and 20, 2008.

[English]

COMMITTEES OF THE HOUSE

FINANCE

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, it is an honour and a privilege to present, in both official languages, the eighth report of the Standing Committee on Finance in relation to Bill C-50, An Act to implement certain provisions of the budget tabled in Parliament on February 26, 2008 and to enact provisions to preserve the fiscal plan set out in that budget, without amendment.

I am very proud of the committee and its work and very pleased to present this to the House at this time.

VETERANS AFFAIRS

Mr. Rob Anders (Calgary West, CPC): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Veterans Affairs in relation to resetting the bar for veterans health care, veterans independence program and veterans health care review.

The committee is requesting a government response.

ACCESS TO INFORMATION, PRIVACY AND ETHICS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Access to Information, Privacy and Ethics in relation to the main estimates, 2008-09, in relation to vote 20 under Parliament and votes 40 and 45 under Justice.

Your committee has reviewed the estimates of the Ethics Commissioner, the Privacy Commissioner and the Access to Information Commissioner and we report their estimates for the fiscal year ending March 31, 2009 without amendment.

* * *

● (1525)

TELECOMMUNICATIONS ACT

Mr. Charlie Angus (Timmins—James Bay, NDP) moved for leave to introduce Bill C-552, An Act to amend the Telecommunications Act (Internet Neutrality).

He said: Mr. Speaker, I am proud to rise today in the House, along with my colleague from Burnaby—Douglas, to present the first bill to deal with the issue of Internet neutrality in Canada.

The bill would ensure fairness for consumers, protect educators and consumers against anti-competitive practices from large telecoms and protect the innovation agenda in Canada.

The Internet has become a critical piece of the social, business and cultural infrastructure of not just Canada, but of the entire world. It has allowed grassroots, democratic organizations to flourish. It has allowed new forms of communication. It has allowed us to start developing a sense of culture through telecommunications.

Of course, with the recent throttling practices by the large telecoms, questions of telecoms setting up speed bumps and electronic toll booths on the Internet, there is certainly a great deal of concern.

Points of Order

The New Democratic Party is very wary about attempts to start using government to intervene in the development of the digital world and new media. However, this is not a question of whether there will be regulation of the Internet. That is going on right now with the giant telecoms. The question is whether or not there will be a scrutiny of such practices.

It is very important that we give CRTC the toolbox it needs to ensure we maintain a fair, open and neutral Internet and one that protects the innovation agenda of Canada.

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

* * *

BILL C-21—CANADIAN HUMAN RIGHTS ACT

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, there have been consultations among the parties and I believe you would find unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practices of the House, a member from the Liberal Party and a member from the New Democratic Party may speak for not more than 10 minutes on report stage Motions Nos. 1 and 2 of Bill C-21, An Act to amend the Canadian Human Rights Act, after which Motions Nos. 1 and 2 shall be deemed adopted, Bill C-21 shall then be deemed concurred in at the report stage and deemed read a third time and passed.

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

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[*Translation*]

PETITIONS

THE QUEBEC NATION AND THE CHARTER OF THE FRENCH LANGUAGE

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, I am presenting a petition with 69 signatures. These Quebecers are calling on the Government of Canada to actively respect the Quebec nation and Bill 101.

[*English*]

BILL C-420

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise today to present a petition signed by thousands of folks in my community in support of an amazing woman named Natalie Thomas.

After undergoing a double mastectomy and follow-up treatment for breast cancer, Natalie had exhausted her EI sick benefits. As hon. members know, EI sick benefits only last 15 weeks. Natalie was still too sick to go back to work but, for economic reasons, she had no choice but to return to work early, before she had fully recovered.

Our community has rallied around Natalie, who worked hard collecting hundreds of names on this petition. The petition supports

my private member's bill, Bill C-420 to extend EI sick benefits to 30 weeks.

I urge members of the House to listen to Natalie's story and the story of thousands of other Canadians who find themselves in this unfortunate circumstance when they do not have extended health benefits and support my bill when it comes to a vote in the House.

[*Translation*]

MINING COMPANIES WORKING ABROAD

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I am pleased to present a petition on behalf of Development and Peace, a non-governmental organization that is very concerned about the social responsibility of Canadian companies and extractive industries in developing countries. This petition has been signed by citizens from Haute-Côte-Nord, Charlevoix, Île d'Orléans and Côte-de-Beaupré. These petitioners recommend adopting standards to assess the social and environmental performance of mining companies operating abroad.

• (1530)

[*English*]

UNBORN VICTIMS OF CRIME

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I have a petition signed by 158 constituents from my riding who urge the House of Commons to support Bill C-484, which is a private member's bill introduced by the member for Edmonton—Sherwood Park.

IRAN

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I am pleased to table petitions from my riding collected by student volunteers at the Bialik High School together with volunteers from the Canadian Institute for Jewish Research and the Canadian Jewish Congress, Quebec Region.

The petitioners wish to bring to the attention of the House of Commons the great threat to international peace and security of a nuclear Iran underpinned by the denial of the Holocaust and by Ahmadinejad's state sanctioned incitement to genocide and his repeated calls to wipe Israel off the map.

Accordingly, the petitioners call upon the Canadian government to redouble its efforts to prevent Iran from achieving nuclear arms; to bring Iranian President Ahmadinejad before an appropriate international agency for violation of the genocide convention's prohibition against "direct and public" incitement to genocide; to propose in light of Iran's continued defiance of the international community that the United Nations Security Council adopt additional sanctions against Iran; and to work with our international partners to combat the genocidal incitement of the leaders of Iran, its quest to achieve nuclear arms and its massive domestic human rights violations of its own people.

In that context, the petitioners acknowledge the friendship between the people of Iran and the Canadian people, regret these recent developments, and hold the Iranian people, their culture and their ancient civilization in the highest regard.

CITIZENSHIP AND IMMIGRATION

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, six months ago the Standing Committee on Citizenship and Immigration adopted a motion calling on the Government of Canada to immediately implement a program to allow war resisters and their families to stay in Canada and to halt all deportation proceedings against them. That has not happened, so today I am pleased to table a petition that calls upon the Government of Canada once again to respect not only international law and international treaties to which it is a signatory, but also the Standing Committee on Citizenship and Immigration and the wishes of the people of Canada by immediately making provision for U.S. war resisters to have sanctuary in Canada and halt all deportation proceedings against them.

The petitioners are from the Halifax regional municipality. Among them is peace icon Muriel Duckworth who has just entered her 100th year. We are going to be celebrating that for her contribution to the peace movement in Canada and globally. It is one more reason that I hope the government will pay serious attention.

CLUSTER MUNITIONS

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, it is an honour to stand today and present petitions on behalf of hundreds of Canadians who recognize the grave inhumanitarian consequences of cluster munitions and their effects on innocent civilian populations.

The petitioners call upon the Government of Canada to continue its leadership role in the Oslo process in the international ban on cluster munitions which pose unacceptable inhumanitarian consequences.

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present yet again another income trust broken promise petition on behalf of a number of residents of Victoria, B.C., who remember the Prime Minister boasting about his commitment to accountability when he wrote, “There is no greater fraud than a promise not kept”.

The petitioners remind the Prime Minister that he promised never to tax income trusts, but he recklessly broke that promise 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.

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

ARTS AND CULTURE

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, it is my honour to present a petition from ordinary Canadians. They note that the Charter of Rights and Freedom guarantees freedom of

Points of Order

expression and that the exercise of freedom of expression is essential to democracy, the creative process and to Canadian arts and culture. They also note that the Criminal Code of Canada already contains provisions regarding pornography, child pornography, hate propaganda and violent crime. They point out that the role of the Minister of Canadian Heritage should be to promote and defend Canadian cultural and artistic freedom.

Whereas, the guidelines for government funding and support for the cultural sector, including film and video production, should be objective, transparent and must respect freedom of expression, there should not be any ability for the government, the Minister of Canadian Heritage, or any office of the government or government officials to make subjective judgments concerning artistic content that limits the freedom of expression. This type of censorship and denial of tax credits or production support may significantly hinder the making of Canadian films and the telling of Canadian stories.

That is why the petitioners are calling on Parliament to defend Canadian artistic and cultural expression, to rescind any provisions of Bill C-10 that allow the government to censor film and video production in Canada and to ensure that the government has in place objective and transparent guidelines that respect freedom of expression when delivering any program intended to support film and video production in Canada.

● (1535)

UNBORN VICTIMS OF CRIME

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I am honoured to present another 550 names of petitioners who urge Parliament to pass Bill C-484, the unborn victims of crime act. These petitioners recognize that the bill specifically does not apply to elective abortion. They also recognize that when a pregnant woman has a child that she wants, there ought to be second offence when that choice and child are taken away from her against her will and with violence.

AGE OF CONSENT

Mr. Rob Moore (Fundy Royal, CPC): Mr. Speaker, I am pleased to table three petitions today. The first is requesting that the age of consent be raised to 18 years of age in order to better protect youth from sexual exploitation.

Points of Order

ANIMAL CRUELTY

Mr. Rob Moore (Fundy Royal, CPC): Mr. Speaker, the second petition calls upon Parliament to amend the current provisions in the Criminal Code regarding animal cruelty.

UNBORN VICTIMS OF CRIME

Mr. Rob Moore (Fundy Royal, CPC): Mr. Speaker, the third petition is requesting that Parliament enact legislation which would recognize unborn children as separate victims in criminal law.

* * *

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. 244 will be answered today.

[English]

Question No. 244—**Mrs. Irene Mathysen:**

With respect to the development of an action plan to increase the equality of women across Canada, announced in the Budget 2008: (a) what is the time frame for the development of the action plan; (b) what department will be responsible for developing the action plan; (c) what monetary resources will be allocated to develop the action plan; (d) how many full-time equivalents will be allocated to develop the action plan; (e) will there be any public consultation on the development of the action plan; (f) what organizations have been consulted; (g) what organizations will be consulted; (h) will Canada's commitment under the 1995 Beijing Declaration serve as base for the action plan; (i) what mechanisms of accountability will be built into the action plan; and (j) will eliminating systemic discrimination against women be the main objective of the plan?

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages and Minister for La Francophonie, CPC): Mr. Speaker, in response to a) Over the next year, the government will work on the development of an action plan.

In response to b) Status of Women Canada will lead the development of the action plan, with other federal government departments and agencies.

In response to c) and d) The development of the action plan will be done within existing resources.

In response to e), f) and g) Work is underway on the action plan, and it is yet too early to be specific on this level of detail.

In response to h) The Beijing declaration and platform for action will inform the work and content of the action plan.

In response to i) Status of Women Canada recognizes the crucial role that accountability plays in insuring equality for women. As such, accountability will be a key consideration as the action plan is developed.

In response to j) The main objective of the plan is to advance the equality of women across Canada through the improvement of their economic and social conditions and their participation in democratic life.

[English]

The Speaker: Is that agreed?

Some hon. members: Agreed.

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. 202, 241 and 242 could be made orders for returns, these returns would be tabled immediately.

[English]

Question No. 202—**Mr. Glen Pearson:**

With regard to the Canada Strategic Infrastructure Fund within Infrastructure Canada and the Strategic Highway Infrastructure Program within the Department of Transport: (a) what has been the total spending in the program since 2002; (b) how much of this total has been spent in each of the provinces in each year of the programs from 2002 to 2007, inclusive; and (c) what is the per capita amount of spending of these programs per province in each year of the programs from 2002 to 2007, inclusive?

(Return tabled)

Question No. 241—**Ms. Catherine Bell:**

With regard to oil spills off the West Coast of Canada: (a) what systems, plans or procedures are in place in case of an oil spill off of Vancouver Island, Dixon Entrance, Hecate Strait and Queen Charlotte area, or the North Coast of British Columbia; (b) who would be the first to respond to an oil spill off the coast of British Columbia and who would be in charge of clean up; (c) what are the response times to contain an oil spill in (i) the North Coast of British Columbia, (ii) the Dixon Entrance, Hecate Strait and Queen Charlotte area, (iii) the North Coast of Vancouver Island, (iv) the West Coast of Vancouver Island; (d) have there been any studies, reports, estimations on the risk or possibility of oil spills due to oil tanker traffic coming from Kitimat or Prince Rupert, British Columbia and, if so, what are their conclusions; (e) have there been any studies, reports or estimations on the possible cost of an oil spill off the coast of British Columbia and, if so, what are their conclusions; and (f) in terms of the gas spill in Robson's Bight on Vancouver Island (i) has there been any evaluation of the potential damage this spill has caused, (ii) has there been any evaluation of the response and clean up, (iii) are there any further plans for clean-up operations such as removing the truck from the area, (iv) are their plans to ensure that similar accidents do not reoccur in ecologically sensitive areas?

(Return tabled)

Question No. 242—**Mr. Peter Stoffer:**

With regard to the anthrax vaccine administered to Canadian Forces personnel serving in the Gulf War: (a) has the government completed independent testing on the safety of the vaccine; (b) has the government completed a study on the health of Canadian Forces personnel who received the vaccine; and (c) has the government continued to monitor or has it undertaken any follow up studies on the health of Canadian Forces personnel who have received the vaccine?

(Return tabled)

[English]

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

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 ask that all notices of motions for the production of papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[Translation]

PRIVILEGE

QUESTION PERIOD—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised by the hon. member for Ottawa—Vanier concerning comments made by the hon. Parliamentary Secretary to the President of the Treasury Board during question period on Monday, April 28, 2008.

I would like to thank the hon. Member for Ottawa—Vanier for raising this matter and the hon. parliamentary secretary, the hon. member for Beauséjour, and the hon. Leader of the Government in the House of Commons for their interventions.

[English]

Following question period on April 28 last, the member for Ottawa—Vanier rose on a question of privilege to take issue with comments made by the Parliamentary Secretary to the President of the Treasury Board during oral questions in response to a question from the member for Beauséjour concerning election expenses. In that response, the parliamentary secretary said, as can be read in the *Debates* on page 5164:

Not to mention the fact that the Liberal Party transferred money directly to the Liberal candidate in Ottawa Centre to fund this Liberal in-and-out scam. I wonder if the member will stand up now and demand that the member for Ottawa—Vanier, who got involved, step aside until his name is cleared.

• (1540)

[Translation]

The member for Ottawa—Vanier expressed concern that these remarks suggested that he had been involved in improper election expenses—a suggestion to which he took strong exception—and he requested that the hon. Parliamentary Secretary withdraw the remarks and apologize.

The hon. Parliamentary Secretary defended his response to the question by quoting from an affidavit, a copy of which he tabled the following day. I undertook to review the transcript of both Members' statements, to look at the affidavit in question and to return to the House with a ruling on the matter.

As I have explained in previous rulings on similar matters, it is difficult for the Chair to find a *prima facie* case of privilege when dealing with these sorts of disagreements.

As stated on page 433 of *House of Commons Procedure and Practice*:

In most instances, when a point of order or a question of privilege has been raised in regard to a response to an oral question, the Speaker has ruled that the matter is a disagreement among Members over the facts surrounding the issue.

[English]

I have examined closely the documentation cited and the comments made during question period on that day. The affidavit is a lengthy description by a party official of alleged election

Speaker's Ruling

advertising transactions and arrangements. Contrary to the impression left by the parliamentary secretary, the affidavit in no way supports the pointed insinuation of wrongdoing he made regarding the hon. member for Ottawa—Vanier. Similarly, the Chair cannot find anything in the affidavit that contradicts the very clear assertions made by the hon. member for Ottawa—Vanier on the matter at issue and in particular his statement found at page 5168 of the *Debates* for April 28, 2008.

As Speaker, I can fully appreciate that the hon. member for Ottawa—Vanier believes the parliamentary secretary attacked his reputation on the basis of the remarks he made. However, it is difficult for the Chair to find a *prima facie* question of privilege. Members may clearly disagree on the propriety of certain events that are alleged to have taken place; they may even dispute their legality, but I do not believe it is the role of the Speaker to settle that argument. My only role is to determine whether the remarks were unparliamentary and whether they constitute such a grave attack as to impede the hon. member for Ottawa—Vanier in the performance of his duties.

Given the differing views of both hon. members, and the actual words used by the parliamentary secretary, it is difficult for the Chair to regard the matter as anything other than a matter of debate. On the same ground that I ruled on similar questions for which I gave rulings on October 5, 2006, and again recently on April 10, 2008, I am, therefore, unable to find a basis for a *prima facie* breach of privilege.

[Translation]

That said, I must take this opportunity once again to remind honourable Members to be more judicious in their choice of words. As is stated in *House of Commons Procedure and Practice* at page 522: "Remarks directed specifically at another member questioning that member's integrity, honesty or character are not in order".

The political climate in the House may be very heated at the moment but that is no reason to dispense with all civility or natural courtesy.

In the case at hand, although the Chair has not found a breach of privilege, the comments complained of have been addressed and I consider the matter closed.

I thank the House for its attention.

[English]

I wish to inform the House that because of the deferred recorded divisions, government orders will be extended by 10 minutes.

[Translation]

The hon. member for Ottawa—Vanier.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I rise on a point of order. I listened to you closely, just as I did yesterday when you presided over a part of the ceremony unveiling the portrait of Canada's 16th prime minister, the Right Honourable Joe Clark. I would like to quote something Mr. Clark said at the end in English:

[English]

"A little respect can go a long way".

*Government Orders**[Translation]*

I am disappointed in your ruling, Mr. Speaker. This episode in the House is an attempt to go beyond what is permitted. The fact that a parliamentary secretary is trying to attack the reputation of a colleague directly, without any documentation—because he cannot produce any—demeans debate in the Canadian Parliament and the House of Commons.

I am very disappointed that your ruling basically allows this type of behaviour to continue.

● (1545)

The Speaker: The hon. member has certainly made his opinion on this subject clear, but I did not say that allegations of this nature should continue. In addition, I would encourage all of the hon. members to review the Standing Orders, obey them and not repeat the type of attacks I have mentioned.

[English]

Hon. Jay Hill: Mr. Speaker, I rise on a point of order. I point out that one of the rules of the House is to show respect for the Speaker when he rules. Obviously from time to time, you are called upon to make rulings with which all of us might differ with, but clearly we need to show the Chair the respect that the position deserves at all times. It is rather ironic that the hon. member questions your decision on an issue on which he has asked for respect.

The Speaker: I think we will consider the matter closed.

GOVERNMENT ORDERS*[English]***CANADIAN HUMAN RIGHTS ACT**

The House resumed from May 16 consideration of Bill C-21, An Act to amend the Canadian Human Rights Act, as reported (with amendment) from the committee, and of the motions in Group No. 1.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I am very pleased to stand today to speak in support of the amended Bill C-21.

Members will recall that the bill was first introduced into the House in the 39th session of Parliament as Bill C-44. It has been re-introduced into the House as Bill C-21 and has gone through a very lengthy committee process. It has now come back to the House in its amended form for final conclusion.

To recap, members will remember that the act would repeal section 67 of the Canadian Human Rights Act, which excludes Indians who live or work on reserve from filing human rights complaints with the Canadian Human Rights Commission in respect of any alleged human rights violations that relate to any action arising from or pursuant to the Indian Act.

I want to make it very clear from the outset that this party, this official opposition, has supported the intent of the bill. The repeal of section 67 of the Human Rights Act has been a long time in coming and it is something that we support very much.

What we did not support was the manner in which the bill was brought forward, both in its initial introduction and in its subsequent

introduction as Bill C-21. It was brought forward without any consultation with first nations communities. We heard that there were significant concerns about the legislation, but there seemed to be absolutely no will, commitment, effort or respect on the part of the government to address some of those concerns.

I am repeating myself, but I want to make it very clear. I said, at least 18 times, in the House or in committee, as did my colleagues, that we supported the repeal of section 67 of the Human Rights Act. We did not support the process in which the government chose, as one of the chiefs from Alberta said, to ram it down their throats.

We are proud to support the amended legislation. We are proud of the process that went on in committee. We heard from a host of witnesses who came before the committee. I emphasize that this is not a substitute for consultation; it was about hearing witnesses and their concerns. Out of the 21 or 22 witnesses we heard, only 1 witness supported the legislation in its original form. We heard learned presentations from academics. We heard from leaders in the aboriginal community. We heard from individuals in the aboriginal community. We heard concerns from the men and women who the bill would affect.

We were concerned that there was no interpretive clause. We were concerned that there was no non-derogation clause. We were concerned that there was no attention given to the fiscal capacity. We were most concerned that the transition period was very short. We were also concerned that no study or analysis had been done on the impact the legislation would have on first nations communities. We know an analysis was done on what the impact would be on INAC, but no study was done to determine what the impact would be on first nations communities.

The amended legislation was a model of cooperation by the opposition parties, listening to the representations we heard from individuals, working together to amend the bill to make it a stronger, fairer bill for aboriginal people in our country.

● (1550)

Many times we heard in the House that we had gutted the bill. Far from it. Misrepresentations were mailed out to every household in my riding, misrepresenting my position and the position of my party as it related to the bill.

We proposed a number of important amendments to the bill. We proposed and passed through committee, a non-derogation clause, an interpretive clause, an extension of the time for implementation for three years. This is important. The government originally proposed six months. It was willing to extend it to 18 months, but not beyond that. I am pleased to see the government has allowed it to go in at three years now.

The implementation period of three years will allow first nations to determine their capacity and to look at the implications. It will allow them to prepare their communities for the actual final implementation of the bill.

Government Orders

As the House may recall, the government tried at one point, through a point of order, to remove the non-derogation clause and the interpretative clause. We are pleased that it has come back with amendments. Although they are not what we would have preferred, we will accept the amended non-derogation and interpretative clauses in the bill. They deal with the intent and the protection of the collective rights of first nations communities. We do, however, prefer the amendments put forward in committee, but as an expression of good faith and a desire to get the bill passed, we will support the amendments put forward by the government.

With the amendments, we would be able to grant human rights to first nations people in a way that balances their collective rights with individual rights as well as maintaining all existing aboriginal and treaty rights, as recognized under section 35 of the Constitution Act, 1982.

With respect to the transition period, first nations will now have an adequate amount of time to prepare for the legislation. In doing so, the government will have a chance to properly consult with all affected first nations peoples. I sincerely hope the government will take advantage of the opportunity to do this. I hope it will not just tell them but engage them in a meaningful consultation process whereby it will listen to them and work with them to implement the bill.

Once the bill comes into effect, first nations will work with the government to undertake the extensive preparation, the capacity, fiscal and human resources required.

The important part of this is the amended legislation, and it was amended not without acrimony or without challenge, is an example of parliamentarians working together to fix flawed legislation and amend it to reflect the best interests of first nations people.

As I said at the beginning, the Liberals have always maintained our support for the repeal of this section. It was not done in a way which we supported. Since the bill is now in front of us, we are proud to say that we improved flawed legislation to reflect the views of first nations communities throughout the country. They will be able to work with this legislation, and we are proud to support it.

• (1555)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, this is an important day in the House as we bring back the amended Bill C-21. Specifically, we are dealing with a couple of amendments.

Unfortunately, this bill has been decades in coming. I will share just a bit of history around this bill. Originally in 1977 an exception was provided that first nations living on reserve could not file complaints under the Canadian Human Rights Act against anything in the Indian Act. Part of the history around that so-called temporary exemption from 1977 being put in place was of course that there were discriminatory provisions in existence in the Indian Act.

One of those discriminatory provisions was around the fact that first nations women who married non-aboriginal men were actually excluded from living on reserve or maintaining their status. The report that came out in 2005 from the Canadian Human Rights Commission, "A Matter of Rights", talked about the impacts on the community. I have a quote from that report about what happens to families:

The effect of this discriminatory provision was the effective banishment of over one hundred thousand women, their spouses, and their children from their communities and traditional homelands. This caused great psychological, emotional and economic suffering. This was especially true in cases where marriages broke down and First Nation women were not allowed to return home.

What we had in place was a system that disenfranchised thousands and thousands of women and their families. Because the department of the day knew this discriminatory provision was in place and was not at that time prepared to deal with that discriminatory provision, it asked for this exemption and it was put in place.

Subsequent to that, this particular part of the Indian Act was repealed and women were granted their status. I am going to come back to that in a minute, because that was Bill C-31 from 1985, which was one of the reasons that so many people who came before committee were so vocal about wanting some of the amendments that were put in place.

I am not going to read all the recommendations from "A Matter of Rights", but there were five key recommendations. Part of what the Canadian Human Rights Commission recommended in 2005, before legislation was developed, was that consultation take place with first nations and that "an interpretive provision", which would take into consideration the rights and interests of first nations, be put in place, and that there would be a transitional period of at least 18 to 30 months, and so on. There were a number of other recommendations.

However, part of the challenge that this House and the committee faced was that when the piece of legislation came before the committee, it was of course a very simple piece of legislation and did not include any of those elements. The bill was developed without consultation with first nations communities.

Therefore, to the Conservative government's surprise, there were a number of concerns raised by witness after witness who came before the committee. People were saying that in the past governments have passed bills in the House that have had some unintended consequences, and they did not want to see that happen.

The committee listened quite respectfully to the witnesses and subsequently proposed a number of amendments, which included an extended transitional period for 36 months. They included an interpretive clause and a non-derogation clause. The amendments we are dealing with today have done some refinement on the non-derogation clause and on some additional wording around gender principles.

I want to come back for a moment to the Canadian Human Rights Commission and why the committee faced some challenges around needing to hear so much more information, because the report of the Canadian Human Rights Act Review Panel, "Promoting Equality: A New Vision", made a number of specific recommendations with regard to the repeal of section 67.

The panel said specifically, "Any effort to deal with the section 67 issue must ensure adequate input from Aboriginal people themselves". We saw what happened when that did not happen: it took months for us to get to the place where there was some agreement in getting the bill back in the House.

Government Orders

The panel talked about resources. To go back to Bill C-31, one thing was very clear in Bill C-31, and in a minute I will quote the Native Women's Association of Canada. What was very clear under Bill C-31 was that there were inadequate resources once women regained their status in their communities. There was not enough housing. There were not enough other support services for women who could have returned to their community.

● (1600)

Therefore, one of the things that the Human Rights Commission recommended was that these resources be put in place. It said that resources must be put in place so that people actually have access to any redress mechanisms that might be deemed suitable once a complaint was filed.

It talked about the fact that there should be cultural recognition and said:

At the same time, the Act should permit a balancing of the values of the Aboriginal people and the need to preserve Aboriginal culture...These points raise huge questions about the social and economic structure of Aboriginal life and its legal underpinnings. Such matters deserve far more study than we have been able to give them. So again, there is a need for adequate consultations.

It talked about the balancing provision and stated:

The Panel believes it is highly important to balance the interests of Aboriginal individuals seeking equality without discrimination with important Aboriginal community interests. A balancing provision means that a Tribunal would actually hear evidence and representations on the issue of whether the interests of the individual and the community are properly balanced.

It talked about self-government and said:

The Panel believes something more should be done in order to ensure greater say in the human rights roles that apply to Aboriginal governments. This would be consistent with the principle of self-government.

Thus, the Canadian Human Rights Commission itself acknowledged the fact that there needed to be a number of other mechanisms put in place in order to make sure that this piece of legislation did not have the same kind of impact that Bill C-31 has had. Bill C-31 has had some difficulties in terms of the fact that when women were reinstated there were not the resources that I referred to, but there is also a second generation cut-off.

The second generation cut-off means that people whose parents were not both first nations could end up losing their status by the time the second generation is born. That is an unintended consequence. A report did some analysis on key reserves across the country and did some estimates on when the last status person would be born on those reserves. Some would say that quite cynically the government is not dealing with that provision because then first nations people would come under the guidance of the provinces rather than the federal government.

Bev Jacobs, president of the Native Women's Association of Canada, said in a press release:

Twenty-five years after having the Charter, NWAC is well aware that having rights on paper does not guarantee the ability of all individuals to exercise those rights. NWAC believes that consultation with Aboriginal peoples and specifically, Aboriginal women, is necessary to ensuring the rights are meaningful and exercisable. We are also well aware that membership provisions under Bill C-31, off-reserve rights, health, housing and education policies as well as the continuing lack of a matrimonial real property law regime that applies on reserve are issues that the federal crown will most likely see complaints filed about.

She goes on further in that press release to say:

—It is important for both the CHRC and First Nations communities to have the resources to build a relationship that acknowledges and respects human rights.” This is the only way equal rights for all can be promised.

We know that this very important piece of legislation, the repeal of section 67 of the Canadian Human Rights Act, which does provide the right for first nations people on reserve to file complaints under discriminatory provisions under the Indian Act, in itself will not guarantee human rights unless there are resources in place.

The Native Women's Association of Canada talked about resources around education and housing. We know, of course, that the children from Attawapiskat are here on the Hill today, talking about how their human rights are being violated by the fact that they do not have access to a school. They do not have access to the education that every other Canadian child off reserve expects as a fundamental human right. When Ms. Jacobs from the Native Women's Association of Canada talks about this, she knows full well that many communities simply do not have those resources that would make sure that their human rights were not violated.

In a brief that the Native Women's Association put forward to the committee on the repeal of section 67 of the Canadian Human Rights Act, it talked about the fact that governments, both the current Conservative government and previous Liberal government, should not have waited so long, and again quotes the Canadian Human Rights Commission, which said:

However, the Commission would prefer that the Government take a proactive approach to preventing potential discrimination and not wait for complaints to be filed and potentially lengthy proceedings to take place. The Commission, therefore, urges the Government, in consultation with First Nations, the Commission and other relevant bodies, to review provisions of the Indian Act and relevant policies and programs to ensure that they do not conflict with the Canadian Human Rights Act and other relevant provisions of domestic and international human rights law. Such a review should focus in particular on the impact of Bill C-31....

● (1605)

In conclusion, I am very pleased that the House has decided that it would support Bill C-21, the repeal of section 67, and I urge the government to ensure that the resources are put in place to deal with potential human rights complaints and also to ensure that the resources are available to the Canadian Human Rights Commission so it can go out and work with first nations governments to ensure this understanding is in place.

The Acting Speaker (Mr. Andrew Scheer): Pursuant to order made earlier today, Motions Nos. 1 and 2 are deemed adopted, Bill C-21, an Act to amend the Canadian Human Rights Act, as amended, is deemed concurred in at report stage with further amendments, and deemed read a third time and passed.

(Motions Nos. 1 and 2 agreed to, bill as amended concurred in, read the third time and passed)

* * *

CANADA-EFTA FREE TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed from May 27 consideration of the motion that Bill C-55, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation, be read the second time and referred to a committee.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, it is a pleasure to speak to the bill dealing with the European free trade agreement with Canada.

The bill is one that started its progression internationally in 1998 when the then government of Mr. Chrétien moved forward on deliberations with our partners and began dealing with this particular issue. The agreement was signed on January 26, 2008, in Switzerland and it was tabled in our Parliament on February 14, 2008.

The purpose of the bill is to eliminate duties on non-agricultural goods and selected agricultural products, giving Canadian exporters better access to Canada's fifth largest merchandise export destination. Many Canadians would find it interesting that the particular destination is a group of northern European countries, including Liechtenstein and Norway.

This particular free trade agreement is one that has broad support. The Liberal Party supports this particular bill. There are some concerns in a few sectors, including shipbuilding, but I think we have worked together quite well to put forth some solutions that would enable our shipbuilders in Canada to find some recourse because the phase-out of tariffs will be over quite a prolonged period of time.

We want to ensure that in Canada we capitalize on our areas of expertise, and one of those is, quite frankly, in the shipbuilding area. On the east coast and west coast of Canada and in my riding of Esquimalt—Juan de Fuca, we have outstanding individuals, fine craftsmen and craftswomen, who work in the shipbuilding industry and provide exceptional products.

Some of those have been built for our Canadian Forces. When Liberals were in government, we commissioned a number of projects, including the Orca class of boats that have been built in my riding of Esquimalt—Juan de Fuca by the shipbuilders there. Quite frankly, the product they have is superb.

My hope is that the government will work with our private sector to ensure that our capabilities will be exported and that those capabilities will find markets in other countries. It would certainly be a fine testament to the exceptional workers that we have in our country, in both eastern and western Canada, who have that ability.

Government Orders

There is one area in shipbuilding in particular that the government may wish to pick up on. We have a tariff on importing ships. A company in Canada that wishes to import a large vessel would pay an import duty. That duty goes into general revenue.

The government would be wise to consider, rather than putting those import duties into general revenue, to put them into a fund that would have to be matched by the private sector, which would double the size of the fund, so that those moneys could be directed toward infrastructure for the shipbuilding industry. The funds spent by the companies could then be recirculated within the shipbuilding industry. The private sector would then know that its import tariffs were going back into the shipbuilding industry.

Third, it would also increase the bang for the buck because the government would be putting those moneys in to match. The matching funds would share the responsibility between the private sector and the government, so there would be dual responsibility and a dual opportunity for both the private sector and the government to enable the private sector to compete with other shipbuilders, particularly those in northern Europe, who quite frankly have done a pretty good job of developing a fine product and are competing internationally.

However, those countries subsidize their domestic shipbuilding capabilities, and while they do it in certain ways, it is important that our shipbuilders not be under the gun or behind the eight-ball when they are competing with other shipbuilding companies in other parts of the world.

The scope of the bill is very interesting. As I said before, the EFTA countries are the world's fourteenth largest merchandising traders and Canada's fifth largest merchandise export destination.

● (1610)

The two way Canada-EFTA non-agricultural merchandise trade is, in total, \$12.6 billion. Our exports to the EFTA were \$5.1 billion last year and our imports were \$7.4 billion. Our exports included areas such as the aerospace products industry and I want to take a moment to talk about the MacDonald-Detweiler issue when the government, I think wisely, made the decision to prevent that sale from occurring.

There is a challenge, though. While the MDA sale was quite rightly blocked because Canada and Canadian taxpayers had put more than \$500 million into enabling MDA to be a world leader in the aerospace industry and paid for satellites that are some of the best in terms of earth monitoring capabilities, there is another side to this. There are over 1,200 scientists at MDA and unless they have products to sell and be competitive internationally, we will lose those scientists.

It took some 20 years to bring those scientists to Canada and to build and create the capabilities. It is of the utmost urgency that the Minister of Industry work with and listen to MDA to find ways to ensure that those scientific capabilities stay within Canada. If we do not, the very real danger is that we will lose that world class capability we have within MDA with the pool of 1,200 scientists to other parts of the world. In particular, we will lose them south of the border to the United States.

Government Orders

This is not something we can wait on for a long period of time. This is something that has to be done quite quickly. I would again urge the Minister of Industry or industry officials to meet with MDA officials to determine what we can do to ensure we do not have this loss of very highly skilled, extraordinary individuals.

The other issue I want to talk about is international trade, as this is a trade issue, dealing with the WTO and the Doha round of talks. This is very appropriate given the fact that we have a world food crisis on our hands. It has caused governments to collapse and food riots, and it particularly affects those citizens of our planet who are the poorest and most impoverished in the world. One billion people live on less than \$1 a day and 1.5 billion people live on less than \$2 a day. Two and a half billion people on our planet live on less than \$2 a day.

What happens if our foodstuffs increase 140% in a matter of less than a few months? That is what happened with rice. This year, rice prices have increased 141%. Wheat, sorghum, corn, the staples of life, have increased significantly over the last two years. Some have even increased 25% in a day.

Most of us in our country have been somewhat insulated from the effects of that for various reasons, but for the poorest people in the world, that is not the case. People living on less than \$2 a day have a choice between food and sending their children to school, food and having a roof over their heads, or food and health care. Those are the stark choices people would have if they lived in those countries in the world, more than 58, where there is endemic poverty.

The food crisis has not hit us yet in terms of prices but it will. When it hits, it is those Canadians who are least able to afford it who are going to be hurt, people who are single parents with very little money, people making minimum wage or a bit above it, and seniors on fixed incomes who live hand to mouth. The implications of this are quite significant.

What if people have to make choices within food groups? That is how it happens. As prices increase dramatically, people actually have to jettison vital food groups that are important not only for the health of adults but are critical for the development of children.

We know that the deprivation of micronutrients and malnutrition on a developing child is catastrophic. If children are deprived of micronutrients and are malnourished, the developing brain in particular is affected. Malnutrition and micronutrient deficiencies create long term cognitive, intellectual and physical disabilities that are permanent.

• (1615)

Children would grow up to be adults who are less than what they could be. The downstream effects of this are what? The downstream effects are that children who are deprived of micronutrients and are malnourished have long term physical, cognitive and intellectual disabilities that affect them when they are adults.

When they are trying to be employed; go to school; acquire training; live and work; act, behave and interact; all of those are negatively impeded by virtue of the fact of what happened when those individuals were children. Early deprivation has long term, profound implications not only for the individual but for society as a whole. The tragedy of it is that it is entirely preventable.

When we know that, it behooves us to start to tackle this issue in a pragmatic way. Let us talk about some of the antecedents as to why the food crisis is taking place. Demand, to be sure, is going up in countries such as India and China, pushing prices up.

Second, there is the issue of higher energy costs. Energy is required to produce fertilizers. Seeds are becoming more expensive. Availability is down. Biofuel, the conversion of foodstuffs such as corn into ethanol, which is put in our gas tanks, is also a driver to move prices up.

The last and the most pernicious area is the area of trade barriers. There is something we could do that would dramatically ameliorate the effects of food prices and that is the tariff and non-tariff barriers to trade that are dramatically impeding our ability to be able to produce the food that we require.

Imagine that the Doha round and WTO has ground to a halt. It started in 2001, I believe, and it has been sitting there moribund or endlessly going around in one big circle. The countries that are most responsible for this are those that are the richest. The countries that pay the price are those that are the poorest.

Imagine that. We have a world food crisis where some of the poorest people in the world are unable to put food on the table and we, as developed countries that are the richest countries in the world, are actually doing things to prevent people who need food, who live on less than \$2 a day to feed their children and themselves.

Why has the government not demanded an emergency series of debates at the WTO to move the Doha round forward and to implement the Doha round of agreements? This is something that our new Conservative government has fallen flat on, among many other things on the international stage. Why has the government not done this, instead of sitting back? Why has the government not taken a leadership role to address this international challenge?

Canada can do this. We can take a role in mobilizing the more than 27 agencies such as the World Bank, FAO, IFAD, WFP, and WTO. All of those organizations, 27 in total, are tasked with a responsibility to deal with food issues.

Canada can make a profound impact at the WTO. Canada needs to get our diplomats behind this. There has to be a sense of urgency that has to come from the Prime Minister's Office. The Prime Minister has to tell our highly competent diplomats to move this forward and get the job done. They have to get the Doha round of agreements completed and mobilize this with our international colleagues.

On the development stage, we have heard very little. In fact, we have heard nothing on this. Moneys were given. A good thing the government did was to not tie the aid and I compliment it for that.

The amount of money given by the government was \$50 million more than last year, but prices have increased by 40% plus for the demands that the World Food Programme is trying to meet.

Government Orders

We have an increased demand but we also have increased costs. As a result, the amount of money that we are actually putting forward on this is not even able to keep up with the increases in prices. This is something that is unconscionable.

• (1620)

What else can happen? As I said before, some 500 million small landholders live on less than a hectare. About a tonne of foodstuffs, grain and basic products can be derived from a hectare. We know what we could do. Jeffrey Sachs from Columbia University has made some very eloquent interventions. We could double or even triple the output from these small landholders, who are some of the poorest people in the world.

Imagine if Canada were to tap into some of the extraordinary research available in the International Development Research Centre and other areas in Canada to deal with the issues of better seed quality, better access to fertilizer and markets and better agricultural practices, water security and irrigation techniques. That combination could be used quite significantly to triple the output of foodstuffs from small landholders. What a remarkable thing we could do if Canada were to take up that leadership role.

I would be remiss if I did not draw attention to two areas of excellence within CIDA. One is the micronutrient initiative in which Canada plays a leadership role. I urge the government to work with the Minister of International Cooperation and other partners to support this initiative because micronutrient deficiencies have a profound impact on developing children.

CIDA has discovered high protein, high caloric, high energy bars. The government could work in this area as well because these bars would be effective during a food crisis.

I also want to talk about food security and, in particular, the fisheries issue.

A good chunk of the world relies on fish for food because it is an important source of protein. Ninety per cent of world fish species have been removed from the oceans, particularly large fish species like tuna and shark. This is a catastrophe. Our oceans are dying. Dr. Sylvia Earle from Woods Hole in Massachusetts has done an excellent job of articulating this. She calls it the dying oceans. Why is the government not dealing with this catastrophe?

I will give the House an example. As draggers fish, they destroy the beds upon which fish reproduce. Draggers are horrible, destructive elements in fishing and they are creating an environmental catastrophe. If Canada were to work with our partners to ban dragging, that would go some way toward addressing the problem of our dying oceans. The reason I mention this is because this is part of international trade agreements and trade negotiations.

We have heard nothing from the government on all these issues. We have given the government a number of constructive solutions on which it could act. It could act on the food crisis. It could act through international development and trade. The government could ensure that Canadians are not going to be affected by the storms that are wafting over the world right now. So far we have been somewhat protected, but that is not going to exist much longer.

These are big international issues that demand international action. Our country can act with authority and knowledge. I implore the government to demonstrate some leadership and do this for our citizens and for the world.

• (1625)

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I am glad the member has spoken to the European Free Trade Association agreement with Canada. As he is well aware, it is an agreement between the Government of Canada and EFTA, which is a bloc of four countries, Iceland, Liechtenstein, Norway and Switzerland, to implement a bilateral trade agreement between us and those four countries. It is a bloc of countries that is made up of about 12 million citizens. It is a good trade deal because it is a free trade deal with countries that have similar or even higher labour and environmental standards as compared to Canada's. It is a step in the right direction.

I note that this is in Europe. The big trading bloc in Europe is the European Union, an area of about 27 countries and close to 500 million citizens.

What does the member think the Government of Canada needs to do in order to conduct a trade agreement with the European Union? The real future opportunity for Canadian trade, for Canadian business and for Canadian society is under a free trade agreement with the wider European Union, as I mentioned before, a trading bloc. It is one of the largest trading blocs in the world, made up of close to half a billion citizens and 27 member states. What does the member think we need to do as a country, as a government, to move that sort of trade deal along now that we have the first building block of a free trade agreement with the EFTA?

Hon. Keith Martin: Mr. Speaker, my colleague has hit on a very intriguing challenge for the reasons he has mentioned, in terms of the size of the existing population. He also knows there are enormous barriers within that bloc, particularly in terms of the trade subsidies, the tariff and non-tariff barriers, that exist within the European Union and between the European Union and us.

I submit that there are two channels we could take.

One is to pursue it through negotiations, but be very certain that our domestic producers will not be harmed. Critical to that and incumbent upon the European Union is to remove the tariff and non-tariff barriers that so far have created tremendous price distorting issues, not only in the agricultural sector but also the non-agricultural merchandise sector too.

The second channel is we move to the WTO. The member knows I have a particular passion, and I know he does too, in dealing with the Doha round of talks. It is unfathomable I think to most of us to see the intransigence on the part of the Europeans in trying to move forward with something that will help the most impoverished in our world. The failure to complete the Doha round is self-defeating. In the absence of moving through Doha and in the absence of completing these talks, we affect negatively the very security that we are trying to deal with not only in Afghanistan but also in other parts of the world. The failure to complete Doha creates insecurity in some of the most impoverished parts of the world, which ultimately will come to address us in terms of insecurity.

Government Orders

I will close by one point. Maybe the area in which we can attract our European friend on this is the issue of immigration to Europe from other parts of the world that are quite poor and the effect that has in its own countries. They are deeply concerned by the immigration issue. If they were able to go and complete Doha, then a lot of the people who would go to their countries, seeking simply a better and more secure life, as any of us would do, would not happen.

Therefore, the carrot for the European countries would be diminished immigration. A lot of the immigration challenges and racial issues within Europe would be defused. They would also be providing security in areas that have been a source of terrorist activity and insecurity for Europe.

•(1630)

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Andrew Scheer): Accordingly the division on the motion stands deferred until the end of government orders today.

It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Don Valley East, Federal-provincial Relations; the hon. member for Bramalea—Gore—Malton, Citizenship and Immigration; the hon. member for Rimouski-Neigette—Témiscouata—Les Basques, World Food Crisis.

* * *

NUCLEAR LIABILITY AND COMPENSATION ACT

Hon. Peter MacKay (for the Minister of Natural Resources) moved that Bill C-5, An Act respecting civil liability and compensation for damage in case of a nuclear incident, be read the third time and passed.

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, it is good to get up on Bill C-5, because it is such a

good bill. I think that all members are going to be interested in it. I would encourage all of them, as I said, to support it.

I want to mention that the Standing Committee on Natural Resources did a great job in dealing with this bill. There was a very positive study of the bill by the committee and the bill was reported back to this House without amendment. We certainly appreciate the work the members of the committee put into their study of Bill C-5.

Canada's nuclear safety record is second to none in the world. We have a robust technology, we have a well-trained workforce, and we have stringent regulatory requirements.

There are two pieces of legislation that provide a solid framework for regulating the industry in Canada. Those are the Nuclear Safety and Control Act and the Nuclear Fuel Waste Act.

Responsibility for providing an insurance framework, that is, a framework to protect Canadians and to provide stability in this important industry, falls under federal jurisdiction. The Government of Canada has the duty to assume its responsibilities in this area, and through this bill it is doing just that.

Canada, like virtually all other nuclear countries, addresses this responsibility with the enactment of special legislation. In Canada, we have put in place the Nuclear Liability Act. That act was passed years ago. Bill C-5 modernizes the Nuclear Liability Act. It does so by doing a number of different things. It brings the compensation levels into line with internationally accepted compensation levels. It expands the categories of compensable damage. It improves the compensation procedures and the way people make claims. It increases the financial liability of nuclear operators.

Up to date rules are needed to provide certainty regarding insurance and legal liability for suppliers, operators and the general public. Without this certainty, Canada would not be able to attract leading international firms and suppliers of technology in the nuclear industry. Of course, it could be argued that Canada's current legislation more or less accomplishes these objectives. Therefore, the question needs to be asked, why do we need new legislation when we already have a serviceable act in place? The simple answer is, as I mentioned, that the current act is outdated.

The Nuclear Liability Act was passed in 1970. In terms of today's nuclear technology, that is the middle ages. Several lifetimes of nuclear and related technologies have come and gone since then. In short, Canada's existing Nuclear Liability Act reflects the technology, the science and the thinking of an earlier period.

In the interim, it is not only the technology of nuclear energy that has advanced considerably, but the evolution of jurisprudence has contributed to substantial increases in potential liability. Therefore, the government has made the decision, and Canadians are supporting it, that our legislation must be upgraded.

There are, of course, certain fundamental principles of the 1970 act that must be retained. These include absolute liability, exclusive liability and mandatory insurance. I would like to take a couple of minutes to explain what those terms mean, because I know everyone in the House is very interested in them and fascinated by them.

Government Orders

Absolute liability means that the operator of a nuclear facility will be held liable for compensating victims in the rare case of a nuclear incident. This means that victims would not have to negotiate with a highly complex industry in order to determine who is at fault. There would be no question of where to take a claim for compensation.

A second and related principle, exclusive liability, means that no other party other than the operator, for example, no supplier or subcontractor, would be held liable. This removes the risk that would deter secondary enterprises from becoming involved in nuclear projects.

To modernize our liability scheme, we must have legislation that goes farther, although retaining certain fundamental principles. That is what Bill C-5 does.

The proposed legislation increases the limit of liability for nuclear operators. The current liability act sets the maximum at \$75 million. That amount was substantial when it was set, but now stands as one of the lowest limits among the G-8 group of nations.

The proposed legislation reflects the conditions of today by raising that limit to \$650 million. This balances the need for operators to provide adequate compensation without burdening them with huge costs for unrealistic insurance amounts, or impossible insurance amounts, for events that are highly unlikely to occur in this country. Moreover, this increase puts Canada on a par with most western nuclear countries.

• (1635)

Bill C-5 also increases the mandatory insurance that operators must carry by almost ninefold. It permits operators to cover half of their liability with forms of financial security other than insurance. This has been an important provision for the industry. These could, for example, be things like letters of credit, self-insurance, and provincial, or in the case of Atomic Energy of Canada, federal guarantees. All operators would be required to conform to strict guidelines in this area.

Bill C-5 makes Canada's legislation consistent with international conventions. It does so not only with respect to financial matters, but it also does so with clearer definitions of nuclear damage reflecting today's legal and international nuclear civil liability conventions. These definitions include crucial matters as to what constitutes a nuclear accident, what damages do or do not qualify for compensation, and so on.

These enhancements will place Canadian nuclear firms on a level playing field with competitors in other countries.

Bill C-5 also makes changes to the time period for making claims. Under the act that was passed in 1970, claims had to be brought forward within 10 years of the incident. However, the proposed legislation raises the time limit on compensation for claims to 30 years. Both the earlier Nuclear Liability Act and Bill C-5 provide for an administrative process that will operate faster than the courts in the adjudication. However, the proposed legislation clarifies what the arrangements for the quasi-judicial tribunal must be in order to hear those claims. This new process will ensure that claims are handled both equitably and efficiently.

There has been a lot of debate about some of these proposed measures. For example, there has been discussion about how and why the government arrived at the \$650 million amount. Questions have been raised as to other international practices and what goes on in other countries. We believe the \$650 million liability limit will adequately address any foreseeable incident in a Canadian nuclear power plant.

Although the U.S. operator liability is cited as \$10 billion Canadian, in practice, individual U.S. operators effectively carry \$300 million Canadian in primary insurance coverage. A few countries, namely Germany, Switzerland and Japan, do incorporate unlimited liability to the operator under the provisions of their nuclear civil liability legislation. However, in practice, that liability is always limited to the amount of coverage provided by existing insurance plus the net worth of the operator that is liable.

Questions have been raised as to how the \$650 million liability limit will stay modern. It is important to note that the \$650 million limit set out in Bill C-5 can be increased by regulation, and that limit needs to be reviewed at least every five years. This review will examine changes in the consumer price index and international trends, but will have the flexibility to take into consideration any other criteria that is deemed appropriate.

We have made the argument, and Canadians have accepted it, that this is a proper limit in order to ensure that we have the nuclear liability amounts that we need.

The challenge for the government in developing this legislation was how to be fair to all stakeholders and to strike an effective balance in the public interest. In developing Bill C-5, we consulted with nuclear operators, suppliers, insurers, the provinces with nuclear installations, as well as the public. They generally support the changes that I have described.

I know that some nuclear operators may be concerned about cost implications for higher insurance premiums, but they also recognize that the current levels have been outdated. Suppliers welcome the changes as they provide more certainty for the industry. Nuclear insurers appreciate the clarity provided in the new legislation and the resolution of some long-standing issues.

Provinces with nuclear facilities have been supportive of the proposed revisions to the current legislation. Municipalities that host nuclear facilities have been advocating revisions to the Nuclear Liability Act for some time. They are supportive of the increased levels of operator liability and improved approaches to victim compensation.

In short, Bill C-5 was not developed in isolation. The evolution of policy was guided by consultations with key stakeholders and by experiences gained in other countries. The reality is that we have general support of the industry at large for Bill C-5. I would urge the members of the House to join in that consensus.

To conclude, Bill C-5 establishes the compensation and civil liability regime to address damages resulting from radiation in the unlikely event of a radioactive release from a Canadian nuclear installation. It ensures that a proper compensation program is in place and channels civil liability to operators.

Government Orders

• (1640)

The introduction of Bill C-5 adds to this government's track record of making responsible decisions on the safe, long term future of nuclear power in Canada. It adds to the government's record of promoting a safer, more secure and cleaner world through the responsible development of nuclear energy for peaceful purposes.

• (1645)

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, based on the debacle of what occurred last year with respect to the current Minister of Natural Resources and what took place at Atomic Energy, I want to ask a simple question. What assurances can the member give Canadians that there is an open and transparent process by which Canadians can be confident that the oversight mechanism at Atomic Energy is actually competent and transparent, and that Canadians will be aware of the process and the findings of what occurs when we are examining our atomic energy facilities?

While the chances of something happening are small, if something did happen, it would be catastrophic. Canadians have a right to know what safeguards the government is putting into place to make sure those catastrophes will not happen.

Mr. David Anderson: Mr. Speaker, I need to point out that the Canadian technology being used is extremely safe and the likelihood of any sort of a nuclear incident is very, very small. I think we will hear that from other members who will speak to this bill, who were at committee and understand that issue.

I should explain the oversight mechanism as it is at present. Clearly, AECL has been the provider of the nuclear technology in this country for a number of years. We have initiated a review of AECL to determine what its role should be in the future. Apart from that, the Canadian Nuclear Safety Commission provides the oversight of the safety of nuclear installations in this country. We have confidence that the commission can do that and it has been tasked with that job.

Overall, the Canadian nuclear industry is healthy. It is a safe industry and we look forward to the future.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I have a question about the liability the Government of Canada may have with respect to its involvement in the nuclear industry. I am not sure if the member can answer the question, but I will ask it anyway. There are two incidents that I will point out on which I think we have had liabilities or currently have liabilities.

I wonder to what extent this piece of legislation restricts the federal government's liability with respect to the nuclear industry. In the summer of 2005, the government of the day transferred \$2.3 billion from the Government of Canada to its crown corporation, AECL, in order to recapitalize the corporation with respect to its liabilities for waste management.

Another liability that comes to mind is the liability associated with the medical isotope reactors that were to be built at Chalk River. That project was recently cancelled. My understanding is that the Government of Canada is partly responsible for the cost overruns and liabilities associated with that.

Could the member indicate whether or not this piece of legislation in front of us limits the Government of Canada's liabilities, either with respect to these sorts of incidents or in any other way?

Mr. David Anderson: Mr. Speaker, there are a number of areas there which I could talk about for some time. I will try to make it short so other people have an opportunity to ask questions.

Clearly, in the development of the bill and the changes to the Nuclear Liability Act, there was an examination of what would happen in the unlikely event there was any sort of an incident in this country. There was a study of what level of compensation needed to be put in place in order to deal with whatever situation might arise. The former amount was \$75 million. It was felt that \$650 million was a good requirement in order to cover any incident that may occur in this country. That is why that number was picked. It is a practical number which, after studies, debate and discussion about what liability would exist, it was felt would cover more than adequately any event that would take place in this country.

• (1650)

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, I listened carefully to the parliamentary secretary's remarks. We are now at third reading and he knows that the Bloc Québécois will support the bill.

My question is closely related to Bill C-5. Today, in *La Presse*, we see a front page article by François Cardinal with the headline, "Nuclear: Safety is less than maximum" due to a lack of resources.

Today we are discussing a bill that offers guarantees, that assigns responsibilities to operators and that provides for compensation to people who suffer the consequences of a nuclear accident.

Can my colleague tell me whether, in his opinion, the Canadian Nuclear Safety Commission has all the necessary means and all the human and financial resources to properly play its role of monitoring and ensuring the safety of all the nuclear installations under its responsibility?

After reading the article published this morning, we have doubts about that. Since we are discussing responsibilities related to nuclear energy, I hope the parliamentary secretary will take this opportunity to reassure us by telling us that the Canadian Nuclear Safety Commission has all the human and financial resources it needs to carry out its entire mandate.

[*English*]

Mr. David Anderson: Mr. Speaker, I want to reiterate that Bill C-5 deals with a number of these issues in terms of providing the environment we need to ensure the nuclear environment in this country is safe.

The bill would bring compensation into line with internationally accepted compensation levels. It would expand the categories of things that are compensatory. It would improve the compensation procedures. It puts in a number of procedures that would make it much easier for people to make claims in the event of an incident. It would increase the financial liability of financial operators. On that side, Bill C-5 would put a very strong framework in place for Canadians.

Government Orders

On the other side, in terms of AECL, this government has provided extra resources to AECL. We have also undertaken a review of AECL and its role in Canada. As was mentioned by my colleague earlier, we have provided extra resources for cleanups and those kinds of things.

The Canadian Nuclear Safety Commission has been given the resources that it needs to do its job, which is to supervise the safety of our nuclear installations in Canada. We believe it now has adequate resources to do that job.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I want to go back to my original question for the hon. member because he did not answer it. It is a very fundamental question for most Canadians because most Canadians want to know if the nuclear industry is safe.

The member is right when he says that it has been safe in our country but that does not mean that it will always be safe. Let us look at the situation in Chernobyl in Ukraine. If we had asked representatives of the Russian nuclear energy agency at the time whether Chernobyl was safe, they would have said that there was never going to be a problem. Therefore, saying something is safe does not mean that it will be safe.

My question for the member is a very fundamental one, a non-political one and one which I hope he answers. What assurances can he give Canadians that the mechanism of observing and ensuring that the atomic energy industry in Canada and our atomic energy facilities are safe? What can he tell us about the process the government has implemented to ensure those safety mechanisms are transparent, open and available to the public?

Mr. David Anderson: Mr. Speaker, those structures, for the most part, are already in place. The public has access. It is an open process in terms of understanding what is going on.

As I have mentioned a couple of times, the CNSC has been given the responsibility for overseeing the safety of nuclear installations in Canada. It has clear guidelines and directions as to what needs to happen in these facilities. I think we saw some of that previously this year in terms of the things that it demands from the installations themselves.

I do not think it is fair for the member to even consider that we can compare with Chernobyl because our technology is completely different. We have decades of safety and safe operation behind us. It is not the same technology at all. For him to be even comparing the two is not realistic.

AECL is developing new technologies and, obviously, the technologies are becoming safer as the procedures are becoming more demanding. We are willing to work with that.

• (1655)

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Mr. Speaker, I will be sharing my time with my colleague from Thunder Bay—Rainy River.

The Acting Speaker (Mr. Andrew Scheer): As this is the first round of speaking, I will need to ask the House if there is unanimous consent to allow the member for Mississauga—Erindale to split his time. Is it agreed?

Some hon. members: Agreed.

Mr. Omar Alghabra: Mr. Speaker, I am glad to have the opportunity to speak to the bill again. Bill C-5, the nuclear liability bill, is an important bill. It is a culmination of years of examination and review of the old bill and is a concise overhaul of the old bill.

I want to take this opportunity to echo what the parliamentary secretary said earlier. I want to thank members of the natural resources committee for their diligent work in reviewing the bill, for listening to various stakeholders and for offering constructive discussion throughout our hearings. I also want to thank the officials at Natural Resources Canada for their diligent work and for offering an insightful presentation of the bill.

This is an administrative bill that overhauls the 1970 act. It offers new and tighter definitions, clearer objectives, a new liability limit and defines financial security. It also proposes a new tribunal for claims.

We heard throughout our study that Bill C-5 was very much needed for the industry and for Canadians. Nuclear suppliers, host communities, independent professors and stakeholders offered our committee very comprehensive thoughts on the bill.

While there were many legitimate questions about what the limit should be, what type of financial security there should be and how the tribunal should be structured, the overall consensus was that the bill was needed. Host communities, industry and many Canadians are waiting for it. We will be supporting the bill as presented to the House.

However, I cannot miss the opportunity to speak about the nuclear energy situation in our country.

Earlier this year we witnessed a lot of issues with respect to Atomic Energy and the government's management of AECL. We had a national health crisis when the NRU reactor at Chalk River was shut down because of a licensing issue. As a result, we had a severe shortage of nuclear isotopes. Many Canadians, in fact many citizens around the world who depend on the supply of isotopes, were left scrambling for alternative medicine. Some people had their appointments or examinations delayed. I remember the minister at the time saying that many lives were at stake, and I agreed with his comments. Many lives were at stake.

That problem resulted from the Conservative government's mismanagement of the situation. The fiasco was blamed on the Canadian nuclear safety regulator who was doing her job. The government accused her of partisanship. It claimed to consult independent experts, who, by the way, happened to either be a Conservative or a former AECL employee. Rather than address the root cause of the problem, which was the shortage of isotopes, the government placed the blame exclusively on someone else and, in fact, ended up firing her without any justification.

It is important to raise this issue today because we were just reminded of this a week ago when the government again showed its incompetence by announcing that it would stop the MAPLE reactors, which were supposed to replace the old NRU reactor that produces isotopes, without providing Canadians with a plan on how the supply of isotopes will be supplemented.

Government Orders

• (1700)

In December of last year, Canadians witnessed what could happen if the NRU reactor were to go out of production: severe shortages that could potentially cost Canadian lives.

The minister, after hiding for a month and getting training from a media consultant, told Canadians that he had to fire the nuclear regulator because Canadian lives were at stake. Now he has the gall to say that the government will end the project of replacing the NRU reactor and that we should not worry about it because everything is under control. By the way, we do have a 30 year contract to supply isotopes but we will keep the 50-year-old reactor to produce those isotopes.

Any reasonable observer can be forgiven for not trusting the government's word on having any sense of reliability or competent management of the situation. If the government had presented a plan at the time of its announcement of shutting down the MAPLE project, it would have been excused for its decision. However, the fact that it has announced that it will no longer pursue the MAPLE reactor but has offered no real plan to supplement the production of isotopes, leaves those questions in the minds of many Canadians.

I would not be doing my job here today if I did not ask those questions and raise those points. My Conservative colleagues cannot disagree with me. At the time, supposedly they justified the firing because lives were at stake. Now they cannot claim that there is no risk involved here.

There is another issue here. The Conservatives are secretly considering the privatization of AECL but they are not sharing their plans with Canadians. They are not telling us what they are working on. Instead, they want to do the write-off of the MAPLE reactors on the backs of taxpayers so that if they want to privatize it, taxpayers will pay for that write-off.

It is important that the government, the Minister of Natural Resources and his parliamentary secretary tell us here today what their plans are for AECL. It is not just important for me. It is important for Canadians. It is important for the Ontario government, which is looking to hire AECL to build a nuclear reactor, but right now the Ontario government is skeptical about the future of AECL because the federal government has said nothing about it. There are jobs at stake and talent at risk. We need to know what the Conservative government plans to do with AECL.

I do not think anybody can attack me for asking these questions. This is my job. This is what Canadians are asking for and the Conservatives are failing Canadians. They are not explaining what they are doing. They are not assuring us that they are worried about nuclear safety. They are not telling us that they are concerned about the supply of isotopes. In fact, they are not even telling us what their plan is for the future of nuclear energy.

We know that nuclear energy has a bright future, not just in Canada but around the world. We know that AECL has a wealth of talent, people with high degrees of experience and education that have been inventing and creating products unparalleled around the world and they deserve an honest answer from the government. They need to know what the future holds for them. They need to know

what the government plans to do. The Conservatives need to do it transparently, apolitically and publicly. They cannot do it in secret.

I want to take this opportunity here today to urge the government to consult publicly and share with us its plans for AECL. Again, future projects depend on it, jobs depend on it and our nuclear energy future depends on it.

• (1705)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC):

Mr. Speaker, I am glad to have the opportunity to respond. It is good that the member used his time to ask us questions, but I do want to talk about AECL because we have been, as he said, transparent. We have been apolitical and we have been very public about what we are doing. I think he knows that. I think he is perhaps just trying to confuse people a bit.

Clearly, in budget 2008 we recognized that nuclear energy and specifically the Candu technology is an important component of the programs that we are developing internationally and domestically. The minister has been more than clear about the fact that he is committed to restoring prudent management of the nuclear energy file after years of neglect by the previous government. Everyone knows that.

He announced a full review of AECL last fall as part of that changeover to responsible management of the crown corporation. The review of AECL is ongoing and all options are on the table. No decision has been made on that yet. I think everyone is aware of that as well. His department is working closely with the other departments, the Department of Finance and with the full collaboration of AECL.

I should point out that everyone who has been following this file also understands that National Bank Financial has been hired as financial adviser to the government and is currently preparing its first report on the financial position of AECL. Therefore, there is a review ongoing. There has been a financial report that has been developed about AECL. Management has been updated. In the coming months the government is going to have the results of those reviews and will gladly release them. The member knows these things, but the Canadian public needs to understand that he has been well aware of them as well.

Mr. Omar Alhabra: Mr. Speaker, I must have touched a nerve with this member, but rightly so. He did not answer any of the questions. We know that the government fired the nuclear safety regulator but to this day we still do not know why. It has not been able to provide any reasonable justification for that decision.

We know that the government suspended the MAPLE project, but it did not tell us how it is going to secure the supply of isotopes for the next 30 years. We know that the National Bank Financial report is done because the minister told us that in committee, but the government has not shared that with Canadians. We know that the government is planning on some form of privatization, but it is not telling Canadians.

Government Orders

This hon. member, especially given the performance of the minister last December, needs to understand that we will continue to ask these questions. We have every right to doubt the government's ability, skill and competence in managing that file because it has proven that it is incompetent and incapable of managing nuclear safety.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, I would like to congratulate the member for Mississauga—Erindale on his remarks. I share his concerns about nuclear safety.

Today, we are discussing a bill on nuclear responsibility and, in my view, nuclear responsibility cannot be isolated and treated separately from safety. I am concerned, and I share his fears, as do many Quebecers when we know that the reactor that produces isotopes at the Chalk River laboratory is now 50 years old and that we were counting on MAPLE reactors to produce a new generation.

The initial requirement for the MAPLE reactor project was \$140 million. We still do not know how much Quebec and Canadian taxpayers have invested in this project, nor what results it produced because the project was cancelled.

Now that the project has been cancelled, after swallowing millions of dollars, what steps will be taken to protect and produce medical isotopes?

Would the member tell us more about the concerns that his fellow citizens have been sharing with him on this subject?

• (1710)

[*English*]

Mr. Omar Alhabra: Mr. Speaker, I wish to thank the hon. member for her question and also thank her for the excellent work that she does at committee.

This is a question that I have been focusing on and I would like to focus on more. Let us for the sake of argument assume that it was the right decision to suspend or cancel the MAPLE project. Let us for the sake of argument say that it was the right decision. However, what is of concern is that the government did not take the time to devise a plan B, to tell us how it is going to maintain the supply of isotopes for the next 30 years.

AECL has a contract for the next 30 years to supply isotopes. If the government plans to get out of that business, it should be honest and tell Canadians so they know not to expect isotopes from AECL. However, it is not telling us. All it is doing is cancelling the project.

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, I would like to congratulate the member for Mississauga—Erindale. As a member of the committee and as the lead on this issue, his work has been quite stellar and inspirational to all members from all parties in terms of the depth of his knowledge and his ability to get to the point, and make those points objectively and incisively.

I was also very proud to be a member of the natural resources committee. When we worked through this process, it actually was quite positive. I believe our common goal to protect Canadians and enhance protection on this issue was really foremost in our minds and indeed the world. There is no doubt that when legislation is

proposed on nuclear viability, many people are watching to see what our nation is going to do and how effective it will be. When there is a chance to make better legislation, we always hope that it is.

What happened during the course of this debate is probably quite strange to many of us because it seems that the government has been reluctant to provide the confidence needed to satisfy Canadians that our reactors are completely safe. I am hoping the reactor isotope scandal has not forced the government to cocoon or muzzle its members.

When the member for Esquimalt—Juan de Fuca asked if the Canadian public can have the confidence that there is public safety oversight, so that plain and simply we know that our reactors are safe, I believe the response from the government should have been unequivocal, prompt and clear. I certainly believe that the mechanisms, structures and processes for safety are in place, and that the Canadian nuclear industry provides the highest standard of safety. Indeed, it is a selling point for us internationally.

I am hoping, as the viewing public watches this debate, that the isotope shortage scandal does not confuse the public in terms of the goals and objectives of this bill. Clearly, the industry needs and wants this. We went through a very long and comprehensive list of witnesses, scientific groups, citizen representatives, environmental organizations, people who understand the industry from many components, and communities which are affected directly. When we make legislation such as this, we want to make sure that people are consulted.

Indeed, on the question of the adequacy of limits, as someone who has a background in commercial insurance, it is always an interesting question about how much insurance could one really have. From a sales standpoint, many people would think that we are always encouraging people to buy more just for its own sake, but eventually we have to get to a point where we can set a limit and feel confident that in the very remotest possibility of an accident that the compensation level would be adequate and that people would be in the situation they were before the accident.

It was a fascinating debate when other components were added: offshore, water transportation, airborne contaminants, and transportation disruptions. My impression from those witnesses observing the legislation, as they compared our proposed legislation to other countries, was that this bill would come out very good compared to much of the rest of the planet where others have actually gone to the stage of providing such liability. After all the intensive questioning it seemed that as we tried to address this, it was to a large extent overshadowed by the isotope shortage issue.

• (1715)

We on the committee realized that it could have been averted. With proper planning and arrangements internationally with other countries, there would not have been the need for a knee-jerk reaction, which of course disturbs the entire country and everyone feels it was the industry that was at fault as opposed to the government. Was it handled incompetently? It is now pretty obvious. The vast majority of Canadians would agree with that.

Government Orders

Were there people making presentations who had a partisan bias? That of course clouded the issue to some extent. As it continues, we know that the isotope issue has to be addressed in a much more open and consultative process. Here we are close to June. We had the hearings in January and the report to Parliament has been delayed through some other work but also because of an extremely long process for a forestry report.

Parliament should have had the report on the isotope issue already. Hopefully there will be enough time to address that and table it in Parliament before the summer adjournment. Otherwise, it appears that the committee may be meeting during the humidity days of July. Can we get to that report in common cause for the common good? I truly hope that all members of the committee are on the same wavelength for that. I am speaking in good faith.

Rainy River, of course, is part of Thunder Bay—Rainy River. For those who may not be aware, my riding is seven and a half hours long over two time zones. Imagine driving to a community such as that over the Victoria Day weekend and hearing an announcement that there is going to be a shutdown of the program. I ask, as many people do who are tuned in to this, why would the government do it on the Victoria Day weekend? What confidence should I get from this? Is this not strange?

The media reaction, of course, was that it was very shocked. It undermines public faith. When we tell them we are striving to have the highest possible standards for an industry, it certainly gives fuel to critics who may have their own biases about the nuclear industry, so that we actually undermine confidence as opposed to some form of open media or press release at a time when people can respond to it. It is hard to imagine that something would happen at that time of day over that kind of weekend and people would not suspect a hidden agenda.

When Canadians want to know what lies in the future for the nuclear industry, we should be able to overcome unfair reaction. We should be able to debate the entire future of energy, energy supply, energy demand, and how Canadians will meet their needs in the future.

Where does nuclear fit in all of this? In my riding of Thunder Bay—Rainy River, there are two coal plants. I want to let people know that we want clean coal as an alternative energy. We want to be part of the program for energy where nuclear fits. This is where this bill helps. Do we need a national plan? I believe we do. It is only fair. Canadians need the reassurance. It is needed internationally for our sales of Candu products and it means that not only Canadians but the entire world has to feel confident in us.

● (1720)

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, since we are on the topic of the nuclear industry, I want to ask my colleague across the aisle about the proposed build-out of new reactors in the province of Ontario.

A couple of months ago Ontario energy minister Gerry Phillips announced a request for proposal that would go to four firms, two American, one French and one Canadian, the Canadian one being AECL, to build-out the new reactors in Ontario.

My question to him is this. Does he feel it is essential that those contracts be awarded to AECL to ensure the vitality of the nuclear industry in Ontario or does he feel that they should be awarded to the best bidder? If he feels they should be awarded to AECL, what measures does he feel that the government or the provincial government should take to ensure that happens?

Mr. Ken Boshcoff: Mr. Speaker, as someone who was fortunate to have a private member's motion pass for buy Canada content for public transit, my bias to supporting national industries is pretty much a public concern here. I understand that the provincial government has included a 25% buy Canada component but I do not know if it extends to the nuclear industry.

The question is an interesting one because even here in our nation's capital, its bid for light rail transit had no Canadian content requirements at all. I am not privy to the way the provincial government awarded those things, especially with my bias to clean coal, as I mentioned earlier in my speech, and my hope that the two coal plants would be—

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

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I enjoyed the speech by the member for Thunder Bay—Rainy River, as I did the speech of his colleague, the member for Mississauga—Erindale, both of whom contribute magnificently to the natural resources committee, of which I am a member as well.

I am sure the Speaker will recall that a very professional woman, Linda Keen, had her reputation sullied and damaged. The background, very briefly, is that Ms. Keen had ordered AECL to effect certain repairs, so to speak, or certain measures to the reactor at Chalk River in August 2006. By November 2007, some 15 months later, it became apparent that the reactor had not yet been rectified in the fashion ordered by the regulator. In any event, the day before Ms. Keen was to appear at committee, she was fired.

I would like to ask the member for Thunder Bay—Rainy River if he shares my concern and the concern of the distinguished member for Mississauga—Erindale that the government has not been as forthcoming about its plan—

The Acting Speaker (Mr. Andrew Scheer): I will have to allow the hon. member for Thunder Bay—Rainy River a chance to respond.

Mr. Ken Boshcoff: Mr. Speaker, I believe the policy of shooting the messenger as opposed to addressing the solution is probably not the right course. It undermines again the confidence in the nuclear industry, in particular, and in government processes in general.

As a member of the committee, when we see that first-hand, where a thoroughly professional person is meant to carry the burden and has to take the fall when clearly the leadership has to come from the government, it has to be the minister's responsibility.

● (1725)

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): The member for Beauharnois—Salaberry for a very quick question.

Government Orders

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, we know that in the last government budget, \$100 million was set aside to continue with the development of the ACR reactor. We hope that this \$100 million from taxpayers' pockets will finally do the trick because each time a budget is presented we have been told that this is the last time money will be invested in this project.

Does he truly believe, as a member from Ontario, that Atomic Energy Canada Limited will be able to provide a marketable reactor that will respond to the needs of this province in a timely fashion?

[*English*]

Mr. Ken Boshcoff: Mr. Speaker, I can only hope that such will happen. If not, there are always the two clean coal plants in Thunder Bay and Atikokan that we could probably use to carry us through.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, I am pleased to speak to the debate at third reading of Bill C-5.

I want to take this opportunity to thank all the members of the committee for their excellent work. Knock wood, all the members in the Standing Committee on Natural Resources work earnestly, professionally and even passionately. We have just concluded a study on forestry during which we discovered the talents, passions and especially the skills of the members of our committee, which enriched our debates.

Unfortunately, in the debate on Bill C-5, we did not have any specialists in insurance or nuclear liability. We truly had to listen very carefully together to all the witnesses and all the legislative staff who advised us and explained certain things.

We also heard from mayors. Those were the testimonies that touched me the most. There is an association that consists of the mayors of all cities that have nuclear power plants, who have joined together to be represented. We heard from one mayor who told us she was truly pleased with the bill, but that she was surprised and even disappointed that the bill allowed for just \$650 million in compensation.

Perhaps we should remind those watching us on television that the purpose of Bill C-5 is to modernize an existing law that has been obsolete and neglected for over 30 years. The bill is intended to meet international standards on nuclear liability. This bill explains the responsibility of operators regarding nuclear liability, sets compensation at a maximum of \$650 million, and creates a tribunal to hear claims in the event of a nuclear incident.

After much debate, everyone agrees that \$650 million is a clear improvement over the current provisions. With the resurgence of nuclear power, we all agree that \$75 million was not enough. Nonetheless, some concerns remain. We are reassured by the fact that the minister or the government will be able, every five years, to increase the amount of compensation.

It was pure negligence. For 30 years and from government to government, whether Liberal or Conservative, this legislation and the compensation should have been updated but were completely neglected. It was only recently that they started paying attention on

the heels of a recommendation from the Environmental Commissioner who told us in his 2005 report that we had a real problem in Canada because our nuclear liability was not up to the international standards and that it was really starting to be problematic. It was certainly a problem for our citizens and communities, as well as our companies and operators.

We will support Bill C-5 in order to ensure that our communities have better coverage and better tools to defend themselves in case of nuclear incidents.

We heard some pretty impressive witnesses and got sound advice from all the partners and expert stakeholders. A bill dealing with insurance is necessarily very technical and legalistic and we needed to hear some especially good witnesses.

The only nuclear power plant in Quebec is located near the town of Gentilly and there was an incident here recently that could have been serious, but fortunately was not. That leads me once again to say that if this incident had actually had repercussions, we would have had to rely on this old legislation providing the citizens of Gentilly with only \$75 million in compensation.

• (1730)

We must understand that if there had been a very serious incident, there would have been consequences not just for Gentilly but the entire area, the cities and suburbs all around.

I want to emphasize that we in the Bloc Québécois are not satisfied with the \$650 million amount, especially as the bill provides that the amounts will rise from \$75 million to \$650 million over four years. This will not happen at once and will take four years. To us and our citizens and communities, this may seem a long time, and quite rightly so. The operators also have some fears about the increase in their premiums over such a short time.

We worked very hard on this bill in committee and discussed the issues using all the procedures that the House provides us to really get a handle on it. We can be proud of what we accomplished. We worked in an atmosphere in which we all focused on the task at hand and the positive effects rather than partisan politics. There is still no doubt, though, that there are problems with the entire nuclear issue in Canada.

I made a short list of nuclear-related events that occurred in the past year and were of concern not only to the government but to all parliamentarians in this House. You may be surprised by this list.

First, as you know—and I believe the opposition members pointed it out—the isotope shortage and the mismanagement of this crisis by Atomic Energy Canada caused many problems and raised many questions. Although the government may not have said so outright, by initiating a study on what happened between Atomic Energy Canada and the Canadian Nuclear Safety Commission it has, in fact, acknowledged that there were serious management and communication problems at play in this crisis.

Government Orders

What we learn from bad experiences helps us to avoid the next crisis. However, when looking at the chronology, it is surprising to note the extent to which Atomic Energy Canada was disorganized. There are questions to be asked.

During this crisis, Ms. Keen, the president of the Canadian Nuclear Safety Commission, was fired. There was also the matter of the current study of Atomic Energy Canada. When he appeared before our committee, the Minister of Natural Resources did not hesitate to say that the partial or full privatization of Atomic Energy Canada is among the solutions and recommendations that will very likely be retained. We had our suspicions. He was quite forthcoming, if I remember correctly, when he last appeared.

Furthermore, costs always increase by millions of dollars. As members and party critics for a given file, when analyzing the budgets of each department, we talk in terms of millions of dollars. I have been a member of Parliament for two and a half years. What I have seen, every time, is that millions of dollars are added to the nuclear file, for security, the Canadian Nuclear Safety Commission or Atomic Energy Canada.

This year, we are talking about \$300 million: \$80 million to make Chalk River safer and \$100 million to further develop the ACR-1000 reactor. We can certainly ask questions, because that is a lot of money. Furthermore, they say nuclear energy is clean energy—I do not agree—but very costly energy.

The Minister of Natural Resources often tells me that nuclear energy is a provincial option. He knows that I am an MP who keeps a close eye on federal and provincial areas of jurisdiction. There we agree. But nuclear safety and waste management are federal responsibilities. For a year, there has been a lot of spending and a lot of studies, but it is not very clear where the government is headed.

• (1735)

I am not a strong proponent of nuclear energy, and as a taxpayer, I find it very disturbing to see these millions of dollars going to institutions such as Atomic Energy Canada, even though we do not really know what direction the government wants to take, nor how much money will be needed to achieve the objectives of making Chalk River safer and developing the ACR-1000 reactor. It would be especially important to find out how much we need to invest to upgrade the reactor that produces medical isotopes in Chalk River. As an aside, this reactor is 50 years old and is at the end of its life span. We can modernize it and make all the upgrades we want, but it still has a finite life span.

What solution and plan does the government propose? We recently learned that the government was terminating the MAPLE reactor project. That in itself is not actually news, since it had already been announced on May 16.

We know that taxpayers provided an initial investment of \$146 million in this project. Apart from that initial amount, no one really knows how much taxpayers have invested since 1996 in the MAPLE reactor research and development project. We do not know how much it all cost, in the end. We do know, however, that the project was abandoned because it was considered a money pit and it

was believed that it could never be completed. We learned this officially on May 16, 2008.

I am personally involved in activities that often bring together major players in nuclear energy. Behind the scenes, everyone knew that MAPLE was doomed to fail and that, clearly, the government failed to realize this fact quickly and in a transparent manner. We are especially concerned about what will replace the reactor that has now reached the end of its existence.

To top it off, we learned from the front page of today's *La Presse* that, through access to information, a journalist was able to get a document produced by the Canadian Nuclear Safety Commission. That document reveals that the commission is worried that it does not have sufficient financial and human resources to fulfill its role and ensure the security of Quebeckers and Canadians, in short, to carry out the mission that is its *raison d'être*.

This is somewhat surprising, while the current government touts nuclear energy as the solution to environmental problems and greenhouse gas emissions across Canada. In any case, we have a Canadian Nuclear Safety Commission that admits that it does not have sufficient financial and human resources to carry out its mission and guarantee Quebeckers and Canadians that all operators and facilities comply with and meet international safety standards.

The document reveals one quite impressive fact, namely, that the commission has had to quadruple its security budget. Indeed, since the events of September 2001, security measures intended to protect the facilities against terrorist attacks—

• (1740)

The Deputy Speaker: I apologize for interrupting the hon. member for Beauharnois—Salaberry, but the House must continue with the items on the order paper.

* * *

**CANADA-EFTA FREE TRADE AGREEMENT
IMPLEMENTATION ACT**

The House resumed consideration of the motion that Bill C-55, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation, be read the second time and referred to a committee.

The Deputy Speaker: It being 5:40 p.m., the House will now proceed to the taking of the deferred recorded division on the motion at second reading of Bill C-55.

Call in the members.

• (1805)

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

(Division No. 116)

YEAS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	André
Asselin	Bachand
Bains	Barbot
Barnes	Beaumier
Bélanger	Bellavance
Bennett	Bevilacqua
Bezan	Bigras
Blaney	Bonsant
Boshcoff	Boucher
Bourgeois	Breitreuz
Brown (Oakville)	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinooge
Cannan (Kelowna—Lake Country)	Cardin
Carrier	Chan
Chong	Clarke
Clement	Coderre
Cotler	Crête
Cullen (Etobicoke North)	Davidson
Day	DeBellefeuille
Del Mastro	Demers
Deschamps	Devolin
Dhaliwal	Dhalla
Dion	Dosanjh
Dryden	Duceppe
Dykstra	Easter
Emerson	Epp
Faille	Fast
Finley	Fitzpatrick
Flaherty	Fletcher
Folco	Freeman
Fry	Gagnon
Galipeau	Gaudet
Godfrey	Goldring
Goodale	Goodyear
Gourde	Gravel
Grewal	Guarnieri
Guimond	Hall Findlay
Hanger	Harris
Harvey	Hearn
Hiebert	Hill
Hinton	Holland
Ignatieff	Jaffer
Jean	Jennings
Kadis	Karetak-Lindell
Karygiannis	Keddy (South Shore—St. Margaret's)
Keeper	Kenney (Calgary Southeast)
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lake
Lalonde	Lauzon
Lavallée	Lebel
Lee	Lemay
Lessard	Lukiwski
Lussier	MacKay (Central Nova)
MacKenzie	Malhi
Malo	Maloney
Mark	Martin (Esquimalt—Juan de Fuca)
Mayes	McCallum
McGuinty	McKay (Scarborough—Guildwood)
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Menzies	Merrifield
Miller	Minna
Moore (Port Moody—Westwood—Port Coquitlam)	Murphy (Charlottetown)
Moore (Fundy Royal)	Nadeau
Mourani	Nicholson
Murray	O'Connor
Neville	Ouellet
Norlock	Patry
Obhrai	Petit
Paquette	Plamondon
Perron	Prentice
Picard	Ratansi
Poillievre	
Rae	

Private Members' Business

Redman	Reid
Richardson	Ritz
Roy	Scarpaleggia
Scheer	Schellenberger
Sgro	Shipley
Silva	Skelton
Smith	Solberg
Sorenson	St-Cyr
St. Amand	Steckle
Storseth	Strahl
Sweet	Szabo
Telegdi	Temelkovski
Thi Lac	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Toews
Tonks	Trost
Turner	Tweed
Van Loan	Vellacott
Verner	Volpe
Wallace	Warawa
Warkentin	Watson
Wilfert	Williams
Wilson	Yelich— 200

NAYS

Members

Atamanenko	Bell (Vancouver Island North)
Black	Casey
Charlton	Chow
Christopherson	Comartin
Crowder	Cullen (Skeena—Bulkley Valley)
Davies	Julian
Layton	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
McDonough	Mulcair
Savoie	Siksay
Wasylcia-Leis— 21	

PAIRED

Members

Blais	Bouchard
Brunelle	Carrie
Guay	Kamp (Pitt Meadows—Maple Ridge—Mission)
Lemieux	Lévesque
Lunney	Manning
Rajotte	St-Hilaire
Stanton	Vincent— 14

The Deputy Speaker: I declare the motion carried. Consequently, this bill is referred to the Standing Committee on International Trade. (Bill read the second time and referred to a committee)

PRIVATE MEMBERS' BUSINESS

[English]

INCOME TAX ACT

The House resumed from May 26 consideration of the motion that Bill C-445, An Act to amend the Income Tax Act (tax credit for loss of retirement income), be read the second time and referred to a committee.

The Deputy Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-445 under private members' business.

● (1815)

[Translation]

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

*Private Members' Business**(Division No. 117)*

YEAS

Members

Alghabra	André
Asselin	Atamanenko
Bachand	Bains
Barbot	Barnes
Beaumier	Bélangier
Bell (Vancouver Island North)	Bellavance
Bennett	Bevilacqua
Bigras	Black
Bonsant	Boshcoff
Bourgeois	Brown (Oakville)
Cardin	Carrier
Casey	Chan
Charlton	Chow
Christopherson	Coderre
Comartin	Cotler
Crête	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
Cuzner	D'Amours
Davies	DeBellefeuille
Demers	Deschamps
Dhaliwal	Dhalla
Dosanjh	Dryden
Duceppe	Easter
Eyking	Faille
Folco	Freeman
Fry	Gagnon
Gaudet	Godfrey
Goodale	Gravel
Guarnieri	Guimond
Hall Findlay	Holland
Hubbard	Ignatieff
Jennings	Julian
Kadis	Kareta-Lindell
Karygiannis	Keeper
Laforest	Laframboise
Lalonde	Lavallée
Layton	Lee
Lemay	Lessard
Lussier	Malhi
Malo	Maloney
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
McCallum	McDonough
McGuinty	McKay (Scarborough—Guildwood)
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Minna	Mourani
Mulcair	Murphy (Charlottetown)
Murray	Nadeau
Neville	Ouellet
Paquette	Patry
Pearson	Perron
Picard	Plamondon
Proulx	Rae
Ratansi	Redman
Regan	Roy
Russell	Savage
Savoie	Scarpaleggia
Sgro	Siksay
Silva	St-Cyr
St. Amand	Steckle
Szabo	Telegdi
Temelkovski	Thi Lac
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thibault (West Nova)	
Tonks	Turner
Volpe	Wasylcia-Leis
Wilfert	Wilson
Zed — 133	

NAYS

Members

Abbott	Ablonczy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Bezan	Blaney

Boucher	Breitkreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Cannan (Kelowna—Lake Country)
Chong	Clarke
Clement	Davidson
Day	Del Mastro
Devolin	Dykstra
Emerson	Epp
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Galipeau
Goldring	Goodyear
Gourde	Grewal
Hanger	Harris
Harvey	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Khan
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Lukiwski
MacKay (Central Nova)	MacKenzie
Mark	Mayes
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Petit
Poilievre	Prentice
Reid	Richardson
Ritz	Scheer
Schellenberger	Shipley
Skelton	Smith
Solberg	Sorenson
Storseth	Strahl
Sweet	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Toews	Trost
Tweed	Van Loan
Vellacott	Verner
Wallace	Warawa
Warkentin	Watson
Williams	Yelich — 98

PAIRED

Members

Blais	Bouchard
Brunelle	Carrie
Guay	Kamp (Pitt Meadows—Maple Ridge—Mission)
Lemieux	Lévesque
Lunney	Manning
Rajotte	St-Hilaire
Stanton	Vincent — 14

The Deputy Speaker: I declare the motion carried. Consequently, this bill is referred to the Standing Committee on Finance.

(Bill read the second time and referred to a committee)

[*English*]

The Deputy Speaker: It being 6:18 p.m., the House will now proceed to the consideration of private member's business as listed on today's order paper.

* * *

[*Translation*]

CRIMINAL CODE

The House resumed from April 11 consideration of the motion that Bill C-393, An Act to amend the Criminal Code and the Corrections and Conditional Release Act (punishment and hearing), be read the second time and referred to a committee.

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, it is my pleasure to speak today at second reading of Bill C-393, introduced by the member for Leeds—Grenville.

Private Members' Business

As with all private members' bills, the basic goal is always the same—to improve the laws in order to improve the environments in which our constituents live.

In this case, we are talking about Bill C-393, which would amend the Criminal Code to increase the punishment and impose a minimum punishment for the commission of an offence with a concealed weapon, be it a knife or a firearm.

At the same time, the bill would amend the Criminal Code so that only the actual time spent in pre-trial custody is credited toward a term of imprisonment when the judge hands down the sentence. I will come back to this amendment later.

Finally, the bill would amend the Corrections and Conditional Release Act so that victims' interests are taken into account during the conditional release process.

The bill introduced by the member for Leeds—Grenville deserves to be studied further because it contains both positive and negative aspects. I will start by presenting the negative aspects of this bill.

First, the bill proposes tougher mandatory minimum sentences for offenders. Here again, we see the Conservative Party's mantra: impose mandatory minimum sentences. The Bloc Québécois does not necessarily support that. That way of thinking is harmful in the sense that there are no identical crimes, just as there are no identical offenders or identical circumstances. As such, minimum sentences can often be detrimental.

This would also have a negative impact on the freedom of the judge who must assess circumstances that differ from case to case. It is important to understand that the context of each crime must be considered in order to hand down an appropriate sentence. Imposing mandatory minimum sentences would needlessly tie judges' hands. When judges sentence an offender to prison, they take into account the offender's degree of responsibility, the seriousness of the offence, and the best way to serve justice while increasing the likelihood of rehabilitation.

A closer look reveals that section 90 of the Criminal Code already sets out a maximum 10-year sentence for individuals who commit crimes involving concealed weapons, whether knives or guns. A maximum sentence has been established. Of course, the judge is free to consider the circumstances and the individual's record. In some cases, a minimum sentence may not necessarily be appropriate.

Furthermore, heavier minimum sentences do not necessarily dissuade people from committing crimes. Recently, I was saying that would-be offenders decide against committing crimes because of the likelihood of being caught and charged, not because of the sentence they might receive. Also, it is hard to believe that an individual would read the Criminal Code before committing a crime in order to choose a crime that carries a lighter sentence.

Once again, prevention is the only proven way to proceed. Quebec is a good example that proves that prevention and rehabilitation produce results: we have a lower crime rate than anywhere else in North America.

Nonetheless, Bill C-393 includes aspects that merit much more thought in terms of their effects. Incidentally, when we are talking about considering the question of eligibility for parole, the idea that

the interests of victims have to be taken into account and forums provided for doing that is not bad in itself. Of course, the principle should be examined together with a number of other factors. Nonetheless, the principle does merit, if not adoption, a thorough examination as part of a more comprehensive study.

Regarding parole, on June 15 my party made a number of reasonable suggestions about parole to respond to all of the members of the public who would like to have a more balanced system, one that is better suited to the new social reality, that has a real influence on crime, but without the ideological hard line taken by the Conservatives.

One of our proposals was to eliminate what is now virtually automatic parole after serving one-sixth of the sentence, to remedy some of the bizarre and most often criticized situations, such as sentences for economic crimes, for example, that result in imprisonment for only a few months.

● (1820)

Similarly, we proposed that we end the virtually automatic statutory release that occurs after an inmate has served two-thirds of his or her sentence, by instituting a formal assessment of inmates by a professional to determine the overall risk of recidivism that they present for the community.

These are only a few examples among many where the Bloc Québécois has eloquently demonstrated that it is actively responsive to the needs of Quebecers in relation to the justice system. And this brings me to the second point in Bill C-393 that deserves consideration.

The bill proposes that only time “spent in pre-trial custody is credited toward a term of imprisonment”. To be clear on this, section 719 of the Criminal Code provides that before determining sentence, a judge may deduct two days for each day spent in custody before trial from the final sentence imposed on the offender. It therefore creates a double time phenomenon which, in my view, brings the administration of justice into disrepute. It is also very exasperating for the victims and their families, who sometimes see offenders released within a short time after committing their crimes. At the least, days spent in custody before sentence should still count, but as straight time only.

Thus, Bill C-393 would establish that in all cases, the credit granted would be calculated on the basis of one day of imprisonment for each day spent in pre-trial custody. Furthermore, the credit would not be granted to individuals who are being held by reason of previous convictions or as a result of the review or revocation of an order to release the person.

This is an interesting proposal and one the Bloc Québécois supports. I remind members that this idea was in our constructive approach to justice matters unveiled last year. The people of Quebec know this: we are not a silent opposition. We, the Bloc Québécois, are pragmatic and can keep things in perspective when it comes to introducing good practices in order to fight crime more effectively and ensuring that the public has confidence in their justice system.

Private Members' Business

In conclusion, in light of the arguments I have presented in this House, Bill C-393 in its current form has some positive aspects and some negative ones. However, minimum penalties and their negative effects that have been discussed many times in connection with previous bills are not the solution to help Bill C-393 meet its objectives. Consequently, like my Bloc colleagues, I will not support the bill of the member for Leeds—Grenville.

Let us be clear. I never once doubted the member's desire to better protect the public. We have all directly or indirectly been witnesses to incidents involving concealed weapons. But as I was saying, there are already provisions in the Criminal Code, and I think we should make more use of them.

• (1825)

[*English*]

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, I am pleased to offer my comments today in support of Bill C-393, introduced by the member for Leeds—Grenville.

Like him and many members of this House on both sides, I have serious concerns about the way our criminal justice system is functioning. Like other members, dissatisfaction or perception of general dissatisfaction with the justice system in Canada is a sentiment I hear expressed regularly by my constituents of Westlock—St. Paul.

As we have heard, Bill C-393 contains three general issues.

The first deals with sentencing for crimes involving carrying deliberately concealed weapons and homicides committed with a knife in defined circumstances.

The second deals with increasing the discretion of the National Parole Board to provide relevant information to victims and to prevent abuse through offender adjournment of parole hearings.

The third area, which I wish to address today in greater detail, deals with clarifying the discretion available to sentencing judges in calculating what credit, and indeed what extra credit, should be given to persons who have been denied bail prior to their sentencing. While these are clearly distinct areas of criminal procedure, they have a common feature of dealing with systematic discretion in one fashion or another.

In the imposition of mandatory minimum sentences, the bill clearly is replacing the lower end of the discretionary sentencing range with a minimum sentence. Quite literally, this bill says to sentencing courts that at least a specified custodial sentence must be imposed, and that, of course, is a partial elimination of an existing judicial discretion.

There are dozens of like provisions throughout the Criminal Code, so its use is nothing new. However, its application to these offences is new. I should add that the choice of mandatory minimum sentences by Parliament has recently been confirmed by the Supreme Court of Canada in the Ferguson case.

In the area of enhancing victim rights, Bill C-393 actually increases the discretionary power of justice system officials responsible for decision making at the National Parole Board. This is an important point to make, as rather than issue a blanket entitlement to any and all offender information, Bill C-393 carefully

weaves that outcome into defined relevance and discretion through the parole board.

The third area of the bill deals with what has come to be known as pretrial custody credits. Before analyzing this further, I should point out that this term comes about not as a result of a law passed by Parliament, but instead as a result of the way a discretion bestowed by Parliament has been misused, in my view, by some sentencing judges.

In this area, Bill C-393 clarifies how that discretion can be used by providing specific disqualifications based, it is important to note, on existing provisions within the Criminal Code.

Bill C-393 clarifies how a vested sentencing discretion is to be used and how it is not. In assessing the impact of this bill, it is wise to start with the specific section it modifies, namely subsection 719(3) of the Criminal Code, which states:

In determining the sentence to be imposed on a person convicted of an offence, a court may take into account any time spent in custody by the person as a result of the offence.

Four things stand out in this wording. The first is that the court “may”, not must, take pretrial custody into account. I am advised that on some seemingly rare occasions judges have refused to give such credit precisely because of past criminality and breach of existing bail orders.

The second is that the time considered is that spent in custody, not on bail under restrictive conditions but in custody.

If there were any doubt about that, judges need only look above subsection 719(3) to subsection 719(2), which expressly says that time spent:

—at large on interim release granted pursuant to any provision of this Act does not count as part of any term of imprisonment imposed on the person.

In other words, what the sentencing judge did in the Moffitt case was contrary to the express provisions of the Criminal Code. Members will be interested to know that this view has been accepted by the Ontario Court of Appeal.

The third item that stands out is that the section does not specify any mathematical formula such as the two for one or even three for one calculation currently in vogue.

Fourth, and I think most important, is that the section specifies that the time to be considered is time spent “because of the offence”, not “because of breaching previous bail” or “because of a lengthy record” but “because of the offence”.

This is consistent with the way our system handles life sentences for persons convicted of murder. Pursuant to section 746 of the Criminal Code, the clock on parole ineligibility starts running from when the person is arrested and held in custody, as used to be almost always the case on murder charges in years gone by.

• (1830)

In other words, if a person is denied bail not because of the offence, but because of the offence and his or her lengthy criminal record or violation of bail, then that person should not qualify for this consideration.

In enacting subsection 719(3), Parliament has deliberately expressed the qualification for this benefit, and it is not up to the courts to add to it, especially when the grounds for the denial of bail are themselves expressly stated in the Criminal Code directions to courts about when to deny bail. In plain English, it is called common sense.

Not only have courts abused this discretion by applying it to the wrong people, they have taken it upon themselves to artificially create “extra” credit based on their view of the nature of the remand facilities. This is where the two for one or three for one calculation comes from.

The irony of the no doubt well-intentioned judicial inmate advocacy has apparently escaped judges who follow this practice. By giving extra credit for remand, they are providing an incentive for people denied bail for past criminality to stay in remand to take advantage of the extra credit. Then they have their lawyers complain about the overcrowding as justification for extra credit. If there was ever an artificial absurdity in dire need of correction by Parliament, this is it.

It used to be that in the old days when the career criminals got caught and were denied bail because of their past records, they quit the delaying tactics and pled guilty to what they knew they were going to be convicted of. They did it to avoid what was known as “dead time”. Today, thanks to misguided judicial misuse of a legitimate discretion, that dead time has been converted into the gift that keeps on giving.

Canadians following the debate will be shocked to learn that this abuse of discretion has literally caused their justice system to reward past misbehaviour and violation of bail by giving it extra credit when it comes to sentencing. I know this will come as a shock to those who think complexity is always better, but we need a system that rewards non-offending and compliance with court orders. We need a system that punishes continuing criminality and breach of bail.

Put simply, we need to restore to our justice system the capacity and willingness to tell the difference between right and wrong.

Bill C-393 does exactly that and it will also restore public confidence in our judicial system. Canadians are rightly wary of a justice system that says one thing but does another, and where we have to read the fine print to see what the truth is. Quite frankly, Canadians deserve better than this. It is up to us to make sure they get it.

I would also like to take this opportunity to congratulate my colleague for Leeds—Grenville for the hard work and dedication he has put into the creation of the bill.

As with all legislation, there are some changes we need to look at. If the bill is sent to committee, the committee will study it and will even make the bill better in some cases, but I think it is important to remind all colleagues in the House that we all ran on the idea of

Private Members' Business

fixing our judicial system to make it stronger and better for all Canadians and for future generations.

• (1835)

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, Bill C-393 purports to amend the Criminal Code in several ways and to amend the Corrections and Conditional Release Act, more commonly referred to as the parole act.

It has at its base with regard to the Criminal Code amendment the introduction of mandatory minimums, basically when the crime that has been committed involves a concealed weapon. We heard from the member for Leeds—Grenville about the horrendous experience that he and members of his family experienced as a result of the use of a concealed weapon.

It is generally the position of the NDP, policy-wise, that we are not supportive of mandatory minimums. We strongly believe in the use within the judiciary of judicial discretion so that the crime and punishment fit the individual facts, as opposed to applying across the board mandatory minimum sentences and taking away from the judiciary the right to apply appropriate sentences based on the facts that are before them, and as opposed to being compelled to impose a penalty no matter what the facts are.

As a political party, we certainly in the past have made exceptions to the rules. We are quite supportive of the use of mandatory minimums in a variety of ways with regard to impaired driving, where in fact their use has been successful. More recently, we have been supportive of the use of mandatory minimums with regard to the use of firearms in the commission of crimes, because in both of those cases we are faced with an epidemic of crime of crisis proportions.

We are able to show, perhaps not as fully as we would like, that the use of mandatory minimums, a more severe form of punishment and penalties, is successful when it is targeted and when we are dealing with a crime that is at a particular crisis level. It is effective there.

We are able to show, particularly by looking to the experience in the United States, where the use of mandatory minimums grew out of all proportion, that it did not have any particular impact on the reduction in crime in those states where it was used extensively. In fact, we are seeing a number of state governments in the United States now repealing mandatory minimum sentences because they have been shown not to be at all effective and in fact have been shown to be useless when they are used broadly.

To come back to Bill C-393, I think we all can appreciate and be concerned about the process that the member for Leeds—Grenville went through and understand his motivation in moving this bill before the House. Unfortunately, that is not the way law should be drafted. In particular, criminal law should not be drafted from that perspective. I do not want that to sound in any way critical of him, but it is simply an observation of the methodology that one should apply when one is creating criminal law.

Private Members' Business

I do want to be critical of the government and maybe the Conservative Party and its members. The government cannot continue to try to amend the Criminal Code piecemeal. This is another example of it.

If the government is really serious about widespread reform as the government sees it, or as changes to the Criminal Code and maybe to the ideology behind the Criminal Code, to the philosophy of sentencing and the philosophy of punishment as the government would see it, then it has to be government policy. We cannot be doing this ad hoc and piecemeal, one section of the code at a time. It is just simply not the way to have a criminal justice system that makes any sense.

● (1840)

The government is not doing that. I have stood in the House repeatedly over the last couple of years, since the Conservative government has been in place, and criticized it for not doing that. I have implored it, if it is serious about amending the Criminal Code, to do it in an omnibus way and bring in massive legislation.

The code is in terrible shape in many respects. It has contradictions in it. Penalties are too severe in some cases and not severe enough in others, when the crimes are juxtaposed with the resulting range of penalties that can be imposed. It needs to be updated in a number of ways because of the advance of technology. Rather than do this in a way that would be systematic and effective, the government has not done that. It has brought in a series of bills. In addition to that, private members have brought in a series of bills.

I do not have the number, but Parliament, since January of 2006, has to have been faced with at least 50 bills on crime, between the 10 to 20 that the government has brought forward and then at least the 30 to 40 more in the form of private members' bills. It is confusing. It is an erratic way to proceed with reform of our criminal justice system. It is just not the right way to do it, but the government continues.

I want to be clear. As individuals, there is always a free vote. However, members of the NDP always discuss it and we have not collectively come to a decision as to whether we will support the bill at second reading and send it to committee or vote against it second reading.

I want to express another concern about the bill. The very first major criminal law bill, an amendment to the Criminal Code, which the government introduced shortly after it was elected, was Bill C-9. That was back in the first session of the 39th Parliament. The bill went to the justice committee and was significantly altered in the committee. It dealt with conditional sentences. When it came back to the chamber and was finally passed, it expressed the will of Parliament, the significant majority of parliamentarians who were elected in the last election.

We made it very clear to the government that the use of conditional sentences was not to be cut way back as Bill C-9 originally proposed to do, again leaving to our judiciary the discretion as to when a conditional sentence was appropriate. That message was very clear. My estimation was that perhaps as many as 90% of the crimes that the government wanted to exclude from the purview of conditional sentences were in fact put back in by the

justice committee in the amendments and then adopted by Parliament, by the expression of the will of a significant majority of parliamentarians.

This bill, and it is just a small part, would preclude the use of conditional sentences by introducing a mandatory minimum in these circumstances. It seems to me the bill is contrary to the intent of the spirit of the vote that we took under Bill C-9. I almost question whether the bill should have been allowed to proceed because we had a vote in the House. It was a government bill altered by the opposition parties quite significantly and I believe that vote would have precluded this bill from coming forward.

I believe it should never should have come forward to the House, given the rules. However, it has and it is before us, but it causes me great concern as to whether we should support the bill, given the vote that has already taken place in the House.

● (1845)

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I appreciate the opportunity to rise to say a few words on Bill C-393.

The bill has three points. It would invoke a mandatory minimum for the commission of a criminal offence with a concealed weapon. It would also amend the Corrections and Conditional Release Act to provide victims and their families more information on release applications. It also seeks to codify the remission for time served. I do not think it is in the Criminal Code now, but a lot of the judges use the two for one formula and this would go one for one.

At the outset, although I respect the member for Leeds—Grenville and I appreciate the work he has put into this and I appreciate his motivations, I cannot support the bill, mainly because of the implementation of the mandatory minimum sentence for this offence. It appeals to certain individuals, but the bottom line is it takes away or it fetters any use of judicial discretion.

In any case, coming before a judge, the judge is required to apply the fundamental accepted principles of sentencing, the established ones being retribution, deterrence, possible rehabilitation of the offender, protection of the public, circumstances surrounding the offence, circumstances surrounding the offender and others.

No two cases are alike. A judge could practise for 40 years and he or she would never see two cases that are the same. I had the privilege of practising law for 25 years. I acted both as a part time prosecutor on these cases and as defence counsel. I have looked into the eyes of these individuals. There are no two cases alike.

It has been done in certain cases, but the imposition of a mandatory minimum in offences such as this would, in my opinion, be a step backwards.

We are dealing with a first offender, and this again goes back to the fact that no two cases alike. It is perhaps the person's first real run-in with the law. I have seen situations of younger people getting in with the crowd or they are under the influence of drugs and alcohol. The judge has to take into account deterrence, retribution, circumstances of the offender and protection of the public. However, in that case, as in a lot of the cases, rehabilitation of the offender has to be a primary consideration.

The circumstances change fundamentally if we are dealing with a person with a record of three or four criminal offences. Then those other principles give way to protection of the public.

I do not suggest that sentences be lenient or that there be no sentences. What I am saying is no two cases are the same and we cannot throw out of the back of the truck the fundamental principle of judicial discretion. I am like everyone else in Canada. I see situations. Sometimes I up the paper and read that somebody convicted of an offence, which sounds terrible, and probably is, gets what I consider to be a light sentence. Now that could be one of two situations. The first is that in actual fact the sentence was quite a bit lighter than it should have been, maybe there was an appeal or maybe the judge screwed up. The second, and more likely, is that the media got the facts screwed up totally. It does not describe the offence or the offender, and we are left with an erroneous impression that this has come about.

The bill does not take into consideration regional differences. We have the northern communities. We have east and west. Everyone has different crime rates, different causes of crime. This would be an amendment to the Criminal Code and would be binding on all regions in Canada.

● (1850)

The bill does not take into account differences in cultures. We have a situation where people who come from the western province, where you come from, Mr. Speaker, where the first nations population has a certain percentage, but the percentage in prisons is five or six times that. Why is that? Why do we have five or six times the percentage of first nations in our prisons? Is there a reason? Will imposing the mandatory minimum sentence improve that? Everyone knows it will not. What is the cause of this? It is early in the game, but I believe some things such as healing circles and restorative justice are working. Once we pass this legislation, a lot of that may be go out the back door.

I have concern about the whole administration of justice. A lot of these cases are bargained. Literally the system cannot handle the cases before it, but if there is a mandatory minimum, no defence counsel will agree to anything and we will go to trial.

Those are some of the considerations. In principle, it sounds great, but there is fundamentally one problem: it does not work.

The previous speaker talked about the situation in the United States. This was a movement, which started in the United States about 20 years ago, where once it invoked the mandatory minimums, the crime rate would go down and everything would be great. It did not happen. The previous speaker said that some states had repealed their mandatory minimums. I actually know the number of states. Since 2003, 25 states have repealed the legislation dealing with

Private Members' Business

mandatory minimum sentences. That probably represents half of the people living in the United States. The research indicates that it generally does not work. Our southern neighbours are realizing this now and that is why they are repealing it.

I make these comments with the greatest respect to the member for Leeds—Grenville and the motivations behind this draft bill, but I cannot support it.

On the principle of the so-called two for one formula, as far as I am aware, that is not in the Criminal Code now. It is a practice that has developed over the years. It is generally widely accepted. I am not saying I agree or disagree with it because every case should be dealt with on its merits. We had the high profile case of Brenda Martin back from Mexico and there was speculation a judge would be hearing the case in Canada and would give her the so-called two for one credit. Again, it comes back to the judicial discretion in a particular case.

The two for one is not codified now. It is just a rule of thumb. If we had the one for one codified, that would go forward with the actual sentence the judge gave. Every circumstance is different. If people were in jail for protection of the public, that is one situation. However, if they were in jail for two years because they could raise the \$20,000 bail, that is an entirely different situation. I would argue in that case probably they should get more credit than one day for one day. Do not forget in that two year period they were in jail because they could not raise the bail, they would not be eligible for parole. If it worked the way it often does, people might be eligible for parole after serving half the sentence, but the two years they were in jail would not apply.

● (1855)

The point is that we will never have two cases that are the same. Each case has to be dealt with on its merits and on the circumstances surrounding the case. In a situation like this where we are trying to invoke mandatory minimums, I suggest it is a step backward.

The Deputy Speaker: I am sorry, but I have to end the hon. member's remarks there. His time has expired. The hon. member for Cambridge.

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I rise with great pleasure to speak in support of Bill C-393 introduced by my colleague, the member for Leeds—Grenville.

Like the member for Leeds—Grenville and others who speak in support of the bill, working to improve the operation of the criminal justice system in Canada is a priority for me as well, not just on behalf of the country, but in particular on behalf of my constituents in Cambridge and North Dumfries. I know that this is also the case for many members of this government, apparently not all members of the House, but perhaps we can discuss this as parliamentarians do and convince the Liberal members who are opposing the bill of their wrongful ways.

I want also to echo remarks that have been made in debating these matters. What I seek is to genuinely improve the justice system. Even though we may have disagreements on how to do that, I am encouraged that perhaps if members opposite listened and paid attention they may actually agree that we need to change some of the things that we have done in the past.

Private Members' Business

I think all of us will agree, however, that in considering changes, we are well served by ensuring that we know the facts of what we intend to do, the facts behind the issue and the consequences of any changes that we might wish to make.

This is second reading debate of this bill. I am encouraged that the committee, which will seek information from witnesses and experts, potentially offering some amendments is exactly the right thing to do and exactly why the bill needs to be supported. Further, it seems to me that the best legislation is usually as a result of having a clear understanding of why we seek to do what it is that we are seeking to do.

Finally, I am sure members will agree that the justice system is one that inherently relies on public confidence, and that is a key word these days, and that it and the Canadians it is designed to serve are entitled to a system, not entitled as parliamentarians to their entitlements, but as Canadian citizens they are entitled to a system that avoids artificiality, speaks the truth in what it does and recognizes the difference between right and wrong in how it makes those decisions.

These observations may seem self-evident, but as many of us are familiar with a justice system or who have listened to the descriptions of the proceedings in the Moffitt case, the terrible case that caused my colleague to present this bill to the House, it is true that it is not always the case that these observations are in fact self-evident.

Bill C-393 deals with three areas of criminal procedures. These include the exercise of discretion in determining pretrial custody credits and enhancing victim interaction in the parole process. There cannot be anything wrong with those two. The third is in the area of establishing mandatory minimum sentences for crimes involving weapons and specifically those involving knives. Other members may wish to speak to the first two subject areas I mentioned, but I just wanted to indicate that I support those areas and what I would like to do in my time allocated is focus my remarks on the mandatory minimum sentencing.

As members have heard, there is a regrettable but undeniable growth in the number and seriousness of violent crimes committed with knives in Canada. Today I looked up statistics for my own region of Waterloo. I do know the member for Kitchener—Waterloo has suggested there is no problem with crime in that region, but if he checked the statistics he would see that other violent crimes are up 28%. Offensive weapons have gone from 427 cases in 2005 to 535 cases in the next year. That is about a 20% increase. We cannot stand back and do nothing.

As it frequently is the case in dealing with criminal justice reform, there is not necessarily a single answer, but instead a response that covers the spectrum of principles that underlie our justice system.

• (1900)

Certainly measures that attempt to prevent people from engaging in criminally carrying knives or in stopping such behaviour is part of that solution. The bad guys have to know that if they are going to do serious crimes, they will do serious time. At this stage of the bill we can leave the balance to the experts at committee.

The point of Bill C-393 which I completely support is that for some people the knowledge of a certain and unpleasant consequence does work as a deterrent. This is the root of mandatory minimum sentencing. It is, as members know, a long-standing part of our justice system. This kind of stuff already exists. I might point out that the Supreme Court has just upheld that it is in fact constitutionally valid.

In fact, let me quote from that case where Chief Justice McLachlin, speaking for a unanimous court, rejected the idea that there could be an exemption to what Parliament enacted as a four year mandatory minimum sentence for causing death with a firearm, which is the same one as proposed in Bill C-393. She said:

In granting a constitutional exemption, a judge would be undermining Parliament's purpose in passing the legislation: to remove judicial discretion and to send a clear and unequivocal message to potential offenders that if they commit a certain offence, or commit it in a certain way, they will receive a sentence equal to or exceeding the mandatory minimum specified by Parliament. The discretion that a constitutional exemption would confer on judges would violate the letter of the law and undermine the message that animates it.

If any of my colleagues want to look that up, that is from *R. v. Ferguson*, paragraph 55. I selected this quote simply to remind members of two things: one, this type of thing already exists in the Criminal Code; and two, it is constitutionally valid.

The point behind mandatory minimums is not simply to cause courts to sentence more severely but, as the member opposite just said, to actually contribute to there being less need in the long term for courts to sentence because at least some people would be getting the message. It is not a total solution, but it is part of the solution.

One of the mandatory minimum sentences proposed simply adds homicides committed with a knife to section 236, which already requires such sentencing, as I have stated, for homicides committed with a firearm.

Given the disturbing reality of knife homicides actually now outnumbering firearm homicides, I trust that members will come to their senses and all members will support this bill at second reading.

Bill C-393 creates a new mandatory minimum sentence with escalating time for repeat offenders for persons convicted of criminally possessing a concealed weapon, which includes a knife. This does not create any new kind of criminal liability for someone in lawful possession of a knife. It does, however, do several important things. It creates a mandatory minimum custodial sentence of 90 days' incarceration with a minimum one year sentence for subsequent offences. This is a clear and unequivocal expression of Parliament that a dangerous behaviour that too frequently and increasingly frequently leads to deaths like that of Andy Moffitt is unacceptable and Canadians deserve better care.

Private Members' Business

I want to conclude by saying that anyone who practises criminal law will attest that such actions as increasing maximum sentences that we have seen from the previous government are literally useless. It does not mean anything simply because the courts virtually cannot ever hand out maximums.

I have to salute my colleague, the member for Leeds—Grenville, for introducing a bill with practical, specific, targeted measures which I do believe will produce tangible results.

● (1905)

I am supportive of the bill being referred to a committee for study. I hope that all aspects are fully assessed.

The Deputy Speaker: I am sorry, but the hon. member's time has expired.

Resuming debate. The hon. member for Brandon—Souris.

Mr. Mervin Tweed (Brandon—Souris, CPC): Mr. Speaker, I too am pleased to speak in favour of Bill C-393.

I also want to acknowledge and commend the member for Leeds—Grenville. He has had a very active role in developing this legislation.

There are reasons for legislation to come forward. This is an example where a member of Parliament, through a cause in his community or a cause on behalf of people he knows, has developed legislation that would actually work for victims and the victims' families. That is an important part of our job as members of Parliament and as makers of the laws of Canada. People's experiences, and not always good experiences, give them the ability to communicate and work with members of Parliament on these types of bills and allows these types of discussions.

I support the bill at second reading and support the idea of moving the bill to committee so we can have more discussion. People in other organizations have lots of concerns about some parts of the bill. That is why it should go to committee. It can be worked on there and people can bring their own experiences to committee and offer changes that may or may not be needed. I will certainly be following this very closely.

As many people have said, the bill proposes to create new mandatory minimum sentences of imprisonment for carrying a concealed weapon, as well as for manslaughter committed with a concealed knife against an unarmed victim.

When people are awaiting their trial and sentencing there is sometimes a trade-off in days spent and three days may be traded for one. That is not what Canadians want. People have told me time and time again that this is not what they want, and the member has addressed this issue in his bill. Canadians want people to be accountable for their actions and to be responsible to the public. It is our job as legislators to develop laws that protect the victims and their families. Often friends in my community tell me that they have a real problem with people being kicked back into the community, barely having served any time, and not accepting full responsibility for, or understanding the implications of, their actions.

I am certainly supportive of the bill. I have spent a lot of time speaking to the member for Leeds—Grenville. He has been a tremendous advocate for this type of protection for victims and their

families. I look forward to the bill going to committee. We are going to come up with a substantive bill that will protect Canadians. I see that as our main job as legislators.

I will end my debate there as I know the hon. member wants to wrap up and I am certainly prepared to let him do that.

● (1910)

The Deputy Speaker: Resuming debate. I recognize the hon. member for Leeds—Grenville for his five minute right of reply.

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, I would like to thank all members for participating in the debate and for their consideration of the important issues contained in Bill C-393. Its goals are straightforward and they deserve our support.

The bill will break the escalation of violent knife crimes by applying deterrent measures, including for the act of criminally carrying a concealed weapon. It will end the abuse of judicial discretion that results in career criminals and bail violators being rewarded at sentencing and ensure crime victims are kept properly informed and not subjected to procedural abuse in their interaction with the National Parole Board.

These measures are intended to deal with systematic issues that are not theoretical or ideological. Their origin comes from the current realities of crime and the justice system in Canada.

When the bill was debated on April 11, I was surprised to hear some members opposite suggest that it was the response to a single case. In fairness, the member for Burnaby—Douglas did ask if there were other examples, and while I mentioned some in general terms during my original remarks, let me now provide greater details.

Members no doubt took note of the recent release of the youth crime stats which reported that youth homicide rates have risen 41% since 1997. About 44% of homicides committed by youth involved a knife, while 17% involved a firearm. Violent crime has risen 30% since 1991.

In preparation for this debate, my office did by no means a complete media scan. We started back on October 24, 2007, and ended just the other day on May 25. I have assembled clippings, and I stress that they are not complete, but we have recorded 170 stabbings or robberies with a knife and 44 separate homicides with a knife.

Adjournment Proceedings

To be more precise, since our last debate on the bill on April 11, we have noted 45 stabbings and 14 knife homicides in just six weeks. These incidents involved swarmings, home invasions, robberies and assaults, and fights tragically escalated through the use of a previously concealed knife.

There are other systematic factors involved in at least some of the cases, but having the House send a deterrent message, a preventive message such as recognized recently by the Supreme Court of Canada, is a positive step to make this country a safer place.

The same clipping survey details cases of violent offenders, who were denied bail because of their past criminal records, being rewarded with not only credit for the time they earned in precustody but with double and in one case even triple credit for their ongoing criminality.

In one case extra credit was awarded for a vicious knife attack, even though the offender had his bail revoked when he was charged with being an accessory to murder while on bail for the stabbing.

The law does not require such credit, but I would suggest that the law needs to be changed to prohibit in these narrowly defined circumstances.

My background is not in criminal law, but working on the bill has shown me that we need more than just a legal system with rules to be followed without question. We need a justice system where those rules actually support the principles of justice, like past misconduct not being rewarded when it is followed by continuing criminality or consequences for breaching court orders.

Bill C-393 is limited in scope and in purpose. I welcome suggestions about how it could be improved to achieve its goals. I have already received several constructive wording suggestions which I think will do exactly that.

This is the rationale and mandate of our committee system. I urge members to vote to send the bill to committee so we can do the work that we do best.

The bill has received public support from the Canadian Resource Centre for Victims of Crime and from Commissioner Julian Fantino of the Ontario Provincial Police. Let me quote from his remarks, "It is a regrettable but undeniable reality that the carrying of criminally concealed knives and violent knife crime itself has increased dramatically in Canada recently, with all too often deadly consequences. I am confident that your bill will prove to be a deterrent to such actions for some offenders". He also said, "I am very pleased to see that Bill C-393 also addresses a development of sentence calculation which has crept into our justice system". He has offered to appear at committee.

● (1915)

Finally, I recently spoke with the Moffitt family who are visiting Ottawa again today to let them know what was going on with the bill and to update them about the bill. I was again overwhelmed with the quiet dignity of this family who wanted to know how they could help make these improvements a reality. Mrs. Moffitt summed up all the deficiencies that her family had to encounter over the years when she said, "tell them we can do better than this". She is right. We can do better and now is our chance to do so in these specific areas.

The Deputy Speaker: The time provided for debate has expired.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And five or more members having risen:

The Deputy Speaker: Pursuant to Standing Order 93, the division stands deferred until Wednesday, June 4, 2008, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

FEDERAL-PROVINCIAL RELATIONS

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I rise this evening to follow up on a question I asked the finance minister last March regarding the loss of jobs in the manufacturing and auto sectors, and why he continues to attack the province of Ontario.

Canadians and historians were baffled when the federal finance minister held an unprecedented press conference and attacked the Ontario provincial budget the night before it was delivered at Queen's Park.

Nowhere before in Canadian history has a federal finance minister deliberately attempted to sabotage a provincial budget and in doing so, cost the people of Ontario precious jobs at a time when our manufacturing and auto sectors are suffering dearly.

As a matter of fact, the finance minister was quoted as saying that Ontario was the "last place" to do business in North America. How can a federal Minister of Finance be so irresponsible? The minister should be aware that business leaders and financial sectors take his word very seriously. His comments are damaging to Ontarians and Ontarians are perturbed, especially as the minister is from Ontario, and was responsible for decimating Ontario's financial health and leaving Ontario with a \$5.6 billion deficit.

Adjournment Proceedings

The province of Ontario has done a great deal after that to attract investment. The premier of Ontario has cut corporate taxes by \$3 billion and last December eliminated its capital tax on resource-based industries, including manufacturers. The province of Ontario continues to phase out capital tax altogether and is reducing property taxes to help small and medium sized businesses.

I am aware that the member opposite already has a prepared speech that will no doubt heap considerable praise on the Conservatives for cutting taxes. The fact of the matter is that virtually every leading economist in the country has warned the Conservatives that cuts to the GST are the wrong way to go.

In fact, an access to information request revealed that the government's own Department of Industry told the Conservatives that a 1% cut to the GST will only generate a 10% return in economic improvement compared to a 30% return by just a \$1 reduction in personal income taxes.

Previous Liberal governments delivered substantial personal income tax cuts precisely because they put money back in the pockets of taxpayers. Cuts to consumption taxes such as the GST do little for those who have little or no income. The Conservatives should know this and that their message is not appealing to the average taxpayer.

Recent polls reveal that 80% of Canadians have not noticed any improvement in their family budget, a stunning revelation considering that the poll was taken just weeks after people received their much vaunted Conservative tax refunds. In fact, 28% of those surveyed say their personal finances are in worse shape now than at any time over the past year. That is a 75% increase since last fall.

The reason for this attitude is because all of the puny tax cuts from the Conservatives have been swallowed up by skyrocketing fuel prices. How has the government responded? By doing nothing. In fact, the Prime Minister has told Canadians that he will do nothing to ease the price of fuel even for seniors on a limited income.

I would like to know from the hon. member why the Conservative government has taken upon itself to attack the people of Ontario at a time—

• (1920)

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Finance.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, Ontario's manufacturing sector is clearly facing challenges due to shifts in the global economy, along with the rise of new emerging markets, like China and India, as well as a stronger dollar, challenges that have been made worse by what can be best described as lacklustre manufacturing support by the former government.

It is not just us saying that. It is organizations like the United Steelworkers that recently stated the following:

The [manufacturing] crisis didn't just start when the Conservatives took office. The Liberals had 12 years to deal with this stuff and they did nothing.

They did nothing and yet have the audacity to criticize our considerable efforts to assist manufacturers, efforts like over \$9 billion in tax relief specifically for manufacturers and processors,

efforts like the \$1 billion community development trust to help provinces like Ontario to assist communities plagued by chronic high unemployment or layoffs, efforts like a temporary accelerated capital cost allowance for investments in machinery and equipment, or efforts like a \$250 million automotive innovation fund to fuel the development of greener and more fuel efficient vehicles while helping preserve and create high quality jobs.

Indeed, on the auto sector, General Motors of Canada said that the finance minister has been an "outstanding, supportive advocate for GM and our industry". It went on to say, "There is no better evidence than the federal budget's creation of an Automotive Innovation Fund".

That is just a small sample of what we have done to assist the manufacturing sector.

Now let us look at what the official opposition is proposing to help the manufacturing sector: a new carbon tax. The Liberal leader has been a strong advocate of this plan, despite the fact that it would clearly harm manufacturers, hiking production and shipping costs tied to energy inputs. It would be a punishing new tax that would make our exports more expensive, creating a huge disadvantage our manufacturers simply cannot afford now, especially in Ontario.

This is not just political rhetoric coming from this side of the House. One just needs to read today's major *Windsor Star* editorial, which states:

A carbon tax will penalize low-income earners, rural Canadians and suburban commuters far more than urbanites who can afford downtown lifestyles and it will negatively affect the ability of Canadian businesses, already struggling under the weight of a rising loonie, to compete internationally.

The Liberal carbon tax plan is leaving a lot of people worried. Indeed, just the other day the Liberal Premier of Ontario formally rejected a regressive plan like his federal cousins.

I ask the Liberal member from Ontario if she has had a chance to consult with the businesses, seniors and those on fixed incomes in her riding and answered the questions we are all asking: How much would the Liberal carbon tax increase gas prices? How much would it increase electricity and heating bills?

• (1925)

Ms. Yasmin Ratansi: Mr. Speaker, in the 12 years that the Liberal government was in power, we cleaned up the absolute mess that the previous Conservative government left: a \$42 billion deficit and \$500 billion in debt. The Conservatives are the most incompetent fiscal managers that Canada has ever seen.

Adjournment Proceedings

The Conservative government has no vision, no leadership and is totally incompetent. The events of the past five weeks have shown us how incompetent the Conservatives are. If they have no vision, they cannot help the manufacturing sector. In fact, their election promise was that they there would be better cooperation between the feds, Ontario and the other provinces.

How can the government, which promised that type of cooperation, that promised accountability and transparency but has failed in every sector, get up and ask questions when it does not even know what a carbon tax is, what neutrality is, what income is, what—

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Finance.

Mr. Ted Menzies: Mr. Speaker, if we are going to talk about manufacturing, then we need to question what could be one of the most devastating, punitive taxes that could ravage the sector. The carbon tax would create a huge disadvantage for Ontario's manufacturing sector when it is least able to cope with it.

I think Ontario's environment minister, John Gerretsen, put it best when he recently declared, "I am not sure whether a carbon tax would work in Ontario".

Even a prominent Ontario federal Liberal, Gerard Kennedy, stated, "I think a carbon tax is the clumsiest of the options that we've got so far".

It is not just clumsy. It is punitive and regressive, with the potential of devastating Ontario's manufacturing.

CITIZENSHIP AND IMMIGRATION

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, on April 3, I asked several questions of the government about the amendments to the Immigration and Refugee Protection Act contained in Bill C-50.

Instead of answering my questions, the minister started a taxpayer funded advertising campaign in ethnic media across the country to convince immigrant communities that, despite all evidence, they can trust the government with the future of Canada's immigration policy.

In addition, the *Globe and Mail* reported yesterday that the minister secretly used Toronto city hall meeting rooms to promote the Conservative Party's views on the Immigration and Refugee Protection Act and Bill C-50 to ethnic media outlets.

This is despite the minister's rejection of Toronto Mayor David Miller's requests for a consultation on the proposed changes.

Mayor Miller is not the only one who is not being fully consulted. The speed at which these amendments have been pushed through the House and its committees shows the government's lack of respect for the opposition and parliamentary procedure. Given the potential impact of the bill on the future of Canada, the government owes it to Canadians to remove the immigration provisions from Bill C-50 and propose them as separate legislation. Changes of this scale should not be just an afterthought in a budget bill.

The minister has also refused to tell Canadians who she would fast-track and who she would leave behind under the new regulations.

This is not a surprise. It would be nearly impossible to sell Bill C-50 if the minister admitted that she plans to put a cap on family class applications, which she has refused to rule out.

One idea that has the support of many in the immigrant community is my proposal of a visa bond system. Under a bond system, immigration officers could give applicants or sponsors the chance to provide a financial guarantee in borderline visitor visa cases. This would help many applicants wanting to come to Canada for weddings and funerals to avoid the rejection and emotional distress they face under the current system.

Canada's visitor visa process is unfair and discriminatory, especially for applicants from developing countries.

The amendments in Bill C-50 would do nothing to improve the situation for visitor visa applicants and, as such, would not truly fix Canada's immigration system.

The government has attached its immigration proposals to a budget bill and tried to force them through the committee and the House without making amendments and used tax dollars to sell its plan to immigrant communities. These are the actions of a government that knows its views on immigration are at odds with those of the majority of Canadians.

I again ask the government why it is sneaking these reforms in through a budget bill, instead of allowing the House to have an independent debate on this critical issue.

● (1930)

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, to reply to some of the remarks made by the hon. member, it is obviously important to communicate the intention of the budget bill that relates to Citizenship and Immigration because it will affect a number of members of the ethnic community and it is important to meet with them and to ensure they are aware of what we are proposing. That is what has been done.

The intention with Bill C-50 is to take care of the backlog that grew under the member's government over the past number of years from 50,000 to over 800,000, and continues to grow. No one is served by the fact that we are simply taking in more and more applications. The bill would stop the backlog from growing and then would address the backlog to ensure families are reunited faster, skilled workers are brought in from every country and race, to ensure that those skills that are required in the community are met by those who have the skills, and to ensure that is done fairly quickly, not over a period of six years, but in a period of months. It is important for the bill to go forward so that can happen.

Adjournment Proceedings

The bill would also ensure dollars are invested to reduce the backlog in a proper fashion. It will not be discriminatory in any way with respect to race, religion or ethnicity. It will be charter compliant and dealt with on an objective basis.

Our party is proud of the fact that we have many members of ethnic communities in our party. We were the first party to have a Muslim elected to Parliament, the current member for Edmonton—Strathcona; the first Japanese Canadian to become a cabinet minister, our Minister of International Cooperation; the first Chinese Canadian MP; the first Hindu MP; the first of two Indo-Canadian women, the member in our party for Fleetwood—Port Kells; and, the first black MP and minister of the Crown. Under the previous Clark government, there was a generous response whereby 77,000 Indo-Chinese refugees entered Canada between the years 1975-81 and, of course, Prime Minister Mulroney introduced the first Multiculturalism Act in 1988.

We have opened our arms and doors to invite people from various cultures and countries to come into our country but the immigration system has been burgeoning and has not been proceeding as efficiently as it should.

Also under the previous government, in which the member was a part of, settlement funding was literally frozen for over a period of 10 years. People were coming in but they were not given the support or language training they needed to become integrated as quickly as possible.

Under previous budgets, the government allocated \$1.4 billion over five years to directly address settlement issues and to ensure that those who came here would succeed. We also reduced the head tax on newcomers by cutting it in half in the previous budget. In the new budget, we have allocated \$109 million over five years to ensure efficiency is built into the system and that it works the way it was intended.

My sense is that we will have more newcomers joining us quicker, more being reunited with their families quicker and more becoming successful citizens faster.

● (1935)

Hon. Gurbax Malhi: Mr. Speaker, no one can dispute that Canada's immigration system must be fixed. What the opposition, immigration experts and Canadians do not agree with is the way in which these amendments have been proposed and the unnecessary powers that they would give to the minister.

Major changes to Canada's immigration system, such as those contained in Bill C-50, must be debated openly, honestly and in a non-partisan fashion. The government has failed to meet these three requirements and has failed to earn the trust of Canadians.

I urge the government to listen to Canadians, remove the amendments to the Immigration and Refugee Protection Act from Bill C-50 and allow them to be debated and voted upon on their own merits.

Mr. Ed Komarnicki: Mr. Speaker, it is interesting to hear the rhetoric of the member and other members of the Liberal Party saying that they oppose the concept of Bill C-50 and the immigration portion that would reform the immigration system so it works better.

However, despite the rhetoric, I appreciate the fact that the Liberals supported us at the finance committee to ensure the bill comes back to the House for a vote, and again today in the main estimates and supplementary estimates, they concurred in approving the injection of additional funds, part of the \$109 million that was in the estimates and supplementary estimates, to ensure that goes forward.

They are talking one way in the House with respect to this issue and voting another way to ensure that the bill receives passage. I thank them for that because the bill does need to go forward to address, not only the continuing growth in the backlog that ballooned from 50,000 to over 800,000 under that member and his government's term in office. It needs to be addressed now.

[*Translation*]

WORLD FOOD CRISIS

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, the media whirlwind being what it is, the world food crisis lost its spot on the front page some time ago to other news. Do not forget that the cost of basic foods has gone up 48% since the end of 2006. According to the director of the World Food Programme, a “silent tsunami” is threatening to plunge 100 million people into hunger.

The government announced \$50 million in additional support for the World Food Programme and then let things run their course, believing that it had done enough.

It put a band-aid on a gaping wound, so to speak, and did nothing to address the root of the problem. Speculation, the use of food sources to produce biofuels, and our irresponsible energy consumption have contributed to the world food crisis, and we know it.

The government must commit to dedicating 0.7% of its GDP to international aid, as it is supposed to. At least it has untied its aid, but we must first and foremost help populations in crisis to produce their own food.

We all know the proverb “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.” In international aid terms, this means: build supply roads so that village crops can get to the cities in developing countries; stop promoting within international organizations the massive cultivation of export crops, which in the end only ruins farmers who adopt the practice and starves the population—in other words, to a certain point, the food sovereignty of developing countries must be respected; immediately stop subsidizing the production of biofuels that directly use food crops—here, the grains in question—to produce ethanol, which causes prices to rise and diverts precious resources to fuel our cars instead of feeding people.

Adjournment Proceedings

Given the scope of the crisis and the absence of a successful conclusion without a drastic change in energy policies and international aid policies, a number of major players are calling for significant changes.

The director of the IMF, Dominique Strauss-Kahn, sounded the alarm by saying that the current food crisis could lead to war and uprisings. The IMF also estimates that 70% of the rise in the price of corn is because of the use of biofuels and the subsidies granted to biofuel producers.

French foreign affairs minister, Mr. Kouchner, proposed banning speculation on raw food materials, which he described as completely immoral.

What does this government propose? To give money to ease its conscience and continue unhealthy practices? Or does this government really have a long-term, responsible vision that respects the needs of all populations around the globe? That is the question I would like to ask again today.

• (1940)

[English]

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC): Mr. Speaker, I would like to thank the hon. member for raising this issue again. It gives me a chance to let Canadians know about the improvements this government has made in terms of international assistance and food aid in general.

This government believes in “compassion for the less fortunate”. The Minister of International Cooperation has been working diligently to ensure Canadian aid is delivered in a focused, efficient, accountable manner, and we are getting the job done.

Canadians can be proud that of all the developed countries in the world Canada is the second largest contributor to the World Food Programme. In fact, it is our compassion for the less fortunate that has guided our vision. As Oxfam said, “Canada is already one of the most generous donors to the [World Food Programme], and we are very pleased that Canada continues to show leadership to the world in responding to humanitarian crises as they arise”.

Since forming government we have met our commitment on food aid each and every year. It is through partnerships with organizations like the Canadian Foodgrains Bank that we are helping to address the global food shortage.

Jim Cornelius, executive director of Canadian Foodgrains Bank, said the fresh injections of funds will allow the bank to maintain food programs in such places as Bangladesh and Zimbabwe, programs that were in danger of collapsing for lack of funds. He said:

It's not just a Band-Aid. This food aid now is critical because if people don't get food now, they will sell off productive assets, they take their kids out of school, they do all sorts of things that lead to further impoverishment.

The additional \$50 million we announced, along with the untying of our food aid, will have an enormous impact on the world's most vulnerable. It is actions like this, our compassion for the less fortunate, that will make a difference to people in Africa, Afghanistan, South America and Haiti.

As the executive director of the World Food Programme said, “This generous contribution by Canada will help protect millions of children from severe malnutrition and hunger”.

Let me tell the member what untied food aid will do. It will make food cheaper when it is brought closer to hunger zones. Shipping costs will be reduced and local producers will be encouraged to build capacity to feed people. As we all know, tied aid is 30% less effective.

This is what Canada has done. It has untied 100% of its food aid.

If we look at what this government has dedicated to food aid this year, which is approximately \$230 million, that translates into an additional \$35 million more that will be used to directly purchase food for the less fortunate.

Once again, I want to thank the hon. member for the opportunity to discuss this issue she has talked about. We are all concerned about the rising food prices and Canada is doing its part.

[Translation]

Ms. Louise Thibault: Mr. Speaker, I heard the parliamentary secretary repeat what I myself said, that the government gave millions of dollars in direct aid.

I would like the parliamentary secretary instead to share with us, on behalf of the government, their long-term vision for countries whose populations are starving because they were asked not to grow crops with the promise that they would be sold grain for practically nothing. Today, those people are unable to produce their own food.

What are we going to do as a responsible state to help them return to farming to feed their people and not to fuel our vehicles?

[English]

Mr. Deepak Obhrai: Mr. Speaker, the member asks a very important question about the long term impact of our aid program. This is precisely why the Government of Canada has untied 100% of its procurement of food aid.

What will this do? Canadian food aid partners can now purchase commodities internationally with a special emphasis on procurement from developing countries. This will help reduce food and transportation costs and speed delivery.

In the long run, actions like this will go a long way to helping the poor underdeveloped countries in bringing their own capacity up when their hands are not tied. We are hoping that this kind of action by other countries will lead to what she is concerned about and what we are concerned about: the rising food costs in the world.

• (1945)

The Deputy Speaker: That concludes the adjournment proceedings. Pursuant to Standing Order 81(4), the motion to adjourn the House is now deemed to have been withdrawn and the House will now resolve itself into committee of the whole to study all votes under Finance in the main estimates for the fiscal year ending March 31, 2009.

[Translation]

I do now leave the chair for the House to go into committee of the whole.

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

FINANCE—MAIN ESTIMATES 2008-09

(House in committee of the whole for consideration of all Votes under Finance in the Main Estimates, Mr. Bill Blaikie in the chair)

The Chair: I would like to open this committee of the whole session by making a short statement.

[English]

The House yesterday adopted a special order governing tonight's and tomorrow's proceedings as follows:

That, during the debates on May 28 and May 29, 2008 on the business of supply, pursuant to Standing Order 81(4) no quorum calls, dilatory motions or requests for unanimous consent shall be received by the Chair and, within each 15 minute period, each party may allocate time to one or more of its members for speeches or for questions and answers, provided that, in the case of questions and answers, the minister's answer approximately reflects the time taken by the question, and provided that, in the case of speeches, members of the party to which the period is allocated may speak one after the other.

[Translation]

We may now begin tonight's session. The House in committee of the whole pursuant to Standing Order 81(4), the first appointed day, consideration in committee of the whole of all votes under Finance in the main estimates for the fiscal year ending March 31, 2009.

[English]

I therefore begin by recognizing for the first 15 minutes the official opposition, starting with the hon. member for Markham—Unionville.

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

I am delighted to see the Minister of Finance in the House. I look forward to a good dialogue this evening.

In our parliamentary system, ministers, not staff, are supposed to assume responsibility when things go wrong, so my first question to

Business of Supply

the minister is this: why, when he clearly broke the rules on a sole source contract to a friend, did he not stand in his place and apologize to Canadian taxpayers rather than shirk all responsibility and place the blame on his chief of staff?

Hon. Jim Flaherty (Minister of Finance, CPC): On the contrary, Mr. Chair, the statement by the member opposite is, as one would expect, inaccurate. From the beginning when I learned of the difficulties with that particular contract, I made it a point in this House and outside of this House consistently to say that work had been done for value, that Canadian taxpayers were well served by the work done, but that administrative functions had not been followed.

As the member knows from my responses to his questions some weeks ago in committee, which I will repeat here in case he has forgotten, when I learned of this we immediately implemented an action plan. That plan involved reviewing all of the contracts and then ensuring that in the future all of the contracts for exempt staff would be referred to the department for comments, and that any comments from the department to my staff, including my chief of staff, would be referred to me. That action plan has been followed.

• (1950)

Hon. John McCallum: Mr. Chair, I want to conduct this in a cordial way, but I would remind the minister that his answers are supposed to be of approximately the same length as the questions.

The fact of the matter is that he did not answer my question because he did not apologize to the taxpayers of Canada for breaking the rules, and he did put the blame on the chief of staff and not on himself for that infraction. I would contend that is not consistent with parliamentary practice.

Therefore, I will next ask him why, if the behaviour of his chief of staff was reprehensible and if he was to receive the blame for not following the rules, was the same chief of staff soon after rewarded by the government with a more prestigious and higher-paying job?

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Chair, I rise on a point of order. I thought we were dealing with the estimates of the Government of Canada for 2008-09. This particular question pertains to a previous year. It pertains to something that has already been dealt with by the public accounts committee. The minister answered this question in great detail at the public accounts committee.

I thought we were going to have the next four hours of debate on something that is substantive for the nation rather than on dealing with a \$122,000 contract that we spent three hours dealing with at the public accounts committee.

Therefore, Mr. Chair, I think you should be directing the opposition to focus the questions on the estimates, because that is why the department is here. Officials are prepared to answer those questions, not some frivolous question that has already been dealt with.

Business of Supply

The Chair: I have listened to the hon. member's point of order, but the fact is that when we are in estimates, it is an opportunity for members to ask the Minister of Finance about the department. The questions are in order whether or not people on the other side do not particularly care for them.

The hon. member for Markham—Unionville.

Hon. John McCallum: Mr. Chair, I submit to the minister and would ask him whether this is a case of plausible deniability. It sounds to me as if the minister said to the chief of staff, "Get me MacPhie, but spare me the details". Is that what happened?

Hon. Jim Flaherty: No.

Hon. John McCallum: Mr. Chair, the minister will not answer this—

Hon. Jim Flaherty: Mr. Chair, I responded—

The Chair: The hon. member for Markham—Unionville.

Hon. John McCallum: Mr. Chair, the minister will not apologize in this particular case, so my next question is, when he broke his income trust policies and, as a consequence, \$25 billion of the hard-earned savings of Canadians went up in smoke, why did he not apologize to those income trust investors?

Hon. Jim Flaherty: Mr. Chair, the member for Markham—Unionville has obviously been out of touch. If he is following the indices, he will know that last week the income trust indexes were up to where they were at the end of October 2006. If he is talking about some notional losses, they are not there in the market.

I realize that his party had planned to do what we eventually did. I realize that the Liberals did not have the courage to do it and they did not do it. However, our government, seeing the danger to the solidity of the Canadian tax system, took the action that needed to be taken to protect Canada.

The Chair: I would just say to the hon. member for Markham—Unionville and others, the rules are that the answers have to be approximately the same length as the questions. I cannot be cutting people off at the exact second or we are not going to have a very good exchange, but I will now recognize the member for Markham—Unionville again.

Hon. John McCallum: Mr. Chair, the income trust index remains very substantially below the overall index. There is no way in which it can be said that loss has been recovered, and the minister refuses to apologize to a million Canadians for his broken promise.

If he will not apologize for that, will he apologize to Newfoundland and Labrador and Nova Scotia for breaking his promise on the Atlantic accord?

Hon. Jim Flaherty: Mr. Chair, I am pleased to report something that is not really news, because most of us on this side of the House are aware of it but apparently the member for Markham—Unionville is unaware of it. That is that Nova Scotia is quite comfortable with the steps we took to achieve fiscal balance in Canada, and Newfoundland and Labrador has proceeded to work with the agreement as well.

In fact, this has been a tremendous success in Canada, to move from fiscal imbalance to fiscal balance. Again, it is something that the previous government looked at, went into some one-time deals

here and there with certain jurisdictions in Canada, but did not get the job done.

• (1955)

Hon. John McCallum: Mr. Chair, the minister never apologizes for anything. One wonders how heinous an act it would have to be before he would deem it required to produce an apology.

I come now to the subject of the quality of his economic forecasts. The forecast for 2008 a year ago was 2.5%; six months ago, it was 2.4%; and in February it was 1.7%. Now the Bank of Canada is forecasting a 1.4% growth rate.

Has the minister revised his forecast again relative to his budget forecast, given the Bank of Canada's forecast and if so, could he share this new forecast with the House?

Hon. Jim Flaherty: Mr. Chair, we are comfortable with the forecasts that we have been using. We are comfortable with the fact that we are on track in this fiscal year.

The Chair: The hon. member for Scarborough—Guildwood.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Chair, I wonder whether the minister could inform the House as to what is the economic stimulus effect of a cut in the personal income tax.

Hon. Jim Flaherty: Mr. Chair, certainly we have seen very positive effects from the stimulus that we provided to the economy of Canada. This is a cumulative stimulus.

Since we took office in February 2006, we have reduced taxes of all kinds in Canada: personal income taxes; excise taxes; the consumption tax, the GST, by two full percentage points, one point of that occurring in January of this year—

The Chair: The hon. member for Scarborough—Guildwood.

Hon. John McKay: Mr. Chair, the question is rather simple. Do you actually know the economic multiplier for a cut in personal income tax, yes or no? Do you know the number?

The Chair: I would remind the hon. member that this is committee of the whole, but questions still need to be directed through the Chair.

I do not know the answer, but perhaps the Minister of Finance does. The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Chair, the cumulative effect of the stimuli provided since 2006, including the dramatic business tax reductions in the fall economic statement, is 1.4% of GDP.

Hon. John McKay: Mr. Chair, does the minister know the economic stimulus effect of a cut in the consumption tax?

Hon. Jim Flaherty: Mr. Chair, as I said, 1.4% of GDP is the stimuli, the total effect of the stimuli which we have provided by tax reductions since taking office.

Business of Supply

Hon. John McKay: Mr. Chair, the answers to the questions are that on a personal income tax cut, the economic stimulus is about 1.3%, so for every dollar, there is \$1.30 of economic stimulus. On a GST cut or a consumption tax cut, for every dollar of cut, there is \$1.10 in stimulus.

So, I ask the hon. member, why would he weight his tax relief to the least stimulative aspect of tax relief?

Hon. Jim Flaherty: Mr. Chair, as I say, we have been balanced in our approach. We have reduced taxes of all kinds in Canada, and particularly coming up to what we knew was going to be slower economic times this year and going into next year, we took the dramatic actions at the end of October 2007 to dramatically and historically reduce business taxes in this country. This provides a direct stimulus to the manufacturing sector in Canada which needs the help, as we know.

Hon. John McKay: Mr. Chair, it is clear that the minister does not quite understand what he has done. He has in fact got it backward. In fact, he has allocated the largest portion of his tax relief to the least stimulative aspect. He has made that immediate, and the most stimulative aspect to the tax relief, he has made that over the longer term.

So I ask the hon. minister, how in heaven's name did he get it backward?

• (2000)

Hon. Jim Flaherty: Mr. Chair, I will tell the member who had it backward. In 2004-05 the previous government increased spending by 14.8%. I will tell the member who has it backward: the party opposite us in the House that thinks it is a good economic stimulus to bring in a carbon tax on poor people with fixed incomes in Canada, on seniors, on the manufacturing sector to drive up its costs. That is who got it backward.

Hon. John McKay: Mr. Chair, this is a little rich coming from the biggest spending finance minister in the history of Canada.

What is Canada's corporate tax rate for the year 2008? What is the rate? It is a simple question that begs a simple answer.

Hon. Jim Flaherty: Mr. Chair, we are moving to 15% by 2012, but on January 1 there was a change, so we are checking on that.

Hon. John McKay: Mr. Chair, to assist the minister, the rate is 13% on the first \$400,000 of profit and 22% on the balance.

What is Ontario's corporate tax rate in similar sort of numbers?

Hon. Jim Flaherty: Mr. Chair, the general federal corporate income tax rate is: 2007, 22.1%; 2008, 19.5%; 2009, 19%; 2010, 18%; 2011, 16.5%; 2012, 15%.

It is regrettable that the previous government did not move in this direction. It would have been a good stimulus for Canadian business.

Hon. John McKay: Mr. Chair, he has answered the question with respect to corporate tax rates for Canada and he has not answered the question regarding the corporate tax rate for Ontario. In order to help him out, I will tell him. The Ontario corporate tax rate is 8.9% on the first \$500,000 and 14% on the balance.

I ask the minister, why would he be lecturing the treasurer of Ontario on lowering corporate tax rates when his is five to seven points higher than the Government of Ontario's?

Hon. Jim Flaherty: Mr. Chair, I know a bit about this, having been the treasurer of Ontario. We reduced corporate taxes in the province of Ontario, but then the Liberals were elected in the province of Ontario and do you know the first thing they did, Mr. Chair? They got rid of that corporate tax reduction and increased corporate taxes in the province of Ontario, such that they are now approaching 15%. It is typical. It is what Liberals do. They spend and they raise taxes and they run deficits.

Hon. John McKay: Mr. Chair, we appreciate the information from the hon. minister, but I would note that he left behind about a \$5 billion or \$6 billion deficit in the province of Ontario. I wonder why he did not give a similar lecture to the premier of Newfoundland or the premier of Nova Scotia, who have also delivered budgets.

While he is at it, maybe he could answer one final question, which is, when is he going to eliminate the carbon tax on gasoline in Canada?

Hon. Jim Flaherty: Mr. Chair, there are so many interesting allegations.

When I was the treasurer of Ontario, I can tell the member that I left the province with a surplus, which the Liberals could look up if they bothered to get their facts right, which they do not. I am amazed at the low quality of the research over there. I thought they had some money budgeted for research in the Liberal caucus, but apparently they are using it for something else.

We were in surplus when I was the treasurer of Ontario and that is the way it should be. We are in surplus now as well.

Mr. David McGuinty: You are a Queen's Park denier.

Hon. Jim Flaherty: Mr. Chair, I know Premier McGuinty's little brother is upset about the carbon tax. I know his big brother is against the carbon tax and I know that the member for Ottawa South is in favour of it. He is chirping about—

Mr. David McGuinty: And you had nothing to do with Walkerton. Explain Walkerton.

Hon. Jim Flaherty: Now he wants to talk about water supply.

The Chair: Order. That would bring to an end the first 15 minute round. We will now proceed to a round by the government. I understand the Minister of Finance will be speaking for the government at this time for 10 minutes and then we will have 5 minutes of questions and answers.

The hon. Minister of Finance.

• (2005)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Chair, I am thankful for the opportunity to participate in this discussion, which is supposed to be on the 2008-09 main estimates for the Department of Finance.

Business of Supply

[Translation]

To begin our work this evening, I think it is appropriate to give the House an overview of the current economic situation in Canada.

[English]

Let me state at the outset that in this period of economic uncertainty, the Canadian economy remains strong. We are undergoing our second longest period of economic expansion in history. Our budget is balanced and it will remain balanced. Interest rates are low. Inflation remains within the targeted range. Disposable personal incomes continue to go up.

[Translation]

The unemployment rate is at a 33 year low and employment is on the rise in every region in the country. More than 750,000 new jobs have been created since our government took office.

Canada is one of the few countries where public pension plans have a solid financial foundation.

[English]

We are on the best fiscal footing of any G-7 country, with the largest budget surplus as a share of GDP and the lowest debt burden.

[Translation]

However, Canada is facing external challenges it has not seen in some time. Economic growth is running out of steam on a global scale and we are not immune to this phenomenon.

[English]

Canada is not an island, of course. As a trading nation within the global economy, challenges from abroad impact us here at home. The slowdown in the U.S. economy is impacting our exports. We are experiencing volatility in global financial markets. A strong Canadian dollar has left several sectors struggling, including the manufacturing, processing, forestry and auto sectors. We are seeing increased competition from emerging economies, like China, Brazil and India. Our population is aging and we are already seeing a shortage of skilled workers. These are the challenges that lie ahead, the realities that we cannot ignore.

[Translation]

As they have in the past, the people and businesses of Canada will show their remarkable capacity to adapt and their strong determination to face all challenges.

[English]

What is more, we will face these challenges from a position of strength, built not on the false promise of misguided, short term expensive band-aid economic interventions or subsidies advocated by the opposition, but rather built on strength, in large part on the prudent economic management of our Conservative government, strength, built on the long term economic plan, "Advantage Canada".

Experience has taught us that a balanced fiscal policy, based on low taxes, paying down debt and disciplined spending, lay solid foundations for a strong, vibrant economy. Broader economic policy needs to be squarely grounded in the long term. Like the great

Canadian hockey legend, Wayne Gretzky used to say, "Skate to where the puck is going, not to where it has been".

"Advantage Canada" is our economic plan. We outlined our plan to Canadians in November 2006 to create fiscal tax, entrepreneurial knowledge and infrastructure advantages.

[Translation]

Our plan is to create a climate that encourages growth and stimulates additional job creation, where hard work is rewarded.

[English]

One that will better position Canada to meet today's challenges while seizing the opportunities of tomorrow.

[Translation]

I am proud to announce to the House that since we introduced our Advantage Canada plan, we have made significant progress in its implementation. First, the solid financial management we have demonstrated will be used as a foundation for our plan.

[English]

Unlike other countries, we have used our budget surpluses to reduce the debt load for the next generation. Since forming government in 2006, we have reduced the national mortgage by \$37 billion. That is nearly \$1,570 for every single man, woman and child in Canada. We are doing more. By 2012-13, total debt reduction since our government took office will exceed \$50 billion.

• (2010)

[Translation]

Interest savings from reducing the debt will benefit Canadians directly through the tax back guarantee. This measure will provide income tax relief to the tune of \$2 billion a year by 2009-10.

[English]

We are also continually reviewing all government programs to ensure that spending is not only efficient, but effective and disciplined.

Canadians do not want their tax dollars wasted. They do not want to return to March madness when previous Liberal governments would spend, allegedly on anticipated surpluses, on anything and everything. They certainly do not want government borrowing against our children's futures by running deficits again.

[Translation]

That is why we have implemented a new expenditure management system whereby all government programs will be evaluated every four years. The system will help eliminate programs that waste resources or are not useful.

*Business of Supply**[English]*

As well, we are creating a proud legacy of reducing taxes, bringing them to their lowest level in nearly 50 years with nearly \$200 billion in tax relief for Canadians, cutting taxes in every way government collects them, personal consumption, excise, business and much more.

For instance, we are ensuring Canadian businesses can compete and succeed globally by reducing the business income tax rate to 15% by 2012, enabling Canada to achieve the lowest, overall tax rate on new business investment in the G-7 by 2010 and the lowest statutory tax rate in the G-7 by 2012.

These reductions will give Canada a substantial tax advantage over the United States, a statutory tax advantage overall of over eleven percentage points and an overall tax rate advantage on new business investment of more than nine percentage points in 2012.

As the Canadian Council of Chief Executives recently noted:

The federal government clearly has done everything it can to reduce tax rates within the boundaries of prudent fiscal management.

[Translation]

Thanks to budget 2008, the government is taking significant, targeted action in order to continue to implement the commitments it made in Advantage Canada.

[English]

In particular, budget 2008 proposes to establish a tax-free savings account, extend assistance for Canada's manufacturing sector, improve the scientific research and experimental development tax incentive credit, while increasing in the future funding for people, knowledge, business, innovation, communities, traditional industries and infrastructure.

We are also making the largest federal public infrastructure investment since World War II, over \$33 billion in our building Canada plan. In addition, we have created the office of P3 Canada, which will help to lever that money with the provinces and the private sector.

With municipalities in Canada, we made the gas tax permanent for municipalities so they can lever that gas tax year going forward. We expect that this will fund more than \$100 billion in new infrastructure for Canada over the course of the next seven years.

Unlike the opposition parties, we do not believe in raising taxes, especially a new, massive, punitive, permanent carbon tax, a new punitive tax on gasoline. We do not believe in doing that and we do not believe in spending recklessly like the Liberals did with their three budgets in their last year in office.

We certainly do not believe in running deficits, but the Liberals have spending plans of \$60 billion, plus they voted for a bill in the House this afternoon that will cost another \$10 billion, so they are at \$70 billion now in new spending. They will fund that by taxing Canadians and seniors, by dramatically increasing the cost of gasoline, of home heating fuel for Canadians, particularly for Canadians who can least afford it, who are on fixed incomes, driving up manufacturing costs in Canada.

● (2015)

Hon. John McKay: So put your money where your mouth is. Get rid of the carbon caps. You cut the carbon tax, Jim, 10¢ a litre.

Hon. Jim Flaherty: I know the member from Scarborough wants to change his mind on the carbon tax, but as far as I know, it is still their policy.

That is where they want to take our country: higher taxes, higher spending, deficits, accumulated debt. We are going just the opposite way in the interests of our country.

The Deputy Chair: We will now have a five minute question period where members of the government will be asking questions of the Minister of Finance, and we are going to innovate. In this instance, and probably to influence the rest of the evening, the questions will be asked in the third person and not in the second person.

The hon. member for Bruce—Grey—Owen Sound.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Chair, first, I thank the finance minister for his continued strong performance as Canada's finance minister.

I have to make a comment first. Everybody in Canada knows the Liberals have never had a surplus they did not spend. The NDP have never seen a surplus it would not like to spend, but like the Bloc, it will never get a chance.

A question that came from across the way for the finance minister referred to comments about the Premier of Ontario. I come from Ontario so I have a right to speak to this. The premier announced a week or so ago that he would put a whole bunch of money into funding sex changes. However, he will not sign an agreement that will give funding to municipalities in Ontario or right across Canada.

As the finance minister mentioned, some sectors of the economy are having a tough go of it due to the high dollar, especially the manufacturing sector. As we know, the government has introduced significant measures to support the manufacturing sector and its workers.

For workers, we have come out with the community development trust, which provides over \$1 billion for communities and laid off workers. I know my home province of Ontario is using this money to help fund a retraining program, which estimates say will help 20,000 unemployed workers make the transition to new careers, and I know the Premier of Ontario is very appreciative of that.

On that note, I would like to ask the minister about something that one of my colleagues, the member for Edmonton—Leduc, brought to my attention, and it was brought to his attention by a business in his riding, City Lumber. Forklifts and other powered industrial lift trucks used for manufacturing do not qualify for the accelerated capital cost allowance. I know some of the businesses in my riding could also miss out because of this opportunity.

Business of Supply

Therefore, would the minister explain what is being done or what can be done to correct this situation.

Hon. Jim Flaherty: Mr. Chair, I thank the member for Bruce—Grey—Owen Sound for the exceptional job he has been doing in Ottawa on behalf of his constituents. I also to thank the member for Edmonton—Leduc for raising this issue with me, as well.

As the member noted, our government has been taking important steps to assist the manufacturing sector, not through the use of ineffective and short term band-aid type solutions but rather longer term measures to create a more productive, competitive business environment, including the historic tax relief of nearly \$200 billion and a stimulus that has been created for business, particularly in this time of economic slowness.

In Canada, the corporate tax reductions that were in the fall economic statement were described by the Canadian Manufacturers & Exporters in this way, “important to the long-term competitiveness of the Canadian economy”.

In that spirit tonight and with respect to the question the member has posed, I confirm that forklifts used for manufacturing or processing will be eligible for the accelerated capital cost allowance treatment that was announced in budget 2007 and extended in budget 2008.

Specifically, forklifts used in manufacturing or processing acquired after March 18, 2007, will qualify for the temporary manufacturing and processing incentive. This will ensure that forklifts receive the same accelerated capital cost allowance rate as other manufacturing related machinery.

Again, I thank the member for Bruce—Grey—Owen Sound for bringing this matter to my attention.

Mr. Larry Miller: Mr. Chair, I thank the minister for that announcement and I know it will mean a lot to my riding. In order to give him some time answer this last question I will keep it short.

We have all heard about the Liberal Party and its leader's plan on the regressive and massive carbon tax proposal. I know we are getting a lot of yipping across the way, but would the minister tell us what he has heard on the reaction of the proposed gas tax increase by the Liberal leader.

● (2020)

Hon. Jim Flaherty: Mr. Chair, Canadians are outraged, dismayed and worried. They are outraged in all parts of the country, even in Windsor, Ontario.

The *Windsor Star* wrote today:

A carbon tax will penalize low-income earners, rural Canadians and suburban commuters...and it will negatively affect the ability of Canadian businesses, already struggling under the weight of a rising loonie, to compete internationally.

That is what the Liberals are proposing for Canadians.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Chair, I listened to the speech given by the minister a few minutes ago. I find that he is out of touch with the current state of the economy.

China has replaced Canada as the leading exporter to the United States. This has resulted in a very significant loss of manufacturing jobs, particularly in Quebec and Ontario.

Under the Conservatives, 35,000 jobs were lost in 2006 and 43,000 in 2007 because the minister ignored the unanimous report of the Standing Committee on Industry, Science and Technology. He spoke earlier about the member for Edmonton—Leduc. I was a member of the industry committee. We presented a unanimous report containing 22 recommendations to help the manufacturing sector and he only implemented half of one of them.

Does the minister realize that because of his laissez-faire approach forestry workers in my riding—I am thinking of Saint-Pamphile, Saint-Just-de-Bretenières, Montmagny and l'Islet—and throughout Quebec and Ontario, feel that they have no government? I will not ask for an apology this evening but I would like to know if he is prepared to change his approach and his focus. He is presently allowing the economies of Quebec, Ontario and Canada to be completely subordinate to China's exports.

Yesterday, it was announced that Canada, for the first time, now has as many jobs in retail sales as in the manufacturing sector. That means that high paying jobs have been replaced by lower paying jobs. Are those the results he wants? I am asking for an answer from the minister. I will be sharing my time with the member for Saint-Maurice—Champlain

Hon. Jim Flaherty: Mr. Chair, I thank the member for his question.

[*English*]

I am very proud of the fact that the economic fundamentals of this country are strong. I am very proud of the fact that the government anticipated the economic slowdown this year. I am very proud of the fact that our government anticipated that the U.S. housing sector would, in fact, go into recession and that we took steps in advance.

Yes, we had the very helpful advice of the industry committee of which the hon. member is a member. We had its strong advice with respect to the proposed accelerated capital cost allowance. We took its advice. The member for Edmonton—Leduc was chair of the committee. This was important advice. We brought in the two year writedown on the accelerated capital cost allowance and then extended it in budget 2008 going forward for three more years on a declining basis. This is a great help to industry in Canada.

Why is this important? Just as the industry committee had noted, and the member knows this through his very helpful participation in that committee, if we are going to have a sustainable forestry industry in Canada, and if we are going to have a sustainable auto sector and auto parts sector in Canada, they must be sophisticated technologically.

How can these companies afford to move forward and acquire the technology that they need? They can do it if we help them in the federal government and make sure that we make manufacturing and processing equipment more affordable. This is helped also by the appreciation of the Canadian dollar vis-à-vis the U.S. dollar because it makes a lot of this technology priced in U.S. dollars more affordable.

That is why we are seeing an increase in the acquisition of modern technology, machinery and equipment. Because we take the longer term view, we applaud business for taking advantage of this tax change, so they can get this machinery and equipment so that in the longer term they will be sustainable, competitive and be able to provide long term job security for Canadians.

• (2025)

[Translation]

Mr. Paul Crête: Mr. Chair, the problem is that where I come from, people do not eat on a long-term basis. They eat every day and they need their jobs now, this year. When they are told after losing their jobs that they are entitled to unemployment benefits for 45 weeks and social assistance benefits for a year, and that if they get training perhaps they will have a job after that, those people do not find that situation acceptable.

In addition, the owners of companies in sectors that are not making much profit and who could have benefited from refundable tax credits to get through the manufacturing crisis are feeling abandoned.

Can the minister tell me, on behalf of the Department of Finance, what portion of the \$14.1 billion in income tax reductions announced in the economic statement will go to the big oil companies? The manufacturing sector, which is not making any profits, has no access to assistance tools. Canadian manufacturers and exporters, as well as the unions, say the same thing on that topic: this is not the right kind of budget.

They should have used part of last year's \$10 billion surplus to stimulate the economy. In my opinion, that would have been a very desirable choice.

I would like the minister to give me that information. How much of the \$14.1 billion will go to the oil companies?

[English]

Hon. Jim Flaherty: Mr. Chair, with respect to the big oil companies, I am sure the member noticed that we took away their accelerated capital cost allowance which is actually a tax hike for big oil companies. We transferred that benefit to manufacturers in Canada which I described in my previous response.

If we were to listen to some of the members in this House, we would think they were not aware that there were more than 19,000 net new jobs in this country last month. This is despite the slowness in the United States economy. Since this government took office, employment has increased by 832,000 people. Full time jobs account for over 80% of the increase. This is dramatic success after two years and three months or so of Conservative government. Despite the slowdown in the economy in the United States and globally, our economic fundamentals are strong.

There are some single industry communities in particular which need help and that is why the Prime Minister announced the community development trust, \$1 billion to particularly help those communities like Dalhousie, New Brunswick where the mill closed and other parts of the country where specific industries have shut down. So there is that specific assistance for those workers and those communities.

Business of Supply

As the Bloc has advocated in this place, and the hon. member who preceded the current finance critic for the Bloc talked to me a couple of years ago, we needed to do something for older workers, which we did. The older workers assistance program for workers between the age of 55—

[Translation]

The Deputy Chair: The honourable member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup has 30 seconds for his question and 30 seconds for the answer.

Mr. Paul Crête: Mr. Chair, they say they have helped older workers but there is no new program for older workers who cannot find jobs. Since February, the government has had a report in hand and has not acted on it. People who do not find jobs wind up applying for social assistance. Will he immediately correct this situation to give justice to these people who worked for companies for 30 years and who, after a year of unemployment, find themselves living on social assistance?

[English]

Hon. Jim Flaherty: Mr. Chair, the government is spending more on skills training than any government in the history of Canada. Anyone who needs retraining in Canada can get it. The employment situation in Quebec is good. It is about the best it has been in a generation in terms of the number of people employed. Even today, hot off the press, Bombardier launches a hiring blitz, looking for 700 new workers in Montreal, Quebec. That is growth in this economy.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Chair, like my colleague who just addressed the finance minister, I think that the entire issue of the manufacturing sector in Quebec was completely forgotten in this budget. Before it was tabled, I visited a number of places in my riding, together with my colleague, in order to consult and find out what people expected from the budget. It turned out to be pretty close to what the Bloc was demanding. A little while ago, a Conservative said that I and the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup met with the finance minister and told him what the people of Quebec were concerned about. It was the same thing I had been hearing everywhere in my riding, in Shawinigan, La Tuque or small towns. People definitely did not want to see such a large part of the surplus going to pay down the debt. People clearly needed a large part of these surpluses to go to the manufacturing sector to sustain its workers.

The finance minister said that something like 19,000 jobs were created last month. I am not sure about this figure, but I would like to know how these jobs were distributed. I would like him to tell us a little later where these jobs were created, because I am sure they were not created equitably for all citizens, especially those in Quebec and the regions of Quebec.

Business of Supply

I would also like him to revisit one item I could not find in the budget. I have a question for the finance minister. How is it possible that after promising during the last election campaign to make the guaranteed income supplement fully retroactive for our older people, he still has not managed after three budgets to find a way to provide equitable compensation for older people who were done out of the guaranteed income supplement, despite a \$12 billion surplus? These people were entitled to it but did not know it. The Conservative Party promised to do this but still has not found a way.

I would like the Minister of Finance to tell us how he has not been able—after three budgets—to find a way to deal with this serious problem for the most disadvantaged seniors in Canada.

• (2030)

The Deputy Chair: The Minister of Finance has 2 minutes and 40 seconds to answer the question.

[*English*]

Hon. Jim Flaherty: Mr. Chair, on the GIS, we increased the amount that could be earned to \$3,500 in this year's budget. We also created a tax-free savings account which is an important vehicle for young Canadians, however, it is also a very important vehicle for older Canadians in that they will be able to put aside \$5,000 a year and earn interest on that, or dividends, or capital gains, or any other type of gain, and not have that money taxed when it comes out.

I expect this will be very popular not only among young Canadians but also among older Canadians based on certainly what I have heard from Canadians across Canada since budget 2008 was announced.

In terms of the employment numbers, employment has been strong across the country. I am pleased to say that in this place. We have seen strength in employment in Atlantic Canada, certainly strength in Quebec and in Ontario, and the west. In fact, in many parts of the country, we are seeing labour shortages.

This is a reality as we go forward with economic growth. We are going to have to seek to have more people working in Canada and deal with the immigration issues that we are attempting to deal with in Bill C-50, so that the economy can grow and we will have the people power that the economy needs to grow.

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Chair, last fall, after the Bloc Québécois repeatedly asked the government to provide more support for the manufacturing sector—particularly in Quebec where the large majority of Canada's manufacturing jobs have been lost—the Minister of Finance and the Prime Minister announced a \$1 billion trust to benefit the communities that lost jobs.

This \$1 billion trust was announced for a period of three years. Many people thought this would be sufficient. But in Quebec, there was still a significant outcry; in fact, almost everyone was in agreement that the amount was still not sufficient given the number of jobs lost in recent years. We then realized—the numbers were subsequently revealed to us at the Standing Committee on Finance—that the government had allocated this amount on a per capita basis.

This was completely unfair not only because the amount was insufficient, but mostly because of how it was allocated. If this

amount had been allocated based on manufacturing jobs lost, it would have been much more advantageous and profitable for Quebec. Allocating it on a per capita basis meant that Quebec received \$2,275 for each job lost and Alberta received \$20,000 for each job lost. This is inexplicable. Quebec has been shortchanged, as have all of the people who lost their jobs.

• (2035)

[*English*]

Hon. Jim Flaherty: Mr. Chair, I dare say that job losses in the challenged sectors of the economy, manufacturing, the auto sector and forestry, cover most regions of this country. Most Canadians would think it fair that the allocation of the community trust be on a per capita basis.

This is something that a number of the provinces argued for very strenuously with respect to transfers before we accomplished the fiscal balance that we did in 2007 by moving to those per capita transfers. Some of the smaller provinces, particularly with respect to post-secondary education, are concerned that this per capita transfer perhaps disadvantages them. I am sure that the hon. member will want to reflect on that.

Having said that, the support for manufacturing is very strong: \$9 billion in tax relief by 2012-13; \$1.3 billion in additional funding beginning this fiscal year to the provinces for post-secondary education and labour market training to create a more highly skilled workforce; more than \$1.5 billion over three years to support Canada's leadership in science and technology; action to streamline the regulatory system; a 20%, at least, reduction in that paper burden by November of this year; and \$33 billion for infrastructure with P3s to be levered to fund infrastructure from the federal level at the highest level since the second world war.

[*Translation*]

The Deputy Chair: I am about to give the floor to the member for Outremont, who is here for the first time in a committee of the whole. He has 15 minutes, and I would like to know how he intends to use his 15 minutes. A statement? Questions and answers? How would the member like to use his time?

Mr. Thomas Mulcair (Outremont, NDP): Mr. Chair, I thank you for your concern. I plan on proceeding with questions and answers, since from what I gather from the rules, the answer should not go over the time allotted for the question.

Business of Supply

The Deputy Chair: You now have the floor for 15 minutes.

Mr. Thomas Mulcair: Mr. Chair, first of all, I would like to thank the Minister of Finance for giving us this opportunity to talk with him. To his surprise, unlike the official opposition, I plan on questioning him about financial matters.

Could the Minister of Finance tell us how many jobs have been lost in the manufacturing sector in Canada since January 2006, when his Conservative government took power?

[English]

Hon. Jim Flaherty: Mr. Chair, we have had some job losses in the manufacturing sector but, as I have indicated, they have been made up by job gains in other sectors of the economy, which is why the net gain is a positive one with respect to our job situation in Canada, not only in Canada overall but in the regions of Canada, including Quebec.

[Translation]

Mr. Thomas Mulcair: Mr. Chair, I would be very surprised to find out that neither the minister nor those he works with, including the most senior federal finance officials, had access to these numbers, but I will tell him anyway. Since this government came to power in January 2006, over 300,000 manufacturing sector jobs have been lost, 116,000 of those in Quebec alone.

The minister is right in saying that the total number of jobs has gone up. Manufacturing jobs allow workers to earn a good living to support their families. These jobs have been around for generations and most of them come with retirement benefits.

That is important not only for workers, but for future generations. Sustainable development is not just about the environment. It is also about society and the economy. Socially, we are transferring this responsibility to future generations.

If the minister bothered to check, he would find that most of the replacement jobs are in construction, a very unstable sector where the slightest hiccup in the economy can put an end to these new jobs.

• (2040)

[English]

Hon. Jim Flaherty: Mr. Chair, the member opposite seems to promote an allegation that is without a factual basis, which is that the jobs that are being created are not good jobs.

He should look at the article in *The Globe and Mail* of February this year written by Derek DeCloeit, which states:

Those were not McJobs, either: 143,000 of them were in finance or real estate; 323,000 in education or health care; 228,000 in construction; 58,000 in natural resources. ...[these jobs] shouldn't be derided; they're the reason Canada is a wealthier country today than it has ever been.

If we add up those numbers, it is 752,000 net new jobs over that period of time.

In response to the previous question from the hon. member, I have the statistic that he was seeking, although it is not the exact period of time. From November 2002 to March 2008, the overall growth in all industries was over 1.6 million jobs, but in manufacturing the number was of course negative 362,900.

It is obvious, I think, to most people, looking at the Canadian economy, and in fact the economy in most western industrialized countries, that we are going through a period of adjustment in some industries. There is an adjustment in forestry and in manufacturing certainly.

[Translation]

Mr. Thomas Mulcair: Mr. Chair, earlier, the Minister of Finance said that, in his opinion, this has to be looked at in the long term—that is the expression he used. He even quoted the great economic strategist, Wayne Gretzky, by saying we have to skate to where the puck is going, not to where it has been. That is all well and good, but we would like to know if the minister has an idea of what we should do during the transition.

He spoke earlier about a rather minimal amount allocated by his government. He even had the gall to mention POWA, even though that program no longer exists. He should know that, and so should his closest colleagues. As the Bloc Québécois so aptly pointed out, no programs have been implemented for people over 55. This is tragic for people who are losing their jobs in the manufacturing sector.

Last week, I visited the Golden Brand factory in Montreal where 550 jobs will soon be lost. Yet that factory is making money. Incidentally, it produces clothing for Moores, which has decided to move all its clothing manufacturing to China, even though it was turning a profit here in Canada. Take note: people should stop buying clothes at Moores.

The real question is this: what should the people do, those aged 57, 60 or 62 who have been working someplace for 30 years, if no older worker adjustment program is implemented to help meet their needs until they can take early retirement?

[English]

Hon. Jim Flaherty: Mr. Chair, the issue the member opposite raises with respect to older workers is one that was raised with me by the Bloc a couple of years ago when we were doing our budget consultations. Quite frankly, I thought the point that was made by the previous finance critic for the Bloc was a point that was well taken and we did move forward with the older workers program, which we have extended and augmented. This is designed specifically for members between the ages of 55 and 62, precisely what the hon. member describes as being necessary.

Do we have a plan? Yes, we do. Do we use the plan as a prism to decide what we will do in terms of fiscal and tax policy, a knowledge advantage, an entrepreneurial advantage and an infrastructure advantage? Yes, we do. It is called Advantage Canada and I commend it to the member opposite. It is a good read. We have been following it and implementing it as we move forward in our budgeting cycles. It is, as I say, the prism through which we view proposals with respect to various issues.

I compliment the member for Outremont on his view of government and government's role with respect to business. I share his view as he expressed it in 2002.

Business of Supply

[Translation]

He spoke about a government whose members insist on appearing to be businesspeople, but do not let the free market determine which businesses will survive and which will not.

[English]

I agree with him. It is not for government to substitute its opinion for business. I am sure the member for Outremont agrees with what he said in 2002.

[Translation]

Mr. Thomas Mulcair: Mr. Chair, I very much agree with what the Minister of Finance just said, especially since the NDP has long subscribed to this idea. At the time, we talked about corporate welfare bums, and we are still opposed to the concept.

Now, I have a question for the Minister of Finance about fairness. Earlier, he spoke about his vision of a balanced economy. We think that the economy we have built since the second world war is balanced, because of its primary sectors, such as the forestry and mining industries, its secondary sector, for example the manufacturing industry, and its solid financial services sector, and so on. All of that is part of a balanced economy.

Canada is a very big country. It is the second-largest country in the world in terms of area. But our population is very small—just 35 million. We need a balanced economy.

The Conservative government has ignored the work done by previous generations to build a balanced economy *a mari usque ad mare*. The Conservatives are in the process of sacrificing it on the altar of the oil sands of Alberta. It will be up to the public to decide in the next election.

Let us talk about the justice of its vision by comparing what corporations and individuals must pay. I would refer him in particular to Table 5.4 in the budget and ask him to explain the vision behind the Conservative's decision.

Here is the decision. The new fiscal year just began on April 1. So the beginning of last month marked the start of the 2008-09 fiscal year. Over the course of two full fiscal years, personal taxes are slated to rise from \$112 billion to \$125 billion, which is a 12% increase. Let me say that again: a 12% increase in personal taxes. As for corporate taxes, they will decrease from \$42 billion to \$36 billion, a drop of 14%. Let us take a look at the government's pie: personal taxes will increase by 12%, but corporate taxes will drop by 14%.

What is the minister's vision of social justice, given that he was born in a place where there are many manufacturers and working people, in Lachine, Quebec? Where has his social vision gone, now that he occupies this position?

● (2045)

[English]

Hon. Jim Flaherty: Mr. Chair, what the member opposite fails to mention, which I am sure he forgot for the moment, is the 2% reduction in GST that applies to all Canadians whether they pay income tax or not. Every time they buy something in this country, as

of January 1 this year there is a full two percentage points off, which has had a very desirable effect with respect to inflation.

It has also made it easier to purchase larger ticket items in Canada, particularly automobiles. The experts in the automotive sector have talked about that GST reduction, as well as the revaluation of prices, as being a significant impetus to the very strong car sales we have had in Canada, unlike the United States, in the first three months of this year.

More people are earning more money in Canada. We have a progressive tax system of course. We have four categories of taxation, as I am sure the member knows, and we get more people moving into higher taxation levels which will affect personal income tax.

The reduction of the business tax is entirely intentional. We made that clear in the announcement of the economic statement on October 30, 2007, that we have chosen a certain path.

We have chosen to brand Canada as a low business tax jurisdiction. We have chosen to move to a targeted 25% provincial-federal tax rate by 2012. We are doing our part at the federal level, moving to 15% by 2012. Alberta is already at 10%. British Columbia is going in that direction and we expect that Manitoba will also. The former premier of New Brunswick, Mr. McKenna, spoke recently in Halifax and urged all of the Atlantic provinces to go in that direction. Quebec has made some movement in that direction. As the member knows, I have been gently encouraging the Premier of Ontario to go in that direction as well.

I look forward to having further discussions with the other ministers of finance in Canada tomorrow and the next day in Montreal where one of the things we will talk about of course is how we brand Canada to attract foreign investment and to attract reinvestment in Canada and more high quality jobs for Canadians as we go forward.

● (2050)

[Translation]

The Deputy Chair: The member for Outremont has the floor.

There are two minutes remaining: one minute for the question and one minute for the answer.

Mr. Thomas Mulcair: Mr. Chair, you will have noticed that when asked about his vision for the future, the minister spoke about the past for three minutes and stated that in his budget he had done this, they had done this and they had done that. Earlier, he talked about having a long-term vision and quoted Wayne Gretzky, who said that you have to move forward. However, he did not say one thing about the future.

What we have in Canada, even today, is what remains of a fairly balanced economy built over the generations. They are destroying this balanced economy, which was painstakingly built over the course of our history, by pursuing the unsustainable development of the tar sands. They are throwing the economy out of balance.

Business of Supply

What is the minister's vision for the next generation? When his children and grandchildren are working, will anything be left or will everything have gone up in smoke because of the tar sands?

[*English*]

Hon. Jim Flaherty: Mr. Chair, if I have grandchildren, my children at home have not told me something, but I am sure I do not.

I take the member's question seriously. What is the vision for our country? We know what the vision of the official opposition is: carbon taxes, increasing the tax burden on poor Canadians and Canadians on fixed incomes.

This is the vision. It is called Advantage Canada. When we became the Government of Canada it became clear that the previous government did not have an economic plan so we created the economic plan. Here it is and it is designed to create a competitive advantage for Canada going forward, just as has been done in countries from Ireland to Singapore to the United Kingdom for Canada, a tax advantage.

Canada's tax advantage will reduce taxes for all Canadians and establish the lowest tax rate on new business investment in the G-7.

A knowledge advantage: Canada's knowledge advantage will create the best educated, most skilled and most flexible workforce in the world.

An entrepreneurial advantage: Reducing red tape and creating a more competitive business environment.

All of these advantages work together to create a—

The Deputy Chair: The hon. member for Lévis—Bellechasse.

[*Translation*]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Chair, I am pleased to join my parliamentary colleagues this evening to participate in the work of the committee of the whole on the Canadian government's main estimates.

This evening, it is not the main estimates we should be talking about. Since the Conservative government has been here in Ottawa, we could talk about the main investments in the economy and in Canadian taxpayers. There is investment in agriculture, investment for pork producers and dairy producers, investment in the environment, in budget 2008 in particular, to create a carbon exchange to make our country a world leader in fighting climate change. There is also investment in education, but especially for future generations by reducing the debt. That is the real sustainable development our Minister of Finance is creating for our country.

Thanks to the remarkable work of my colleague, the hon. Minister of Finance, the hon. member for Whitby—Oshawa, the Canadian economy is improving and growing and taxpayers are finally seeing their taxes go down instead of up. This is true both for individuals and businesses.

The results of all this are clear. Over the past 12 months alone, we have seen the creation of over 300,000 jobs. Since we came to power, 750,000 jobs have been created, 80% of them full time. These are jobs for people across the country. This contrasts with and is diametrically opposed to what our colleagues opposite want to see. Their problem is that they think government money is their money.

On this side of the House, we think that government money belongs to taxpayers and should go back to them.

My question for my colleague, the Minister of Finance, is a simple one. How has he managed to stimulate the economy and reduce the tax burden on companies and taxpayers?

I would like to revisit one important element. The official opposition has come up with a proposal that worries me. The price of gas is higher than ever before. It is as high as \$1.50 in some places. This is a big problem for people in my riding who commute to work.

My riding is far from urban centres. To move manufactured goods, we need a healthy economy, we need lower transportation costs, and we need the government to make sure that transportation costs do not go up. Now the official opposition wants to tax carbon and increase the cost of raw materials and the cost of transportation, even though these costs are already extremely high.

That worries me. I would like to know what the minister plans to do to protect us from these rising costs, these huge increases that will take a heavy toll on the Canadian economy. We know that these tax grabs affect not just businesses but people with low incomes, society's most vulnerable members and seniors. That is inconceivable in the current context, where even though we have an economy running at full throttle, we are also facing certain challenges.

● (2055)

[*English*]

The Liberal leader's own MPs think his plan is a bad one.

The *Toronto Star* reported:

Liberal MPs say one of their chief concerns is the bruising impact that higher energy taxes would have on the pocketbooks of middle-class and low-income Canadians already grappling with skyrocketing gas prices.

[*Translation*]

That was well put. Even the New Democrats recognize that it would harm businesses, families and people with low incomes. But there is one thing. Those two parties voted against—

Some hon. members: Oh, oh!

The Deputy Chair: Order, please. I regret that I must interrupt the debate, but things were at the point where I could not hear the member who had the floor. I would like to ask all of the members to settle down, wait their turn and wait until they have been recognized. We will respect the rules. Meanwhile, it is important that we be able to hear the member who has the floor.

Business of Supply

Has the hon. member for Lévis—Bellechasse finished?

Mr. Steven Blaney: Absolutely not, Mr. Chair, quite the opposite.

The Deputy Chair: You have the floor.

Mr. Steven Blaney: Mr. Chair, I wanted my colleagues to react. However, some facts remain. We lowered taxes and the economy is actually performing quite well. I would just like to point out that, in Quebec, more than 150,000 jobs have been created since the minister was appointed.

We must also acknowledge that it is due to our long-term vision for the Canadian economy, which applies to every budget. There is another important element: the current corporate tax rate is one of the most competitive among the G-7 countries.

Our minister is doing remarkable work to ensure that our manufacturing sector is at the leading edge. For example, we have Exceldor in Saint-Anselme, Prévost Car in Sainte-Claire and Rotobec in Sainte-Justine, which benefit from tax breaks put in place by our government. In addition, we also reduced the GST.

I could go on at length. Even organizations such as the United Way in Toronto acknowledge that this budget helps the most disadvantaged over the welfare wall. Our budget covers a broad spectrum but it focuses on several sectors in order to better position the Canadian economy.

My questions are for the minister. How will he continue this development? Furthermore, why does he believe it was so important to keep the promises about tax cuts, which he knows stimulate the Canadian economy?

• (2100)

[English]

Hon. Jim Flaherty: Mr. Chair, certainly, we are going to continue on with the “Advantage Canada” plan and our plan to implement that plan. In each budget, in each economic statement, as we go forward, we have made terrific progress on implementing “Advantage Canada” on the tax side, on the fiscal side, on the knowledge side, and with infrastructure and advantaging entrepreneurs in Canada. So, that is our plan, and we will continue to do that.

We know that the plan of members opposite in the Liberal Party is to go back to what they like to do; that is, increase taxes and increase spending. By now it looks like something like \$70 billion because they voted for a \$10 billion per annum bill here this afternoon.

Where are they going to get this \$70 billion? They are going to get it, they are telling us, through something called a carbon tax. They are going to increase taxes on gasoline and home heating fuel. They are going to drive up the cost of manufacturing in Canada. They are going to hurt some of the most vulnerable people in this country who live on fixed incomes. It will also lead to higher shipping costs. As I say, it will be more difficult for many.

However, do not take my word for it. Let us see what some Liberals say about it. Liberal strategist Warren Kinsella, we know about him, says:

Forget about the fact that it is unfair to people on fixed incomes (like the elderly) and the poor (who have to heat their homes and buy food, too), and is therefore profoundly un-Liberal.

What does the Liberal member for Vaughan say? He says:

It [carbon tax] is certainly not an option for me.

What do we hear from Gerard Kennedy? He is a Liberal, I think, now. He says:

I think a carbon tax is the clumsiest of the options that we've got so far,—

What does Bill Graham say? He is a long time member of the Liberal Party. He says:

Certainly when we were in government we clearly did not advocate that as a way to deal with global warming.

That is what Liberals say about this idea: this meanspirited, punitive idea where the Liberals want to impose on Canadians higher gasoline taxes and higher taxes on home heating fuel.

We go exactly in the other direction. We reduce taxes of all kinds in Canada. We let the economy breathe. We reduce business taxes. We reduce excise taxes, which apply to many goods in this country. And of course, we kept our pledge to reduce the GST by two full percentage points. We keep our promises. We are getting the job done.

[Translation]

Mr. Steven Blaney: Mr. Chair, I have another question for my hon. colleague and I would like to hear his comments.

The Canadian Bankers Association spoke about tax reductions in the order of \$200 billion. That is historic. We have never had tax cuts of this magnitude in this country. We are talking about \$140 billion in personal income taxes and \$60 billion in tax cuts for manufacturers.

The Canadian Bankers Association stated that these tax cuts will not go unnoticed in global markets and that they will position Canada as a place to invest, do business, live and work and that this measure will benefit all Canadians.

I would like to know if this vision of economic prosperity is in keeping with the minister's vision and the Advantage Canada plan?

[English]

Hon. Jim Flaherty: Mr. Chair, speaking about skating to where the puck is going to be compared to where it has been, I am told it is 1:0 for Pittsburgh. Sydney Crosby scored with two minutes left in the first period. That is for the eight or nine Canadians who are not watching the game, but who are actually watching us do this in this place. That is a great Canadian taking action there.

We have reduced taxes of all kinds. We have also done something else and that is create the tax free savings account. This was something that needed to be done. In Canada we did not have a savings vehicle outside of the retirement savings vehicle and the RESP, not to mention the registered disability savings plan which this government created.

This tax free savings account is terrific. It has been called by various commentators a jewel and a gem. If Bill C-50 were to pass when it comes back to the House within the next day or two, what it means is as of January 1, 2009, Canadians 18 years of age or over would be able to contribute \$5,000 a year tax paid into a fund and have any kind of gains, dividends, or accumulated interest within the fund, and have it paid out whenever they want. This is a tremendous advantage.

Over time this is going to mean something like 90% of the savings of Canadians would be sheltered from taxation through one plan or another, especially for young people, but also for people of moderate means. During the first five years there will be no clawback. It is a terrific idea for Canadians to save money. I look forward to Canadians starting to save money through tax free savings accounts starting January 1, 2009.

• (2105)

[Translation]

The Deputy Chair: I would like to inform the hon. member for Lévis—Bellechasse that he has two minutes remaining.

Mr. Steven Blaney: Mr. Chair, the minister has just enlightened me. He has pointed out that before the measure introduced in the 2008 budget, Canadians were penalized for saving. Savings were taxed. Now, I understand that there is the tax free savings account. A tax measure exists now so that the average Canadian can set money aside, money that will be sheltered from taxes.

I would like to know how the minister thinks this measure will encourage Canadians to save more.

[English]

Hon. Jim Flaherty: Mr. Chair, I knew the tax free savings account had to be a good idea because when he was a Conservative, the hon. member for Halton said that this is a good idea, something he had long advocated for. So I know it is a good idea as do the Canadian Chamber of Commerce, the CD Howe Institute, the *Winnipeg Free Press* and the economists at BMO.

The Canadian Taxpayers Federation said:

This is an excellent policy proposal. Canada needs to reward people that save because their investments fuel economic growth and job creation.

The Canadian Federation of Independent Business said, “—the savings account, for one, that is an inspired measure”.

It is the most significant tax change with respect to savings and sheltering savings since the RRSP was brought in, in 1957. So it has been many years since then, but members opposite will observe in the next couple of years what an important tax measure this is for Canadians from coast to coast to coast, those 18 years of age or over. I sure hope they will support it when it comes to the House for a vote with Bill C-50 later this week or next week.

Hon. Garth Turner (Halton, Lib.): Mr. Chair, I will be splitting my time with the hon. member for Willowdale and the hon. member for Notre-Dame-de-Grâce—Lachine.

I do respect the Minister of Finance. I certainly respect anyone who is a minister and carries a load, particularly the finance portfolio. I admire him for standing here tonight and answering all these questions even though we know he has to. He has to face

Business of Supply

people who want to see him fail or see him embarrassed, and it is not easy being under attack. We all know that. I think that mindless partisanship is probably poisoning this House, so tonight I would like to pose some questions to the minister in the spirit of non-partisanship. I will do that because they are not even my questions.

Earlier today I asked on a blog if average Canadians would send in questions for the minister. These are Canadians who will probably never have an opportunity to meet this gentleman and never would have an opportunity to stand here and ask him questions. I have a few from average individuals.

This question is from Ben: Was the decision to break the solemn income trust election promise vetted by the Prime Minister? Will the minister confirm that the Prime Minister was an essential part of the decision making process that did so much damage to Canadians?

Hon. Jim Flaherty: Mr. Chair, I know that the member speaks of non-partisanship. I thought he would speak in his own case of multi-partisanship since he has belonged to several parties in this place.

As I recall, and I may be wrong and I am sure the hon. member will correct me, he actually voted in favour of the change with respect to income trusts. I think he also supported the GST reduction. In fact, he said that families who make less benefit more than wealthier ones from the GST cut. The member for Markham—Unionville should get that in a heartbeat. There he was lecturing his colleague, the finance critic for the Liberals.

Of course, I cannot disclose any matters that go on in terms of cabinet discussions.

• (2110)

Hon. Garth Turner: Mr. Chair, I am sure Ben would have found that most instructive and fulsome. It is unfortunate he chose to answer that way.

Let us try again. This is another question actually from the same person. He follows up, “Please ask him”, the minister, “how we the people can identify the promises made during the next election that are true and sincere as opposed to the ones uttered in the quest for power”.

Mr. Gary Goodyear: Mr. Chair, on a point of order, I believe that we were assembled here this evening to discuss the estimates for 2008-09. I do not see how these questions have anything to do with the matter before the House tonight.

The Assistant Deputy Chair: There was a ruling made earlier. I understand there is a little bit of latitude for tonight. Things that fall under the finance department or the finance ministry, in my opinion, would be appropriate. The hon. Minister of Finance has the floor.

Hon. Jim Flaherty: Mr. Chair, the member for Halton supported the decision of the government with respect to income trusts which was made in the autumn of 2006. In case he has forgotten why he supported it, perhaps I can help him by going back to that time and repeating the reasons it was important to move ahead with that decision.

Business of Supply

Sometimes in government difficult decisions need to be taken. In fact, the previous Liberal government had addressed this issue and was going to move ahead with it, but the Liberals changed their minds at the last minute, despite the fact that they knew it was the right public policy to pursue.

Why was it the right public policy? Because we should not have entities in Canada being treated differently for tax purposes and decisions being made for tax purposes rather than business purposes in Canada. We needed to level that playing field.

Hon. Garth Turner: Mr. Chair, I rise on a point of order. I believe the rules state clearly the minister cannot answer for any longer than the duration of the question posed to him. He exceeded on that.

The Assistant Deputy Chair: The responses are supposed to mirror the length of time but obviously there are times when the minister might take a little while to wrap up the answer. The hon. member for Halton.

Hon. Garth Turner: Mr. Chair, Dr. Mike Popovich asked this question, "Ask the minister why he considers RRSPs to be tax exempt in his calculations of tax leakage when it comes to income trusts, when Revenue Canada considers them to be tax deferred".

Hon. Jim Flaherty: Mr. Chair, as the member opposite knows, the income trust situation was one in which we had large Canadian corporations and the directors of those corporations looking at a situation where they felt that their duty to their shareholders to maximize value put them in a position where they would have to decide to change the corporate entity to income trusts. That was going to happen with a number of our—

Hon. Garth Turner: Mr. Chair, on a point of order, the questions asked of the minister are simple, short, direct questions. We are here to discuss a very specific thing in a very specific forum. Mr. Chair, direct him to answer.

The Assistant Deputy Chair: It is not for the Chair to decide whether or not the answer fits what the hon. member was expecting, but we will move on now to the hon. member for Willowdale.

Hon. Garth Turner: Mr. Chair, that was not enough time.

The Assistant Deputy Chair: Maybe on that clock, but on this clock it was. The hon. member for Willowdale.

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Chair, the minister made a statement earlier about certain governments raising taxes and entering into deficits.

I would like to ask the minister, can he tell me who was the last prime minister who inherited deficits and turned them into significant surpluses?

Hon. Jim Flaherty: Mr. Chair, that would have been in the 1990s. Without looking it up, I would think it would have to have been in the early 1990s when there was a change in government.

• (2115)

Ms. Martha Hall Findlay: Mr. Chair, I will help the minister in case his memory seems to be failing him in terms of names. That would have been Jean Chrétien with Paul Martin, both Liberals.

I would—

The Assistant Deputy Chair: Order. I just want to remind the hon. member that in committee of the whole, the same rules apply

about using members' proper names. She has an opportunity now for a follow-up.

Ms. Martha Hall Findlay: Mr. Chair, a Liberal prime minister and a Liberal finance minister. My apologies. That was a new member's mistake.

I would like to ask the finance minister, who was the last prime minister who inherited large surpluses and brought government spending close to deficit?

Hon. Jim Flaherty: Mr. Chair, if the member is criticizing the fact that we have reduced taxes in this country, she can go ahead and criticize.

If she wants to talk about Liberal premiers, I became a member of the provincial legislature in Ontario in 1995. Our government took over from the government of the member for Toronto Centre, who now says he is a Liberal, but he was a member of the NDP then. There was a massive deficit in the province of Ontario and we had to work many years to recover from that deficit just as we would have to here in the future with this new massive carbon tax and the big deficit that the Liberals intend to run.

Ms. Martha Hall Findlay: Mr. Chair, I would like to see us adhere to the rule of the answer taking the same amount of time as the question.

I would like to ask the finance minister if he can tell me, who was the last Conservative prime minister to actually show a surplus?

Hon. Jim Flaherty: Mr. Chair, that would be the current Prime Minister.

Ms. Martha Hall Findlay: Mr. Chair, it is actually helpful to have a bit of history.

Before the current Prime Minister inherited large Liberal surpluses, the last Conservative prime minister to actually balance the books, even in one year, was not Kim Campbell, not Brian Mulroney, not Joe Clark, nor John Diefenbaker. It was not even R. B. Bennett or Arthur Meighen. We have to go all the way back to Sir Robert Borden in 1912 to find a Conservative government that actually balanced the books.

I will now remind the Minister of Finance of his earlier statement about Liberal governments raising taxes and running deficits. I would ask the minister to repeat that statement while looking me in the eye.

Hon. Jim Flaherty: Mr. Chair, I have no doubt that the Liberals opposite will run a deficit if they ever return to power in this country given their intention to spend some \$70 billion. That will clearly put this country into deficit. It is the kind of reckless spending that they did in their three budgets in 2004, 2005, and their third budget with the NDP where they put up spending in one year alone for this country by 14.8%.

We now have taxes down to where they were in 1963-64 on the basis of revenue to GDP. That will be the tax burden in 2009-10, the lowest taxes in 50 years.

Ms. Martha Hall Findlay: Mr. Chair, I would like to have it on the record that despite my request to have that statement repeated while the minister looked me in the eye, the finance minister was, in fact, unable to do so.

Business of Supply

Hon. Jim Flaherty: I did look the member in the eye, Mr. Chair. She may not like me looking her in the eye, but I did look her in the eye. She may not like the answer, but I did what she asked.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Chair, the minister likes to talk about his advantage plan. What is the advantage in cutting \$107 million from the Economic Development Agency of Canada for the Regions of Quebec?

Hon. Jim Flaherty: Mr. Chair, in fact, there has been substantial economic growth in Quebec. The employment numbers have been strong in Quebec. I am thrilled to see in today's papers things like Bombardier launching a hiring blitz in Montreal. It is looking for people to fill 700 new jobs. On May 1, Morgan Stanley was talking about 500 jobs for its new Montreal technology centre. This is great job creation in Quebec.

• (2120)

The Assistant Deputy Chair: I just want to make a point. Some members may have a very brief question of just a few seconds and I do not think it is reasonable to expect the answer to be correspondingly brief. If it is a four second question, it might take a few moments for the minister to answer. I would ask members for a little understanding.

The hon. member for Notre-Dame-de-Grâce—Lachine.

Hon. Marlene Jennings: Mr. Chair, I am going to address the point that you just made and I hope it does not come off of my time.

If I ask a four second question and the minister takes six or seven seconds, I do not have a problem, but when the minister is taking three and four times the time, then I do have a problem. If he is unable to give a fulsome response in a reasonable time in comparison to the time I took to ask the question, then I suggest that his Prime Minister, when he does his shuffle, might want to remove him.

Mr. Gary Goodyear: On a point of order, Mr. Chair, I am going to request that the member does lose her time since the member stood and gave a partisan political speech that did nothing but disrespect the Chair. It is funny that Liberals cannot handle the rules.

The Assistant Deputy Chair: Order. There is a little more than two hours left in this debate and it would be helpful if all members understood that there needs to be a bit of cooperation. The more civil people are, the smoother this can go.

I understand the point made by the hon. member for Notre-Dame-de-Grâce—Lachine, but I think she would understand that a very short question can evoke a long response if it is a complicated question. There are a lot of clocks on my screen and I will do my best to ensure that the length of time of the answers relate to the length of time of the questions.

The hon. member for Notre-Dame-de-Grâce—Lachine.

[Translation]

Hon. Marlene Jennings: Mr. Chair, where is the advantage in Advantage Canada if it cuts funding for non-profit organizations, such as Montreal International and Pôle Québec Chaudière-Appalaches?

[English]

Hon. Jim Flaherty: Mr. Chair, the advantage of Advantage Canada for Quebec has been very substantial. The transfers have increased dramatically. In fact, there has been an increase of \$4.5 billion since the Liberal government of 2005-06. Quebec will receive over \$16.7 billion in major federal transfers this year.

Hon. Marlene Jennings: Mr. Chair, that may be the case, but the minister still cut \$107 million from the Economic Development Agency of Canada for the Regions of Quebec.

When does the minister and his government intend to carry out their promise to eliminate the GST entirely, 100%, on gas if the price of gas went over 85¢ a litre?

Hon. Jim Flaherty: Mr. Chair, we know that the Liberals want to bring in a massive new punitive tax, a carbon tax on gasoline.

I am glad the member for Notre-Dame-de-Grâce—Lachine has also now mentioned the GST issue. We know that Liberals intend to increase the GST as well to finance some of their wild spending schemes. Canadians can look forward to a massive new carbon tax on gasoline and home heating fuel and also an increase in the GST under the Liberals.

Hon. Marlene Jennings: Mr. Chair, I love the way the Conservatives cannot tell the truth.

Out of 245 income trusts that existed before the announcement, there are now 197 left. Forty of those were due to takeover bids. Did the minister foresee this happening when he decided to tax income trusts?

Hon. Jim Flaherty: I gather the question is about income trusts; I only heard part of it, Mr. Chair.

The issue with respect to income trusts has been dealt with many times in this House. It was supported by some members of the House. Of course, it became law because it had majority support in this place. Some people want to revisit it.

I find it difficult to listen to a Liberal complain about it since you know you were going to do exactly the same thing.

• (2125)

The Assistant Deputy Chair: Order. The minister is out of time on that. I will remind the minister to address colleagues in the third person, not directly. The hon. member for Notre-Dame-de-Grâce—Lachine.

Hon. Marlene Jennings: Mr. Chair, the question was about takeover of income trusts. Does the minister expect to collect more taxes or less taxes in revenues due to the takeover of many of these income trusts by pension funds and foreign private equity interests?

Hon. Jim Flaherty: Mr. Chair, I would not expect a Liberal to understand that one can actually increase tax revenue by lowering taxes, which we have shown time and time again, by increasing economic activity. What we want to see from the corporate sector, including the income trust sector, is the same level playing field of taxation. That is what we want.

Business of Supply

Hon. Marlene Jennings: Mr. Chair, an independent analysis by Deloitte indicates that in the case of these takeovers 70% of the purchasers are tax exempt pension and private equity funds or foreign buyers who pay little, if any, tax in this country. Does the minister dispute this number that comes from Deloitte?

Hon. Jim Flaherty: Mr. Chair, the member for Markham—Unionville is chirping again over there, I think, and the member for Notre-Dame-de-Grâce—Lachine can handle it.

The purpose was to level the playing field for different forms of corporate entities in Canada. That is being accomplished. I think that is in the best interests of our country going forward.

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Chair, it is a great pleasure tonight to rise and speak to the main estimates and about what this Conservative government is doing to effectively manage Canada's economy. Under the leadership of our Prime Minister and finance minister, we have taken many important steps to improve the quality of life for Canadians over the last two years.

My remarks and my eventual questions to the finance minister will deal specifically with the tax-free savings account.

It is clear to Canadians that this government is taking a very different approach than the Liberals. Their Liberal vision for the economy simply repeats the same broken tax-and-spend and tax again mantra of the 1970s, along with a dangerous addiction to uncontrolled spending and reckless deficit spending.

It is a tax-and-spend philosophy that is leading the Liberals to call not only for a huge hike in the GST but also for what many have stated could be the single largest tax increase in Canada's history. The Liberal leader's new regressive carbon tax represents a huge tax increase for all Canadians. It is a tax increase that each and every Canadian will feel at the pumps, at the grocery store and each and every time they heat their home.

What is worse is that these tax hikes will have the most negative impact on low income Canadians, such as seniors living on fixed incomes.

With the potential Liberal GST hike and the new carbon tax, Canadians are being threatened by a Liberal government that will reach deeper and deeper into their pockets with a regressive, punitive tax that will directly cause the price of everyday items to increase.

For instance, as farmers see their costs escalate, the result will be higher food prices. Large purchases such as a new home or a new car would skyrocket to such new heights that they would fall out of reach for some. Indeed, the prices of everything we make or buy would jump.

Both the manufacturing and the shipping of products are tied to gas prices, making the cost of the products that we export more expensive and thus less attractive in many markets. This would create a huge disadvantage for Canada's manufacturing sector, a disadvantage that it simply cannot afford at this time.

Our Conservative government disagrees with the Liberals. We believe that Canadians should be allowed to keep more of their hard-earned dollars and to spend those dollars on what is important to them and their families.

That is why we have provided historic tax relief and cut the federal tax bill for families and individuals by \$140 billion. This includes lowering personal income taxes and chopping the GST by two points.

We also believe that the federal government should undertake measures to assist Canadians to save, helping to make it easier for them to invest in their retirement or make those larger purchases of life, such as a new home.

In pursuit of this objective, budget 2008 unveiled the creation of the landmark tax-free savings account.

It was a little over 50 years ago on March 14, 1957, that then finance minister Walter Harris, a lawyer from southern Ontario with a record of balanced budgets and who ran for the leadership of a major political party in Ontario, stood up in the House of Commons to announce a new tax plan to help Canadians save.

At that time, the initiative was greeted with polite applause and passing interest as a measure mainly aimed at assisting those without workplace old age benefits to retire comfortably. From its humble beginnings, the registered retirement savings plan would go on to become an indispensable part of fiscal planning for every Canadian.

And for that, along with his military service in World War II, we thank and we pay tribute to Walter Harris. In the city of Oshawa today, the Walter E. Harris Public Elementary School bears its name in his honour.

Now let us fast forward to the present day and another lawyer from southern Ontario, another finance minister with a record of balanced budgets and another politician who has run for the leadership of a major political party in Ontario.

On February 26, 2008, our current finance minister, the member for Whitby—Oshawa, would stand in the same chamber Walter Harris did over half a century ago to announce the single most important personal savings vehicle since the RRSP of 1957.

● (2130)

Described by the C.D. Howe Institute as a “tax policy gem” and by the Canadian Federation of Independent Business as an “inspired measure”, the tax-free savings account will allow Canadians to set aside money in eligible investment vehicles and watch those savings grow tax free for a lifetime.

The tax-free savings account can be used to purchase a new car, to renovate a house, to start a small business or for retirement. In other words, this is tax-free money for what matters to individual Canadians.

Business of Supply

An important feature of the tax-free savings account is that Canadians from all income levels and all walks of life can benefit. Starting on January 1, 2009, Canadians aged 18 and older can save up to \$5,000 every year in a tax-free savings account.

While contributions will not be deductible for income tax purposes, investment income, including capital gains, earned in the tax-free savings account will not be taxed, even when withdrawn. Funds can be withdrawn from the savings account at any time for any purpose, tax free.

Naturally, not everyone is able to save each and every year. The new savings account is flexible, allowing for a lifetime of savings. Those who cannot contribute \$5,000 in a given year will be able to carry forward their unused contribution room to future years. In addition, Canadians may want to use their savings and the full amount of withdrawals, to be put back into the tax-free savings account in the future.

The Liberals across the floor must like it because this is the quietest they have been all evening.

We believe that within the next 15 to 20 years over 90% of Canadians will hold all of their financial assets in tax-efficient savings vehicles, either through existing tax-deferred plans or this new savings account. This is a significant achievement as our population grows older, and it will provide a lasting legacy for the generations that follow.

Couples often save and plan together, so Canadians can contribute to their spouse's or common-law partner's tax-free savings account depending on the spouse's or partner's available room.

Some people ask how the tax-free savings account is different from the RRSP. The basic difference is that an RRSP is intended primarily for retirement. We might say that the tax-free savings account is like an RRSP, but for everything else in our life.

The benefits of saving in a tax-free savings account are evident. Because capital gains and other investment income earned in the tax-free savings account will not be taxed, the person contributing \$200 a month, for example, to a tax-free savings account for 20 years will enjoy additional savings of \$11,045 compared to saving in an unregistered account.

And the tax-free savings account provides benefits for seniors. It will provide seniors with a tax-free savings vehicle and meet ongoing savings needs, something seniors have only limited access to once they reach age 71 and are required to begin drawing down their registered retirement savings. Seniors are expected to receive one-half of the total benefits provided by this savings account.

One of the best features of the tax-free savings account is that there is no impact on income tested benefits. As our government did with the GST cuts, we have taken the interests of low income Canadians into account.

There will be no federal clawbacks resulting from the tax-free savings account. This means that neither income earned in a tax-free saving account nor withdrawals will affect eligibility for federal income tested benefits and credits such as the guaranteed income supplement and the Canada child tax benefit.

For people with low and modest incomes, this will improve incentives to save. In fact, it is estimated that in the first five years over 75% of the benefits of this savings account will go to individuals in the two lowest income tax brackets.

In closing, Canadians will benefit from this in many ways, but perhaps more importantly, it provides Canadians with the ability to start saving early for future needs. It is not a surprise that Canadians are excited. In my remaining time, I would like the finance minister to speak to the reaction that he has heard on this fine initiative.

●(2135)

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, the finance minister has been doing a superb job of answering and we do not want to wear his voice out in one evening. Therefore, I will answer the member for Blackstrap, who I thank for her representation of her constituents. She has been a tremendous asset to that part of Saskatchewan. We know that she has great support in that region. She does a great job backing up her minister. She is here tonight to help support one of the landmark pieces of our 2008 budget, the tax-free savings account, described by many, not just us, for its landmark savings opportunities for Canadians.

January 1, 2009, will bring this into effect. Canadians over the age of 18 will be permitted to deposit up to \$5,000 each year. TFSA will provide greater savings incentives for low and modest income individuals. In the first five years, over three-quarters of the benefits will go to the lowest two tax brackets. That is one of the most important features to this. It provides an opportunity for all Canadians to save.

Additionally, we have ensured TFSA income and withdrawals will not affect eligibility for federal income tested benefits and credits. To see how much we can save, I encourage all Canadians, and I will repeat this website, again, to go to www.budget.gc.ca. Our finance minister has been very clear about reminding Canadians how they can save, and they can go to this website.

It is no wonder we are getting such positive reactions. The C.D. Howe Institute said, "This tax policy gem is very good news for Canadians, and [the finance minister] and his government deserve credit for a novel program".

The *Winnipeg Free Press* said, "To at once encourage investment and savings is a good idea in a country like Canada where individual debt is high and investment low".

BMO economist Doug Porter said, "The tax-free savings account is a very positive development—I think it's a step in the right direction".

The Canadian Chamber of Commerce as well said, "the creation of a Tax-free Savings Account will encourage savings, a measure which the Chamber has sought for many years".

The Canadian Taxpayers Federation said, "This is an excellent policy proposal. Canada needs to reward people that save because their investments fuel economic growth and job creation".

Business of Supply

As well, the Canadian Federation of Independent Business said that the TFSA account was “an inspired measure.

Not to be forgotten are the comments of the hon. member of for Halton about TFSA being a good idea, “It’s something I have long advocated for”.

• (2140)

Hon. Garth Turner: Mr. Chair, I rise on a point of order. The finance minister and now the parliamentary secretary quoted from a report that I gave the Minister of Finance in April of 2006. I am flattered that they would now finally read the report, but if they are going to quote a part of it, could you please instruct them to at least quote an entire sentence.

The Assistant Deputy Chair: This is debate.

The hon. parliamentary secretary.

Mrs. Lynne Yelich: Mr. Chair, I want to thank the parliamentary secretary for the answer and for applauding my work. My work was not easy when we had the Liberal finance minister, who was from Saskatchewan, in power. It has been great since the Conservatives have taken over and taken power. It has been even sweeter since the NDP has been out of the province.

The finance minister has provided over \$1 billion in tax relief for Canadian seniors and pensioners, including doubling the pension income credit amount to \$2,000, increasing the age credit amount to \$5,066 and introducing pension income splitting.

In budget 2008, he announced another important tax measure for Canadian seniors regarding life income funds for which many of my constituents have long been asking.

Could the minister, in the time remaining, please update the House on the status of these two important issues?

Hon. Jim Flaherty: Mr. Chair, in the two years or so that I have been here, this is an issue that has come up surprisingly often from members on all sides of the House.

Budget 2008 takes action in this area. We significantly enhanced the flexibility to withdraw funds from life income funds through three provisions.

First, individuals 55 or over with total holdings in federally regulated locked in funds of up to \$22,450 will be able to wind up their accounts or convert them to a tax-deferred savings vehicle with no maximum withdrawal limit, effective as of May 8. I will mention the other two later.

[*Translation*]

Mr. Paul Crête (Montmagny—L’Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Chair, I will be sharing my time with the member for Saint-Maurice—Champlain.

I would like this to be a peaceful debate. Today we learned that Quebec exports were down 6% in the first three months of 2008, compared to the first three months of 2007. The 20 groups that have gone down include newsprint, ore, iron ore concentrates, trucks, road tractors, petroleum products, coal products and wood pulp.

Could the Minister of Finance tell me what message of hope the current budget can offer when these sectors are not generating a

profit and will not benefit from the tax cuts? Would it not have been better to offer refundable tax credits to enable these businesses to invest in their productivity and their equipment, and to give them a chance to retain their share of the market?

[*English*]

Hon. Jim Flaherty: Mr. Chair, one has reason to be optimistic about the economy of Canada and the economy of Quebec. We have the strongest economic fundamentals in the G-7. We are the only country in the G-7 that has been able to reduce taxes, run a surplus in our budgets and pay down public debt at the same time. Canada is in great shape to endure a period of economic slowness in the United States and globally, which is exactly what we are doing.

Yes, there is a time of adjustment in certain industries. I think most Canadians expect that when we have a slowdown, such as a recession in the U.S. housing industry, it is going to affect the forestry industry in Canada. A recession in the U.S. is going to affect manufacturing in Canada. It is going to affect the auto sector in Canada. The key is that we have stimulus in place to help the economy get through this and that we did it well in advance, starting in 2006, and, most important, with the fall economic statement in 2007, with dramatic business tax reductions.

The member opposite should recognize that this is a time of some economic slowness. The good news is Canada will come through it well.

• (2145)

[*Translation*]

Mr. Paul Crête: Mr. Chair, in order to boost the economy, would it not have been much wiser to invest some of the \$10 billion surplus—which was confirmed on March 31, 2008—that is, perhaps \$7 billion to help the industry instead of using the entire surplus to pay down the debt, which does nothing to help businesses in need?

[*English*]

Hon. Jim Flaherty: Mr. Chair, the reality is we have the \$1 billion fund that is being used across Canada, including in Quebec.

In terms of transfers to Quebec, we may want to talk about this program or that program, but the big picture is the increase in major federal transfers to Quebec is \$4.5 billion this year. That is not \$1 million or \$4.5 million; it is \$4.5 billion more to Quebec.

[*Translation*]

Mr. Paul Crête: Mr. Chair, will the minister admit that there is no income support program for older workers? A 57 year old worker who loses his or her job and whose EI benefits run out no longer has any income security. Will the Minister of Finance admit that this Conservative Party promise was not honoured?

[*English*]

Hon. Jim Flaherty: Mr. Chair, there are two avenues for workers who lose their jobs, and one is retraining. We are spending a record amount for any federal government on retraining programs in Canada. It is accurate to say that any person in Canada who wishes to be retrained can get retrained and will be assisted in getting it. This is very important in a dynamic economy like Canada where there is change. For older workers there is that specific program to assist them to adjust.

Business of Supply

[Translation]

Mr. Paul Crête: Mr. Chair, this is the heart of the matter. Will the Minister of Finance admit that older workers cannot be retrained to work in other areas? They are unemployed and, at 57 years old, after working for a company for 30 years, they are being abandoned with no hope of receiving any income until their old age pensions.

[English]

Hon. Jim Flaherty: Mr. Chair, it is precisely for those reasons, which my hon. friend raises, that we created the fund for older workers for workers between the ages of 55 and 62.

Indeed, it was his predecessor, as finance critic for the Bloc, who advocated strongly that we do just that a couple of years ago in our discussions before the budget at that time, and we did so. I would have thought the member would have applauded that advance.

[Translation]

Mr. Paul Crête: Mr. Chair, my predecessor and I have always said that an income security program was needed. One of the minister's colleagues said he is 58 years old and he does not have such a problem. But he has a pension fund waiting for him, and so do I. The minister is leaving these people with nothing to look forward to.

I would like to come back to another promise the minister did not keep. In December 2005, the Prime Minister promised to introduce a bill on the federal spending power. Will he introduce such a bill in this House before the summer recess? That is an official promise made by the Prime Minister in December 2005.

[English]

Hon. Jim Flaherty: Mr. Chair, the issue mentioned by my hon. friend was referred to in the Speech from the Throne. That is the comment on behalf of the government relating to the spending power.

I should clarify that I do not have a pension, and I thank the hon. member for wishing me one. In fact, I was one of the persons in the Ontario Legislature who voted to abolish that gold plated pension back in the 1990s. I have no intention of losing my seat, however, so I hope to one day be entitled to a reasonable pension in this place.

The good news is that someone who does not need a pension, Sidney Crosby, has scored again, and I am told it is 2:0 Penguins.

[Translation]

Mr. Paul Crête: Mr. Chair, this is no laughing matter. When a 57 year old worker who spent 30 years working in the forestry industry or the manufacturing sector loses his job, there is no retirement fund available to him today and no security other than employment insurance. Could we not at least, in all fairness, use the federal government's surplus to ensure that these people have an income supplement to allow them a decent life while waiting for their pensions?

Will the Conservative government finally keep its promise and show these former workers a bit of respect?

● (2150)

[English]

Hon. Jim Flaherty: Mr. Chair, we may have some disagreement, but my understanding is the program that we brought in with respect to older workers accomplishes that goal. However, if the hon. member has other approaches and ideas that he wants to bring forward as we work toward the fall economic statement and the budget for 2009, then I am more than happy to consider them.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chair, I would like to talk about this.

Speaking of the federal government's spending power, I have a question for the Minister of Finance. For a year now, the federal government—the Conservative government—has been bragging about resolving the fiscal imbalance. I would like the minister to tell us whether he has read—

An hon. member: Oh, oh!

Mr. Jean-Yves Laforest: I would also like not to be interrupted by those seated next to the Minister of Finance when I am asking questions.

I would like to know whether the Minister of Finance has read the Séguin report on what we call the fiscal imbalance.

Hon. Jim Flaherty: Yes.

Mr. Jean-Yves Laforest: Mr. Minister, if you have read it, I would like to you to talk about the three elements that, according to the report, have to be put forward and resolved together before we can say the fiscal imbalance has been resolved.

[English]

Hon. Jim Flaherty: Mr. Chair, as the member knows, ultimately our government decided to follow the recommendations of the O'Brien committee. They were not totally in line with the recommendations of the Séguin report and some would advocate that the Séguin report ought to have been followed. We chose to follow the recommendations of the O'Brien committee, which in fact had been appointed by the previous Liberal government.

It came forward with a principle based equalization program that we were able to implement.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chair, the minister says that he read the Séguin report but decided not to follow its recommendations, so how can he claim that the fiscal imbalance has been resolved for Quebec? We know that there are three primary courses of action: equalization payment reform that takes into account the revenues of all provinces; elimination of the federal spending power in areas under provincial jurisdiction; and replacing cash transfers with equivalent sales tax and income tax points.

How can he tell whether there is consensus in Quebec on these three points? To this day, the government has ignored them. How can he tell Quebec that the fiscal imbalance has been resolved?

Business of Supply

Also, Mr. Chair, I would like you to call the member sitting next to the Minister of Finance to order because he has been goofing around for some time now.

[English]

Hon. Jim Flaherty: Mr. Chair, if I may, I will put things in a factual context. I am looking at page 224 of the budget document for this year, in 2007-08, the last fiscal year, cash transfers are at an all time high and have grown to almost 19% of total federal spending, their highest level in almost 30 years.

I must say that after we moved forward with the efforts we were making toward creating fiscal balance, the steps we took based on the O'Brien report were welcomed by the Government of Quebec and resulted in \$8 billion through equalization, an increase of over 67% from 2005-06; \$5.5 billion through the Canada health transfer, \$2.5 billion through the Canada social transfer, as I say, an increase of \$4.5 billion since the Liberal government of 2005-06.

The resolution of this issue has been accepted and welcomed in Quebec, no doubt because it benefits Quebec substantially.

• (2155)

[Translation]

Mr. Jean-Yves Laforest: Mr. Chair, the minister told us that in its throne speech last fall, the government committed to introducing a bill to regulate federal spending power. Nothing has been done about that yet.

Just now, my colleague asked him if he planned to introduce a bill by the end of the current session. In mid-May, the Minister of Labour, also a member of the Conservative government, said on the subject of a possible bill that nobody is expected to do the impossible. Does that mean that Conservative government ministers, including the Minister of Finance, all feel that it would not be possible to introduce such a bill?

[English]

Hon. Jim Flaherty: Mr. Chair, in the budget this year, budget 2008, at page 70 there is a reference to this subject, which is as follows:

Budget 2008 reaffirms the Government's Speech from the Throne commitment to introduce legislation to place formal limits on the use of the federal spending power for new shared-cost programs in areas of exclusive provincial jurisdiction.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chair, I have another question about equalization.

I spoke earlier about the Séguin report, which says that to fix the fiscal imbalance, equalization must take into account the total revenue of all of the provinces. But, for the past two years, the government has chosen only to look at 50% of provincial natural resource revenues.

Once again, how can the Minister of Finance tell Quebeckers that—

An hon. member: Oh, oh!

Mr. Jean-Yves Laforest: Mr. Chair, I would ask that you call the member to order or remove him because he has been bothering me.

The Assistant Deputy Chair: I would ask that all members have some respect for the member who is trying to ask a question.

Does the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup have something to add?

Mr. Paul Crête: Mr. Chair it is not all of the Conservative members who are lacking in judgment, but just the member for Louis-Hébert. He is the one to reprimand.

[English]

The Assistant Deputy Chair: I am still asking all members to show the same respect.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chair, I would like to ask the minister to explain how he can tell Quebeckers that the fiscal imbalance has been fixed when, once again, the Séguin report received broad support in Quebec. According to this report, equalization must take into account the total revenue of all of the provinces and not just 50%.

[English]

Hon. Jim Flaherty: Mr. Chair, there was great discussion and debate among the members of the O'Brien panel and of the Séguin panel, I am sure, when it was working on this issue about what one includes and what one does not include. Does one include hydroelectric resources? Does one include certain types of minerals and so on in terms of provincial revenues and the computation to arrive at fiscal balance?

At the end of the day it is fair to say that the O'Brien recommendation looked at a compromised position with respect to that issue and I think that compromise has, overall, been well accepted by other Canadian jurisdictions, as it was by the federal government.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Chair, as all members of the House will know, one key priority of the Minister of Finance and his department has been to create a competitive advantage for Canada in global capital markets.

Part of this challenge has been to improve the regulation of Canada's capital markets, a need recognized and accepted by observers domestic and international. In the words of former IMF managing director, Rodrigo de Rato:

The Canadian economy is a very sophisticated economy, but in financial markets, you're not at the top...

Many of your big corporations go elsewhere to finance themselves. ...you [Canadians] should ask yourself why, and to what extent you're losing opportunities

Mr. de Rato's plea is simple and it is short, "Canada's investors deserve better". The government agrees. While we recognize the constitutional jurisdiction of each order of government should be respected, we firmly believe we must modernize our securities regulatory framework. It is an important component of strengthening our economic union.

The government is taking action on this file and demonstrated leadership when it recently announced the membership of an expert panel, chaired by the hon. Tom Hockin, tasked to provide independent advice and recommendations to ministers, federal, provincial and territorial, on the best way forward to improve securities regulation in Canada.

Business of Supply

There is good reason for taking action on this front. Canada has a strong and growing financial services sector which provides good, high paying jobs for Canadians and key services for consumers and businesses and yet we have a capital markets regulatory system that falls well short of our needs.

As aptly stated by the bastion of Conservative thinking, the *Toronto Star*:

At a time when the world's seven richest countries are looking for ways to collaborate in strengthening regulatory oversight of integrated, international capital markets, Canada is the only country that does not have a national securities regulator; instead, it has separate provincial regulators.

Canada is one of the only major industrialized countries without a common securities regulator, and this is a problem. Even my Liberal colleague from Wascana, who ever so briefly served as finance minister once, understood that when he remarked in 2004:

that Bosnia-Herzegovina is the only other industrialized country...[without a common regulator...]"That should say to all of us that we need to substantially improve our system in Canada".

Our system of 13 regulators is cumbersome and fragmented and lacks the proper tools of enforcement. In a rare moment of clarity, the former NDP finance critic and member for Winnipeg North declared that she was, "convinced of the need for a national securities regulator rather than the piecemeal provincial approach".

Some have suggested the passport system, currently advocated by some provinces and territories, with the significant exception of Ontario, are sufficient reform.

However, we, along with most observers, believe that does not go far enough or fast enough. With the passport system, Canada still has 13 securities regulators with 13 sets of laws, however harmonized, and 13 sets of fees. Moreover, the passport system lacks national coordination of enforcement activities, making it difficult to maximize results on this critical part of the system.

In the words of the Canadian Bankers Association:

...[the passport system] is only a second-best solution. All of the same infrastructure, costs, and fees of the current fragmented regulatory system remain in place...entrench[ing] a potentially confusing and inefficient enforcement mechanism.

Furthermore, the passport system does not address our need to improve policy making. It is still necessary to obtain agreement from 13 regulators to change the rules.

Such a system is not progress away from the cumbersome realities of today. In short, the passport system is not where Canada needs to be in today's global economy. On that point the Liberal opposition again agrees with the government. I will quote the member for Wascana again who said:

I don't believe that the passport system is an adequate response. It still leaves us with a system that is largely fragmented and certainly less sophisticated than that in virtually every other country in the world.

That is the kind of good sense that the member displays along with his colleagues in the Liberal Party when they continually support our government on matters of confidence in the House.

• (2200)

For years, Canada took a leading role in advocating for free trade in securities with the United States. Under mutual recognition of

each other's regulatory regime, Canadian investors would have better access to global opportunities and businesses listed on our exchange would have better access to global investors.

However, our country suffered a disappointing setback when the U.S. Securities and Exchange Commission decided to proceed with discussions with Australia as a priority rather than Canada. This decision was directly related to the fact that the U.S. would have to deal with 13 separate securities regulators rather than a single Canadian regulator.

Where do we go from here? Clearly we can no longer afford to sit back and watch our competitors pass us by. Now is the time for a more efficient market system.

The benefits of a common securities regulator are well known. It would give all regions in Canada a seat at the table. It would make the regulation of our markets more responsive and accountable by creating a decision making body that would coordinate the views of all jurisdictions promptly and fairly. It would improve market efficiency and ensure the best use of money and resources by making the system more efficient to operate. This, in turn, would lower costs and make it more affordable for all who benefit from it, both those with capital to invest and those with businesses to build.

Another advantage is that a common securities regulator would improve enforcement and better protect investors with a common set of sanctions and remedies, as well as better enforcement across the country.

By serving as a single point of contact for law enforcement agencies, both at home and abroad, Canada would be better placed to share information and detect market fraud.

It is worth noting that many observers suggested that the current market turbulence surrounding asset backed commercial paper, or ABCP, could have been lessened with a common securities regulator.

For instance, in a recent appearance before the finance committee, Diane Urquhart, independent financial analyst, and Larry Elford both noted that the ABCP situation was yet another reason that Canada desperately needed a common securities regulator.

Having such a structure would ensure meaningful participation by all provinces and territories, with a strong presence in all regions with local expertise who would respond to regional needs, for example, the oil and gas industry in the west or the futures market in Montreal.

Business of Supply

The bottom line is simplicity and effectiveness. A common securities regulator represents an opportunity to move toward simpler, more principles based regulation.

It is little wonder that the all party Standing Committee on Finance's 2008 prebudget consultation report, something I worked on crafting, had as its first recommendation the establishment of a common securities regulator. The minister has made the case to all ministers, federal, provincial and territorial, that we must look beyond the passport system.

As such, I would like to ask the minister in the time remaining for his comments on improving Canada's securities regulation. Why is it, along with other measures to break down interprovincial trade, so important, and not allow for investment in Canada but investors small and large?

Also, I also would like his comments on the NDP's recent decision to abandon the position of its former finance critic, the member for Winnipeg North—

An hon. member: What?

Mr. Dean Del Mastro: Yes, it is unbelievable. —and fight against our government's plan to better protect investors in Canada through a common securities regulator.

• (2205)

Hon. Jim Flaherty: Mr. Chair, I certainly thank the member for Peterborough for his excellent work on the finance committee in this House and for the people of Peterborough. He has been a tremendous advocate for those people in the great city and county of Peterborough as well.

I was surprised. The last part of the member's question was interesting. It was about the change in the NDP position. I am not quite sure what has happened, but the former finance critic, the member for Winnipeg North, who only a few months ago said:

[I am] convinced of the need for a national securities regulator—rather than the piecemeal provincial approach...Canada does not seem to have the tool box necessary to deal with corporate fraud.

I was not that surprised that the member for Winnipeg North took that position given the support of the National Union of Public and General Employees for the same idea and by CUPE, the Canadian Union of Public Employees, which said:

Canada's securities...regulators have a dismal record...Canadians have been embarrassed...that regulation and enforcement of securities crime in Canada is so weak—

We know that the Liberal Party supports a common securities regulator for Canada. Of course, we do on the government side of the House and for good reason. This is an economic union issue for Canada. We have relatively free flow of capital in the world today. In Canada we still have 13 securities regulators. This is inefficient, ineffective and, in fact, is a competitive disadvantage for Canada.

As the hon. member for Peterborough pointed out, two events have occurred in the last year that offer further support and reinforce the need for action on this agenda for a common securities regulator.

First of all, the issues related to non-bank backed asset-backed commercial paper where the entities were largely, if not solely, supposed to be regulated by provincial authorities in Canada. We

regulate at the federal level the banks. We regulate substantially in the insurance sector, but we do not regulate in the securities sector. I think sometimes that is a surprise to many Canadians when they learn that we do not have a unity in terms of that regulation in Canada.

This is an issue with respect to what went on concerning non-bank backed asset-backed commercial paper. Also, the issue that was raised by my hon. friend from Peterborough has to do with neutral recognition of securities regulators around the world or free trade in securities.

Canada was taking a leading role on this issue in the G-7, not only within the G-7 but with other countries in the world including Australia and discussions with New Zealand and so on. This is a tremendous opportunity for Canada to take leadership with respect to mutual recognition of securities regulators and get a competitive advantage for Canada by taking that leading role.

Lo and behold, the SEC in the United States, because we have this plethora of securities regulators in Canada, decided to go ahead and have its initial negotiations preferring Australia over Canada despite the fact that we were the nation advocating the cause at the G-7. It is a great disappointment, quite frankly. I take no joy in this.

This is something that needs to be fixed and I look forward to discussing it further with my provincial and territorial colleagues over the next two days as we meet together in Montreal. Quite frankly, I think there is growing recognition among some of the provinces that this needs to be dealt with particularly in the area of enforcement.

When one looks at enforcement of securities regulation, money-laundering, anti-terrorist financing and so on, who is equipped to do that in Canada except the federal Government of Canada with the RCMP, CSIS, FINTRAC and so on. I hope we make some substantial progress going forward. I also look forward to receiving the report of the panel headed by the hon. Tom Hockin toward the end of this year. Then I look forward to moving forward on what is truly an important economic union issue for Canada.

• (2210)

Mr. Dean Del Mastro: Mr. Chair, the Liberal leader recently said Canada should lower taxes on things we want more of and raise them on things we want less of. In Peterborough I assume he means he wants fewer people working. He wants less manufacturing. He wants fewer people living in rural communities. He wants to disadvantage seniors. I guess that is what he wants less of. I do not understand it.

What he wants to bring in is a special Liberal carbon tax. It would be a disaster for Peterborough. A lot of people in my riding live a long way from work and the only way for them to get there is by car. They have to heat their homes because we have a winter in Peterborough and it gets cold. Sometimes they like to turn a light on.

Business of Supply

In fact, some people in Peterborough might even be watching this on their television and the Liberal leader wants to increase their cost of electricity. I guess that is what he wants less of. He wants people enjoying their life a lot less and paying a lot more tax so he can spend it because we all know he has made \$72 billion in promises and a \$10 billion promise just tonight.

Could the finance minister please share with me what a disaster the Liberal carbon tax would be and can he tell my constituents in Peterborough how much the Liberal carbon tax would take out of their pockets and how much it would hurt the people of Peterborough?

Hon. Jim Flaherty: Mr. Chair, I see the members opposite are becoming animated which is a good thing. They are probably animated by the score at the end of the second period which is 2:1 Pittsburgh. I bet a lot of people in Peterborough in the riding of the hon. member for Peterborough are trying to watch that hockey game on television and want to have the ability to have electricity in their homes at a reasonable cost, and want to be able to put gasoline in their cars at a reasonable cost. All of that will be made terribly more difficult by the Liberal carbon tax.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Chair, I am pleased to participate tonight. I will be sharing my time with my great colleague from Ottawa South and my dynamic new colleague from Vancouver Quadra. I thank the minister for mentioning the score in the hockey game. I think that is apropos. I will just add that both of those Pittsburgh goals have been scored by Sydney Crosby from Coal Harbour.

I would like to ask the minister a simple question referring back to a black day in history, September 25, 2006, when he announced \$2 billion in cuts. Does he recall how much he cut from literacy in that cut?

Hon. Jim Flaherty: Mr. Chair, I do not recall making an announcement with respect to cuts in September 2006. I think there were some spending reallocations and reductions that were announced by the President of the Treasury Board at that time.

• (2215)

Mr. Michael Savage: Mr. Chair, the people who work very hard in literacy in Canada do not feel like they were reallocated. They feel like they were cut. They were cut specifically \$17.7 million.

In response to a question that I put on the order paper, we got back from the Department of Human Resources that in 2005-06 \$33.3 million was spent on literacy by the federal government. The next year, the first full year of the government, \$16 million.

I will ask the Minister of Finance, is that money going to be recouped for the people who support literacy in Canada?

Hon. Jim Flaherty: Mr. Chair, I will make two points in response to the hon. member's question. First of all, the transfers to the provinces and territories have gone up very substantially as a result of achieving fiscal balance in Canada. He is talking about a particular program and some millions of dollars. This is of course billions of dollars in increases in transfers to the provinces and territories of Canada.

The other thing I might mention to him, and I recently gave a speech on this subject in Washington, is the investment by Canada in

financial literacy which was in the last budget and is an important form of literacy, particularly as we go through more difficult economic times, as we see people looking at more options with respect to mortgage financing and so on.

Mr. Michael Savage: Mr. Chair, the minister seems to be suggesting that this was too small a cut to worry about. To people involved in literacy it is a huge cut. We recently completed a report in the human resources committee on employability. Sue Folinsbee of the National Adult Literacy Database said:

Federations have been successful partners in workplace literacy partnerships. Their work and these successful examples of provincial partnerships should be strengthened and enhanced, not cut.

I think that the money taken from literacy was an abomination to people who are struggling to gain literacy achievements in Canada.

I see the minister of national defence is here. A couple of weeks ago there was a big announcement made on defence in Halifax. I would like to ask the minister: Who made the submission to Treasury Board that resulted in the Prime Minister's announcement of allegedly \$30 billion? Was it the Prime Minister or the Minister of National Defence?

Hon. Jim Flaherty: Mr. Chair, I cannot answer the direct question, of course, because I honour my oath about cabinet confidentiality. We do not talk about what goes on in cabinet. The increase in the spending in the military, as the member knows, is going to be 2% over the next 20 years, starting in 2010.

Mr. Michael Savage: Mr. Chair, that announcement was announced as a big announcement. It was billed as a great new announcement. Ralph Surette, in the *Chronicle Herald* a couple of days later, said this about it:

Instead, it has turned into a comedy of errors. The announcement was of \$30 billion over 20 years. That was revised to anywhere from \$20 to \$50 billion by various confused government spokesmen, and by the time it got to Parliament, the full accounting was closer to \$100 billion.

Let me ask this, has this money in fact been submitted to Treasury Board?

Hon. Jim Flaherty: Again, Mr. Chair, these are internal matters within cabinet and cabinet committees, and I am not going to breach my oath and get into that kind of thing. As we just said, this comes into effect in 2010, so there is certainly time to get that in order. The big story here though is what has happened. We have a government that is actually rebuilding the Canadian Armed Forces after many, many years of Liberal neglect

Mr. Michael Savage: Mr. Chair, it seems to be in his mind and in the Prime Minister's mind and nowhere else. It is very simple. Two of the main estimates or the supplementary estimates reflect the announcement made by the Prime Minister.

Business of Supply

Hon. Jim Flaherty: Mr. Chair, the Canada first defence strategy is in budget 2008, in fact in every budget that we have presented, three budgets so far. We have dealt with properly equipping the Canadian military so that it can take on its role—

The Assistant Deputy Chair: Order. The hon. member for Vancouver Quadra.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Chair, my question is about the \$33 billion building Canada fund. How much of that fund was new money that will go directly to cities and municipalities?

• (2220)

Hon. Wayne Easter: Very little.

Hon. Jim Flaherty: Mr. Chair, I thank the member for Malpeque for his advice with respect to agricultural matters, but we are talking about cities now and the gas tax fund.

Hon. Wayne Easter: We have cities too.

Hon. Jim Flaherty: Of course, he has cities, but not in Malpeque.

With respect to municipalities, that is being done. In budget 2008 that was made permanent. I can tell you, Mr. Chair, it was the most important issue that was raised with me by municipal leaders which was—

The Assistant Deputy Chair: The hon. member for Vancouver Quadra.

Ms. Joyce Murray: Mr. Chair, I asked that question because I have quite an interest in sewage. The environment minister talked about billions of dollars for sewage treatment.

As the provincial environment minister, I ordered new scientific monitoring that led to the requirement to treat the sewage in Victoria and the capital regional district.

When I was looking at what money was available from the \$33 billion what I discovered was this: \$1.3 billion of that supposed \$33 billion was actually new and going to the cities. So \$1.3 billion over seven years means \$200 million a year for the entire country of Canada which means \$28 million at most for the province of British Columbia.

The sewage treatment plant facility that is underway for Victoria right now is a billion dollar project. To the finance minister: Will he acknowledge that it was the Liberal government that committed funding and signed agreements for the gas tax and the GST rebate accounting for over one-half of the supposed new \$33 billion fund?

The Assistant Deputy Chair: Order. It is very difficult for the Chair to hear the question when there are quite a lot of members heckling during questions. I am going to ask the colleagues of the Minister of Finance to allow the opposition members to finish putting their questions.

We will proceed with the Minister of Finance.

Hon. Jim Flaherty: Mr. Chair, I know that the Liberals only had 13 years to get things done. I know that they think it was not long enough and if they had had one more majority government they would have got all those things done that they talked about.

It is this government that has made the gas tax permanent. It is this government that now provides municipalities with about \$2 billion

per annum each and every year. Now the municipalities know that they have the guarantee of the \$2 billion per year every year going on in perpetuity. It gives them what they wanted, which is the ability to go out and engage in public-private partnerships and lever that money going forward. This is a tremendous cashflow for the municipalities because of the Conservative government in Ottawa.

Ms. Joyce Murray: Mr. Chair, the B.C. government, of which I was a part, put in a place a successful rebate program of tax incentives for fuel efficient vehicles. The current federal government brought in the eco-auto rebate with much fanfare in a recent budget, then flip-flopped and reversed it.

Its main environmental initiative in the last budget was to cancel that new program. Is it now no longer the government's policy to encourage the purchase of fuel efficient vehicles?

Hon. Jim Flaherty: Mr. Chair, absolutely not, of course. We have reduced the cost of fuel by 2% in terms of the GST reduction, which is a reduction for all Canadians.

We know what the auto industry in Canada is keen on, and I think it makes some sense, quite frankly, and that is to get the older vehicles off the road. We have that program. As we know, they are the most polluting vehicles out there.

There is that program to get those vehicles off the road and then there is the auto innovation fund of \$250 million. That is saying to industry that we want to work with it on that—

The Assistant Deputy Chair: The hon. member for Ottawa South.

Ms. Joyce Murray: Mr. Chair, I could agree that the minister—

• (2225)

The Assistant Deputy Chair: Order. I am sorry. The member for Ottawa—South.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Chair, I would like to ask the minister a couple of very specific questions. I would like specific answers.

The first question—

Some hon. members: Oh, oh!

Mr. David McGuinty: Just let me know when they are ready, Mr. Chair.

The Assistant Deputy Chair: Order. I do not mind when hon. members help out their own party with the answers, but if we could allow the members to ask the questions unassisted, that would be great.

The hon. member for Ottawa—South.

Mr. David McGuinty: Thank you, Mr. Chair. Here is a very specific question for the minister.

Minister, can you tell us, what is the cost per tonne of CO₂ equivalent emissions reductions under your tax deductible transit pass?

Business of Supply

The Assistant Deputy Chair: Order. I will just remind the hon. member for Ottawa—South to address questions through the Chair. The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Chair, we can try to get the answer to that. It is a very specific scientific question.

We can try to get the answer for him. We will probably have to go to the Department of Environment, but I will try to get the answer for the member.

I can tell members this, though: that tax credit is hugely popular with Canadians. Hundreds of thousands of Canadians claimed that credit on their tax—

The Assistant Deputy Chair: Order. The hon. member for Ottawa—South.

Mr. David McGuinty: Mr. Chair, the associate deputy minister of Environment Canada informed us that it was the Minister of Finance doing the calculations and the analysis on this.

I will ask him again: how much did ridership increase under this plan?

Hon. Jim Flaherty: Mr. Chair, it was 8% on GO Transit alone, the member for Peterborough says. I would call that instant research. He is a multi-talented member of Parliament.

Mr. David McGuinty: Mr. Chair, today we heard from the associate deputy minister of the environment, who told us on questioning about the \$1.5 billion eco-trust that all the analysis and all the administration for the trust is actually accomplished through the Department of Finance and the minister.

Today we asked the associate deputy minister about the \$1.5 billion that is being transferred to provinces without conditionality. Can the minister tell us right now, if he could, please, if any value for money propositions have been conducted for the \$1.5 billion of provincial spending?

Hon. Jim Flaherty: Mr. Chair, I may need to hear the last part of the question again.

With respect to who administers what, these are trust agreements, and of course the trust agreements are negotiated and put in place by the Department of Finance. The administration of the environmental trusts, for example, is with the Department of the Environment, not with the finance department.

Mr. David McGuinty: Mr. Chair, the associate deputy minister today in committee said that we will not be able to attribute a single megatonne of GHG reductions to a dollar spent under the eco-trust.

Let us go on, if we could, to the government's "Turning the Corner" plan and what it says about carbon pricing. It says:

Our modelling suggests that Canadians can expect to bear real costs...these costs will be most evident in the form of higher energy prices, particularly with respect to electricity and natural gas.

It goes on to say that "these changes will come at a [serious] cost for Canadians".

Minister, let me turn to your plan for putting a price on carbon. What price, Minister, do you expect for a tonne of CO₂ equivalent emissions under Canadian regulations in the fall of 2008?

The Assistant Deputy Chair: Once again I will ask the hon. member for Ottawa South to address questions through the Chair, not directly to the minister.

The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Chair, I thank the hon. member for the question. That is a specific scientific question. I will get an answer for the member if I can and report it to him.

I note that during the 13 years—

Hon. John McKay: You should know the number.

Hon. Jim Flaherty: No, Mr. Chair, finance does the trust agreements, I say to the members opposite.

I will say again to the members opposite that environmental programs are not administered by the Department of Finance.

I do note that in the 13 years of Liberal government greenhouse emissions went up 30% and I notice that the member wants to introduce something called a carbon tax. We know what that will do to gasoline prices for Canadians. They will go up dramatically. We know what it will do to home heating fuel. It will go up dramatically.

We know what it would do to electricity. We know what it would do to manufacturing costs and therefore to exports. This massive punitive tax is what that member supports.

The Assistant Deputy Chair: The member for Ottawa South has 35 seconds left.

• (2230)

Mr. David McGuinty: So, Mr. Chair, the minister is incapable of telling us what the cost of carbon will be in the fall. He is responsible for designing the pricing of carbon. He cannot tell us. He cannot tell us what the net effect of his tax gimmick in the tax deductible transit pass is in terms of the cost of carbon.

I will tell him what the cost of carbon is. It is between \$1,800 and \$2,000 a tonne through your tax deductible transit pass and your deputy minister knows it because he actually told—

The Assistant Deputy Chair: I am going to stop the hon. member there because he is using the first person again and also because he is out of time.

I am going to allow the hon. Minister of Finance a few seconds to respond to the preamble and then we will have to move on to the next time slot.

Hon. Jim Flaherty: Mr. Chair, just so the hon. member has no misunderstanding, the trusts, including the environment trust, are set up by the federal Department of Finance, the trustee, with the provinces of course, but they are not administered by the Department of Finance. That is done by the relevant federal government departments.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of the Atlantic Canada Opportunities Agency and to the Minister of International Trade, CPC): Mr. Chair, I am thankful for the opportunity to speak to the Department of Finance's main estimates for 2008-09 and more broadly to the economic leadership of our Conservative government.

Business of Supply

Under the leadership of our outstanding finance minister and this Conservative government, we have delivered three straight balanced budgets along with two economic statements, truly remarkable achievements in a minority Parliament.

Included in these achievements is our centrepiece economic plan, “Advantage Canada”, which we outlined to Canadians in November of 2006. “Advantage Canada” represents a prudent, long term road map to ensure Canada has strong economic fundamentals. It is a plan designed to help ensure Canada truly becomes an economic leader through tax, fiscal, entrepreneurial, knowledge and infrastructure advantages.

“Advantage Canada” is not the reactionary, short term and ultimately ineffective economic plan, and I use that word loosely, being advocated by the Liberal opposition. This government has rejected the flight to panic the Liberals have embraced when it comes to economic policy.

Instead, with “Advantage Canada” we have brought forward a long term plan that not only addresses the challenges of today but prepares us for the opportunities of tomorrow. There is nothing like a message of hope. The Canadian Council of Chief Executives has observed that “the Advantage Canada strategy...will enable Canadians to take on the world and win”.

Tonight I would like to focus on one key component of the “Advantage Canada” plan: the creation of a fiscal advantage through debt repayment. Our Conservative government has set ambitious debt repayment targets. Indeed, we are aiming to eliminate total government net debt within a generation or by 2021.

Why? Unlike Liberal governments past, our Conservative government refuses to saddle our children and grandchildren with the bill for the excesses of the past and the present. We refuse to pass on a large national mortgage. We understand that debt just delays taxation to the next generation.

However, we are not merely musing about debt reduction with empty words and hollow promises, the hallmarks of Liberal governments past. We are taking decisive and aggressive steps to meet our targets.

Indeed, since forming government a little over two years ago, we have already reduced Canada's debt by \$37 billion. We have brought Canada's national mortgage to its lowest level in 25 years and federal debt to GDP ratio to historic lows. Put another way, we have reduced Canada's national debt by almost \$1,570 for each and every man, woman and child in Canada.

Yet challenges remain. Despite our aggressive action, our national debt remains considerable at nearly \$457 billion in 2007-08. Interest charges on all that debt will cost roughly \$31 billion a year or about \$85 million every single day, meaning that approximately 13.5¢ of every taxpayer dollar sent to Ottawa will go simply to pay the interest on our debt.

Amazingly enough, though, some in the House have suggested that all of this is not really a concern and have even criticized our government for having the audacity to even consider our national debt a problem. For instance, the Liberal leader flippantly dismisses the national debt as “light”.

Instead, he wants to plunge Canada into a massive \$60 billion deficit spending spree that would wipe out our progress in taming the national debt. I want Canadians to think about the Liberal leader's thinking for a moment.

If someone we knew was personally half a million dollars in debt, decided to go out on a reckless shopping spree, max out his or her credit card or rack up a \$60,000-plus bill the person could not afford, and as a consequence add to his or her existing debt, what would we say to the that person? I suspect the words “fiscally irresponsible” would jump to mind.

Therefore, I ask Canadians if they really agree with the Liberal leader when he calls our \$457 billion national debt “light”. I will let a recent Montreal *Gazette* editorial answer that question. It states:

—to say that a \$457-billion debt is low is like saying winter is short: there's just no sense in such a claim....

—the higher the national debt, the less control our government has over its own finances, and so the less control Canadians have over our own lives. Paying down the debt is in the long run the best social program of all.

● (2235)

We agree. That is why when it comes to debt repayment, we are committed to doing more. We are pledging to bring our government's total debt reduction to more than \$50 billion by 2012-13.

It is clear that we are making substantial progress, progress that previously the Liberals failed to make on lowering Canada's national mortgage so future generations can succeed.

In the words of the Liberal member for Halton:

[Debt reduction] is exactly what a majority of middle class Canadians and working families want. It's what Tories are good at...often called upon to save the country's finances after long bouts of...Liberal spending.

Furthermore, we believe that when the debt load falls, Canadian taxpayers, not government coffers in Ottawa, should benefit. That is why we legislated into law the landmark tax back guarantee. Under this guarantee, each year interest savings from federal debt reduction are returned to the Canadian taxpayers through permanent and sustainable personal income tax reductions. What a novel plan for Canadians. What a great idea. As of 2009-10, personal income tax reductions provided under the guarantee will amount to a whopping \$2 billion. No wonder the Canadian Taxpayers Federation called our tax-back guarantee music to taxpayers' ears.

I would like to delve into some of the longer term structural benefits of debt reduction which, while not necessarily top of mind, are crucially important to a strong Canada and a strong economy.

Business of Supply

First, the most direct benefit of lower debt is that less revenue is absorbed by interest charges, freeing up resources for more productive uses. As the Canadian Institute of Chartered Accountants has recently noted, continued debt reduction remains vital to improving the government's financial condition, enhancing prosperity and providing the flexibility needed to deliver on meaningful tax deductions.

Second, low public debt also helps keep interest rates low. In the early 1990s, inflation adjusted long term interest rates averaged over 6%, reflecting in part the risk posed to investors by the much higher level of indebtedness in Canada at the time.

Since the government sets the benchmark for all the borrowers in the economy—provincial and municipal governments, corporations and households—high federal debt imposes a significant cost to the economy. Higher borrowing costs led to lower private sector investment and a less productive economy.

Today, ongoing surpluses and falling federal debt help keep interest rates low. Inflation adjusted, long term interest rates are currently just over 2%. This makes it easier for Canadian corporations to raise funds to finance capital investment, and that translates into higher private sector investment and a more vibrant, productive economy, creating more jobs for more Canadians.

This also benefits Canadians more directly as well. For instance, lower interest rates produce real savings for families making a big purchase, like the young couple in Oakville buying a new \$200,000 house. Having already seen a \$4,000 price reduction because of the GST cut, with a \$160,000 25 year mortgage, they would save over \$1,100 annually for each percentage point drop in interest rates.

Debt also, as I alluded to earlier, represents a tax on future generations.

Before criticizing our Conservative government's record of aggressive debt repayment again, I encourage the Liberal finance critic to take a break from working on the Liberal Party of Canada's secret plan for a massive new gas tax on home heating for seniors and those on fixed incomes, and to listen to his own words. He said that, with an aging population, it is crucially important to pay down debt so we baby boomers do not leave our children and our children's children in terrible shape.

• (2240)

As I conclude, let me ask the Minister of Finance if he thinks Canada should, as suggested by the Liberal opposition, go back to the practice of deficit spending, add to the national debt, and reverse all progress we have made in lowering Canada's national debt. Does he think—

The Assistant Deputy Chair: The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Chair, we went through a time in Canadian political history, and certainly in the political economy, in the 1970s and 1980s and into the 1990s when it was common for federal governments, and provincial governments as well, to run deficits. The substantial public debt we have in Canada now is the sum of those accumulated deficits over those years. We do not want to go back to those years.

The official opposition in this place is saying it is going to spend an additional \$60 billion. It voted for a bill this afternoon in the House of Commons that would require another \$10 billion a year. There is \$70 billion. How is the opposition going to pay for it? Now we are starting to hear about a carbon tax, as the Liberals call it, a tax on gasoline, a tax on electricity, a tax on home heating fuel, a tax that would have the greatest punitive burden on those with fixed incomes, poor seniors in this country, people receiving minimal pensions, and so on.

We do just the opposite. We allow pension splitting which will save people thousands of dollars this year when they file their income tax returns. The official opposition would do just the opposite. They want to prey on seniors and make it more difficult for them to pay their monthly bills by driving up costs by new taxation. It is not surprising, because the Liberal way of doing government is big spending, big tax increases, running deficits, and accumulating public debt.

For all of the reasons expressed by my hon. friend, this is not in the long term best interests of the country and it is not fair. We should think of the next generation and the generation after that. Why should we be living on borrowed money and asking the next generation to pay the costs? It is not fair intergenerationally. Most people would think it is not fair and would say that we should pay our bills as we go.

That is where we are going as a government. We are paying down large sums of public debt and reducing personal taxes. Every time we do it by means of the tax back guarantee. We intend to continue on that path, not on the path advocated on the other side of the House of high taxation, high spending, and running deficits.

Mr. Gerald Keddy: Mr. Chair, I would like to commend the minister on the great job that he has done as finance minister for this country.

The minister was talking earlier about a couple of things with respect to major trends in the economy. He was speaking about the competitive advantage in Canada. All of this is not complex. Some of this is fairly basic principles.

Managing spending is certainly as important as cutting taxes and paying down the debt. When it comes to prudent and responsible fiscal management, spending has to be managed. I would like the minister to expand on what this government is doing to ensure responsible management of spending through the expenditure management system.

Hon. Jim Flaherty: Mr. Chair, in the longer term if we are going to have good fiscal management, of course spending has to be controlled.

This is a very large government. More than 400,000 employees work for the Government of Canada in various capacities. That was something we looked at very seriously last year. We got some good advice from within and outside government. Cabinet approved the creation of an expenditure management system, EMS.

Business of Supply

It means that Treasury Board is looking at every government initiative, every program, every department, every agency. It has already looked at more than 15% of them, with these questions: Are we still getting value for money? Do we have a program that still fulfills the objectives for which it was created in the first place? Because programs do tend to take on a life of their own. We ask the departments what is the least important 5% of their spending that has the least priority? Does the department need it for something else that has a greater priority, and if not, can we take it back into the consolidated general revenue fund, use it for other spending priorities, use it to reduce public debt, use it to reduce taxes?

This is a strenuous exercise for the public service and for those elected—

• (2245)

The Assistant Deputy Chair: We will have to move on to the hon. member for Burnaby—New Westminster.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Chair, I hate to interrupt this Conservative Party infomercial, but it is about time we got back to reality. I would like to remind the House that the greatest deficits in Canadian political history at the federal level were under the former Conservative administration of Brian Mulroney. There were record deficits and poor financial management.

Since there is this past track record which is pretty deplorable and since the minister himself admits that part of his responsibility is to look at economic trends, I would like to ask him a question. Let us go back to 1989 and the huge deficits under the former Conservative administration. That was the year of the implementation of the Canada-U.S. Free Trade Agreement. I would like to ask him a very simple question about economic trends. Since 1989 to the most recent figures available, is the income of most Canadian families up or down?

Hon. Jim Flaherty: Up.

Mr. Peter Julian: Mr. Chair, we are not doing too well because he failed the very first question and of course that does not augur well for the rest of the next 15 minutes.

What has actually happened, and the Minister of Finance should know this, is the following. For those families earning between \$36,000 and \$56,000 a year, since 1989 they have actually seen their real income fall by 3%. They have lost about a week's income. That is 20% of the Canadian population. Let us go further. For those families earning between \$20,000 and \$36,000 a year, what have they lost? In real terms since 1989, their real income has gone down by 4%. They lost two weeks of income. The worst collapse in income has been among the poorest Canadian families, that is, 20% of families earning less than \$20,000 a year. They have lost nearly 10% of their income. That is six weeks of income they have lost.

What has happened since 1989 is that for two-thirds of Canadian families their real income has gone down. That is the answer and that is what a competent minister of finance would be looking at.

Let me go to another question and see if he gets this one right. Statistics Canada reports indicate the nature of most jobs created in today's economy. My next question is very simple. Are most jobs

created in today's economy part time and temporary, or are most jobs created in today's economy full time and permanent?

Hon. Jim Flaherty: Mr. Chair, 80% full time.

With respect to the previous question regarding cumulative growth in Canadian living standards, I recommend the hon. member look at the budget plan 2008 on page 36. He will see the graph that shows Canadian living standards have increased by more than 20% since the end of 2001. Household net worth has gone up dramatically in Canada as well from 1990 to 2007.

I know you do not like these statistics because they do not support your case, but you might want to review the business documents that are with the budget plan. Perhaps you will find them edifying, although as I say, they do not support the allegations you are making.

The other thing we have done for households in Canada which is quite dramatic is we have reduced the tax burden. We have reduced not only the personal income tax burden, but also the consumption tax, the GST, by 2%. And very important for pensioners, not just seniors, we are allowing income splitting which has meant a dramatic tax reduction. All of this contributes to household purchasing power and household wealth.

• (2250)

The Assistant Deputy Chair: I would just one more time remind hon. members to use the third person and address comments through the Chair.

The hon. member for Burnaby—New Westminster.

Mr. Peter Julian: Mr. Chair, it is kind of shocking the Minister of Finance does not actually know what is happening to family incomes. Who tells us that family income has declined for most Canadian families? Statistics Canada, the national government's statistical agency. Of course, if we mix everything together, there has been an outstanding growth in income for the wealthiest of Canadians. Members of the Conservative Party are saying, "Great. The wealthy are wealthier than ever". They now take half of the entire income pie in this country, so one would think the Minister of Finance would chart that. Of course, he has not been following those trends. For most Canadian families, their real income has gone down. If the Minister of Finance doubts that, he should actually talk to Canadians.

In answer to my second question, Statistics Canada actually tells us most jobs created today are part time and temporary in nature. They do not come with pensions. They do not come with benefits.

I am going to give the Minister of Finance a third chance. Hopefully he will get it right this time. He blew it on family incomes. He blew it on job creation. Can he tell us what is the average hourly salary of the manufacturing jobs we have lost? The member for Outremont mentioned this earlier in the night. We are talking about hundreds of thousands of manufacturing jobs lost. What is the average hourly wage and what is the average hourly wage of the service jobs that the government has created? What is the average hourly wage for the jobs we have lost and the average hourly wage for the jobs in the service industry, part time and temporary in nature, that the government has created?

Business of Supply

Hon. Jim Flaherty: Mr. Chair, only an NDP member could talk about governments creating jobs. Actually, governments do not create jobs. Governments create the conditions that help encourage job creation by the private sector, but the private sector is not something the member for Burnaby—New Westminster would be particularly familiar with or supportive of. On the other hand, we do support the private sector.

We also support the accurate use of statistics. He is reaching back into the 1980s now to try to demonstrate that in the late 1980s, over 20 years, to 2008, family incomes have not done well. He ignores, of course, the recession at the beginning of the decade of the 1990s. He loves to not mention that happened then, distorting the numbers. He is enjoying the distortion, all right but it does not help Canadians very much.

If he looks at the cumulative growth of Canadian living standards from 2002 to the end of 2007 he will see a growth of 20%. One would think he would want that to be the way it is and it is the way it is. Canadian families know it is the way it is and that this has been a relatively good run. We are making it better by reducing taxes at the same time.

As I said to him, the data shows that 80% of the more than 750,000 net new jobs created in Canada have been as a result of a Conservative government being in office, and 80% are full time jobs and most of the jobs are in the service sector. We are not talking about McJobs, as they talked about. We are talking about financial services, which is probably something he is against as well.

Mr. Peter Julian: Mr. Chair, I take no lessons from the Minister of Finance. I have won two Consumer Choice Awards for Excellence in Business and was a long time financial administrator. So, yes, we know how to handle money and, in fact, we do it better than the Conservatives do and better than the Liberals do.

Who says this? The Department of Finance did a longitudinal study from 1981 to 2001 and it compared the various governments, the actual fiscal period returns. What did it find? His Department of Finance found that the NDP balanced the budget in the actual fiscal period of time most of the time.

How did the Conservatives do? I know the Conservatives do not want to hear this but two-thirds of the time the Conservatives ran deficits, including the largest deficits in Canadian history. In fact, the only party that is worse at managing finances is the Liberal Party. It was in deficit 86% of the time.

Here we have two political parties that are simply fiscally challenged. They do not understand how to manage money. The NDP, fortunately, does. Who says this? The Department of Finance, under the Liberals and under the Conservatives, says that the NDP manages money better.

I have nothing to add to that. The minister will not contradict his own department.

However, I will come back to the question he refused to answer, either because he does not know or does not care to know. I would ask the minister to please take note that the hourly wage of the jobs that he and his government has lost in manufacturing is \$21 an hour.

What have we gained? We have gained service industry jobs, which are time and temporary. What is their hourly wage? It is \$14 an hour.

I know the Conservatives are financially challenged but I think that the brightest among them can see that their Flintstone economics, corporate tax cuts being their only approach, when one get two-thirds of the salary in the job created as opposed to the job one has lost, the person is not doing too well, and that is what has happened.

They lost \$21-an-hour jobs, good manufacturing jobs in the auto sector and the softwood industry in British Columbia, which we certainly know about, which was as a result of the softwood sellout and other very poor economic choices. When we go across the country, we see \$21-an-hour jobs being lost and the \$14-an-hour or less jobs, minimum wage jobs, being created.

I will give a softball to this minister since he has not been able to answer any of the questions tonight. It is a very simple question that I am sure his associates can answer. What is the total value of the corporate tax cuts that the government has brought in through 2012?

● (2255)

Hon. Jim Flaherty: Mr. Chair, the business tax reductions through 2012-13 in billions of dollars is \$50.5 billion. The GST reduction through that time is \$72.7 billion. The personal income tax is \$64.9 billion. The grand total of all of that is \$188.1 billion in tax reductions.

I understand condescending and perhaps obnoxious, from listening to the member, but the one thing I do not understand is an alleged record by NDP governments as strong fiscal managers. I am old enough to remember a government in British Columbia and I am certainly old enough to remember because I was part of the government that replaced it, the one that was led by the member for Toronto Centre in Ontario.

I can remember in 1995, before the government changed, which is what the member considers strong fiscal management, where the government had to pay \$1 million an hour in interest on the accumulated public debt in the province of Ontario, where we had a government that thought it could spend its way out of economic difficulties, where we had a government, not unlike the Liberal government opposite here now, that thinks the solution to the problem is to increase taxes, increase the tax burden on people, run a deficit, yes, that is right, and run up spending. That is the way the member for Toronto Centre governed Ontario from 1990 to 1995 and it is the way the Liberal opposition wants to take us back to the good old days.

Business of Supply

I congratulate the member for Burnaby—New Westminster on having illusions at 11 o'clock at night that NDP fiscal policy is good fiscal policy for Canada.

Mr. Peter Julian: Mr. Chair, I will remind the Minister of Finance that it was his department that did the evaluation. It was his ministry that said, not that the NDP is perfect, and I certainly would agree with that, but that he was worse, that the Conservative governments and Liberal governments are worse. Two-thirds of the time over that 20 year period the actual fiscal period returns were in deficit. That is the Conservative record according to his own department.

He has seen the study. He knows the Department of Finance has done that analysis and he knows that two-thirds of the time Conservative governments were in deficit. The only party with a worse record was the Liberal Party. Eighty-six per cent of the time it was in deficit. His own department has made that evaluation. One would expect that he would read that study and learn from it. Most of the time NDP governments balance their budget. That is the reality according to the federal Department of Finance.

I have asked a number of questions and the minister has not actually answered any of them, which is quite disappointing, because as the economic steward of the country one would expect that he would be aware of the fall in real family incomes and aware of the fact that his government is creating part time and temporary jobs that basically come at two-thirds of the wage levels of the jobs that he has lost.

There is no auto sector policy. It has certainly been a disaster when it comes to the softwood sellout. He references the B.C. Liberal Party as if it is—

• (2300)

The Assistant Deputy Chair: Order, please. There is only about 20 seconds left in the hon. member's time slot so I will need to cut him off there to allow the minister to respond.

The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Chair, while the member opposite is having fun creating figures, Canadians know and I might as well confirm that not only did the Canadian economy generate close to 400,000 new jobs in 2007, the vast majority of them were in high paying sectors.

The loss of manufacturing jobs is being offset by job gains in sectors with equivalent and higher employment quality. That is from the chief economist at CIBC.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Chair, I will be splitting my time with the member for Beaches—East York and the member for Mississauga—Erindale.

Since coming to power in early 2006, the Conservative government has broken dozens of election promises. On page 9 of the Conservative election platform it reads:

A Conservative government will:

Eliminate the capital gains tax for individuals on the sale of assets when the proceeds are reinvested within six months.

Has the minister achieved this or is it a broken promise?

Hon. Jim Flaherty: Mr. Chair, we have created the tax-free savings account. The way that will work, starting January 1, 2009,

unless it is defeated by the Liberals because they seem to think the tax-free savings account is not a good idea to help all Canadians save money tax free, but once that money is in a tax-free savings account, Canadians will be able to accumulate capital gains on a tax-free basis.

Hon. Hedy Fry: Mr. Chair, I suppose the minister thinks that his savings plan is eliminating capital gains. He does not know the difference.

On page 17 of the Conservative election platform, it reads:

A Conservative government will:

Limit the future growth of spending on federal grant and contribution programs and by federal departments and agencies (other than National Defence and Indian Affairs) to the rate of inflation plus population growth.

Has the minister achieved this or is it yet another broken promise?

Hon. Jim Flaherty: Mr. Chair, the commitment is to keep the rate of growth of spending within the rate of growth of nominal GDP on average, and that is what we intend to do.

Hon. Hedy Fry: Mr. Chair, then why does he not answer why it went up 15%

On page 37 of the Conservative election platform, it reads:

Beginning in 2007-08, we will set aside \$200 million annually in the form of federal tax credits to encourage developers to build or refurbish affordable rental units.

Did the minister achieve this or is this yet another broken promise?

Hon. Jim Flaherty: Mr. Chair, I was just having that discussion today with the minister responsible about issues relating to housing. We transferred, as the member probably knows, \$900 million in a trust with respect to affordable housing for the provinces.

Hon. Hedy Fry: I suppose, Mr. Chair, Christmas is coming as well.

In 2006, the minister committed \$400 million to the pine beetle in B.C. for restructuring of the forestry industry and worker adjustment. He did not keep that promise but repeated it again in 2008, two years later.

In the meantime, 10,000 jobs have been lost in B.C. Is this yet another broken promise?

• (2305)

Hon. Jim Flaherty: Mr. Chair, spending with respect to the pine beetle has been in excess of \$200 million so far.

Hon. Hedy Fry: Mr. Chair, that was supposed to be \$400 million, so I suppose that was a broken promise, and that is called Conservative balancing.

Business of Supply

The Liberal government committed funds for the Pacific Gateway by 2008. The minister slowed that date to 2014, an extra six years.

Meanwhile, the U.S. recession has damaged the B.C. industry. We could have been selling lumber to Asia this year. By 2010, every other country would have grabbed the trade deals.

How does the minister explain this to the B.C. towns that are closing down?

Hon. Jim Flaherty: Mr. Chair, we have actually created a gateway fund.

What the Liberals did is what they usually did during their 13 years. They talked about something they might do down the road. Speeches were given but they never got around to doing it. They never got around to actually advancing the funds.

The road to somewhere is paved with good intentions and they are there now and they earned their spot in opposition.

Hon. Hedy Fry: Mr. Chair, on page 11 of the Conservative platform, it reads:

A Conservative will:

Ensure that government fiscal forecasts are updated quarterly and that they provide complete data for both revenue and spending forecasts.

Has Parliament received a single one of these quarterly updates from the finance minister or is this again another broken promise?

Hon. Jim Flaherty: Mr. Chair, it is done quarterly in the *Fiscal Monitor*.

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Chair, the government has—

Some hon. members: Oh, oh.

The Assistant Deputy Chair: Order, please. The hon. member for Abbotsford may have a chance to ask a question later but right now it is the hon. member for Beaches—East York.

Hon. Maria Minna: Mr. Chair, the Conservative government in both of its last two budgets in particular has been extremely detrimental to women in our country. It has actually been hurtful and damaging.

When the gender based analysis was done by the finance department, it came forward with an analysis that showed it was gender neutral and no problem. However, when we had our own experts at the standing committee do the analysis, it showed the complete opposite. It showed that there was major damage to women in all of the items, which I will list later.

Could the minister tell me whether he in fact got a true gender based analysis before his budgets were tabled?

Hon. Jim Flaherty: Mr. Chair, gender analysis is done with respect to not only the items that are in the budget, but with respect to various proposals that are considered for the budget, ideas that are put forth, some by the opposition parties and some by people outside of government. There is a process that is followed with respect to all those proposals, including the—

Hon. Hedy Fry: We know, we know. Did you do it?

Hon. Jim Flaherty: Again, the member is chirping over there. Does she want the answer?

The Assistant Deputy Chair: Order, please. The hon. member for Vancouver Centre should let the hon. minister answer. It would be very helpful if one member spoke at a time. I know it is difficult at this late hour. I will let the hon. minister have about five more seconds to wrap up and we will go for another follow up.

Hon. Jim Flaherty: The answer is that the gender based analysis is used with respect to budget proposals.

Hon. Maria Minna: Mr. Chair, the only thing I can deduce from what the minister has just said is he received an analysis. If it were true analysis, it would have shown a detrimental impact on women. The minister then chose not to use that information and went ahead in any case.

I will give one example. The \$5,500 savings plan, in fact, does absolutely nothing for women because 40.4% of women do not even pay any taxes. The average income of women in general is about \$37,000 a year. Most of them do not have the ability to put aside any money. This only helps high income and mostly males in our country.

Could the minister tell me that he then chose not to listen to the analysis when he made his decision?

• (2310)

Hon. Jim Flaherty: Mr. Chair, the member opposite is making an assumption that is nonsensical, and that is some sort of fifty-fifty balance must be achieved on every budget item. Of course there are some budget items that favour some people in certain occupations, for example, truck drivers who happen to be more commonly male than female. The gender analysis shows that, yes, it is a more male gender favourable tax provision. Then the government has to decide whether to do it or not. Then there are other tax provisions that are more favourable to women as a group than to men. Therefore, these are matters that we look at during the course of the budget preparation.

However, to make the assumption that there is some kind of magic fifty-fifty here is out of touch with the world.

Hon. Maria Minna: Mr. Chair, I am not looking for fifty-fifty, but I am glad to hear the minister admit that despite the propaganda that this is supposed to help low income Canadians, it does not, especially women. It is good to get that on the record.

The other thing that has also hurt women is the \$1,200, which is supposed to be a universal child care program. In fact, it does nothing for the average woman, especially single parents. It does absolutely nothing for low income women to get back to work. Again, it hurts. The lower the income, the less money they get, so this is very detrimental.

Has the minister received a proper gender based analysis on this and what did he do about it?

Hon. Jim Flaherty: Yes, Mr. Chair, it has been the subject of a gender based analysis, as all proposals are.

Business of Supply

The member will be interested to know that the proposal will be of principal benefit to women. About 65% of the estimated increase in GIS and other income tested benefits and credits due to TFSA savings will go to women. Neither TFSA investment income nor withdrawals will affect eligibility for federal income tested benefits and credits; that is there will be no clawbacks. As I say, the analysis shows that this will be of principal benefit to women.

Mr. Omar Alhabra (Mississauga—Erindale, Lib.): Mr. Chair, could the minister tell us who is the highest spending finance minister in Canada's history?

Hon. Jim Flaherty: Yes, I can.

Mr. Omar Alhabra: Mr. Chair, will he admit that he is the highest spending finance minister in Canada's history?

Hon. Jim Flaherty: Mr. Chair, is he allowed to call me “he”?

An hon. member: Oh, oh!

Hon. Jim Flaherty: Yes.

Mr. Omar Alhabra: Mr. Chair, that is good. I am establishing a pattern here. Is the minister against putting a price on carbon?

Hon. Jim Flaherty: Mr. Chair, I think we all realize that carbon is ending up priced in our economy. That is a reality.

We are opposed to a massive new carbon tax. So is the premier of Ontario, by the way, who is disagreeing with his little brother there on the benches opposite.

Mr. Omar Alhabra: Mr. Chair, is the minister aware that his government estimates that the price on carbon under its mandate will go up as high as \$65 a tonne by 2018?

Hon. Jim Flaherty: Mr. Chair, I am aware that there are at least two approaches to this. Our approach is to regulate industry in Canada and we mean all industry in Canada.

This is something that was mused about by the Liberals when they were in government, but of course they did nothing. There was a 30% increase in greenhouse gas emissions while they were in government and now they propose to bring in this dramatic massive tax on ordinary Canadians, on the expenses people have to endure day by day—

The Assistant Deputy Chair: The hon. member for Mississauga—Erindale.

Mr. Omar Alhabra: Mr. Chair, now that the minister has admitted that he wants to put a price on carbon, let me read for members what the environment department says:

For the majority of individual Canadians and for businesses outside the regulated sectors, these costs will be most evident in the form of higher energy prices, particularly with respect to electricity and natural gas.

Does he agree with that?

Hon. Jim Flaherty: Mr. Chair, I agree with the suggestion by the Liberals that a carbon tax, which they want to impose on Canadians, will be a massive, punitive tax increase, particularly for people with fixed incomes, for seniors and pensioners.

Mr. Omar Alhabra: Mr. Chair, I guess his non-answer is an answer. He agrees with the document that says the government's plan will be putting higher prices on electricity and natural gas. What

does the Minister of Finance intend to do to offset that for vulnerable Canadians?

• (2315)

Hon. Jim Flaherty: Mr. Chair, I do not agree at all with the assumption and the preface to the question.

What we know is that this government has an approach in which we are going to regulate to control greenhouse gas emissions. We have already made that clear. We are going to regulate all the industries in Canada. That is an important approach by our government. The opposition, the Liberal Party, has a different idea: a massive tax grab from Canadians.

Mr. Omar Alhabra: Mr. Chair, I want to get this straight. Does he not agree with the Ministry of the Environment document that says the government's plan will increase costs for electricity and natural gas? I want to get this clear. Does he not agree with this?

Hon. Jim Flaherty: Mr. Chair, I have no idea what piece of paper he is waving around.

I can tell the member this: we will not be imposing a massive new carbon tax on Canadians, particularly Canadians with fixed incomes. If he is concerned about the economy, he should think about the manufacturers and think about the costs that this will mean for them. This is a sector that needs help. It does not need more taxation.

Mr. Omar Alhabra: Mr. Chair, just so the minister is aware, this is a document that was issued in March 2008 and is called “Turning the Corner: Taking Action to Fight Climate Change”.

An hon. member: Who published that?

Mr. Omar Alhabra: Mr. Chair, it was published by the Department of the Environment. It states that, on average, national residential electricity prices can be expected to rise about 4% by 2020 and natural gas prices by about 2%.

Does the minister agree with that? If that is what he is doing, what does he plan to do about offsetting the cost crisis?

Hon. Jim Flaherty: Mr. Chair, there is a point the hon. member is trying to make there somewhere. I cannot find it in his haystack over there.

The reality is that the approach of this government is to regulate all industries. The approach of the Liberals is to bring in a massive new tax. We like our approach. We do not like their approach.

The Assistant Deputy Chair: There are 20 seconds left, so we can have a 10 second question and a 10 second response.

Mr. Omar Alhabra: Mr. Chair, he is the Minister of Finance and the Department of the Environment says that by 2018 they are putting a price—

Some hon. members: Oh, oh!

The Assistant Deputy Chair: Order, please. That is unnecessary.

Business of Supply

The hon. member for Mississauga—Erindale.

Mr. Omar Alghabra: Mr. Chair, I know why they are scared. I know why they do not want me to ask this question. Their document says that by 2018 their price on carbon will be \$65 a tonne. Does he agree with that or—

The Assistant Deputy Chair: The hon. Minister of Finance has 10 seconds.

Hon. Jim Flaherty: Mr. Chair, I was wondering what this has to do with the Department of Finance estimates. I find it rather difficult to follow that through. Opposition members said that they wanted to ask questions about estimates.

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Chair, I certainly have enjoyed the evening so far.

I thought it was time to thank all my colleagues, all the minister's colleagues, for being here this evening for this debate. In particular, I want to mention that I serve on the finance committee with the minister, the member for Whitby—Oshawa, the parliamentary secretary, the member for Macleod, the member for Peterborough and the member for Burlington, who are all here this evening. They do a phenomenal job as members of the finance committee and they deserve credit for the work that they do.

Hon. Wayne Easter: They take their directions well from the PMO.

Mr. Rick Dykstra: I will have the member know that these are my own notes. The member for Malpeque needs to know I write my own notes because that is critical to the story this evening. These may be estimates, but these are my notes.

It gives me great pleasure today to discuss the government's main estimates. I want to focus on an issue that is of great importance to the citizens of my province, the manufacturing sector. It is important to remind Canadians, as the United Steelworkers did, that the manufacturing crisis did not start when the Conservatives took office. The Liberals had 12 years to deal with this stuff and they did nothing. Unlike the Liberals, this Conservative government has taken decisive action over the last two years to help the manufacturing sector.

Ontario's automotive sector has been affected by the slowing global economy. The sector remains the largest manufacturing industry in the country and has a proven global reputation for quality and productivity, helping Canada rank as one of the top vehicle-producing countries in the world. I am proud to say that includes my home town of St. Catharines.

To maintain its leadership and competitive advantage, Canada's automotive sector is moving to become more innovative and adapt to new environmental standards. This requires a highly skilled workforce and increased investment in research and innovation to develop new process technologies and vehicles that are more fuel efficient and environmentally sustainable.

To help the automotive sector, the Conservative government has committed over \$1.6 billion to measures that will help the automotive industry successfully meet these challenges. These include \$1 billion in tax relief for the auto sector by 2012-13 and \$250 million, a quarter of a billion dollar investment, over five years,

through a new automotive innovation fund, to support large-scale research and development projects to develop innovative and more fuel efficient vehicles. It also includes \$400 million as a contribution toward the access road to the new Windsor-Detroit border crossing.

It includes an enhancement to Export Development Canada's existing export guarantee program that will increase coverage, benefiting particularly those businesses in the automotive sector. Specifically, EDC will increase its guarantee coverage under the export guarantee program from 75% to 90% for loans up to \$500,000. This will assist small and medium sized manufacturers in fulfilling export contracts. EDC is also working to enhance its financing and insurance products in support of the automotive and manufacturing sector.

We fulfilled our promise to cut the GST, and we have reduced it by two full points, making cars more affordable. In fact, last month, car sales rose yet again, the fifth increase in six months.

However, the Liberals want to undo these positive steps by not only increasing the GST, but also imposing, as the minister has clearly stated, a gouging gas tax that will make purchasing a car more expensive and devastate the auto sector in our province.

The list of what the government has done for the auto sector does not end here. Let us talk a little about research and development.

Maintaining Canada's competitive advantage also requires investment in research and development. Canada continues to be a world leader in funding post-secondary research, ranking second in the OECD and first in the G-7.

● (2320)

To maintain Canada's premier position, budget 2008 builds on this investment. When I say premier, I am not talking about the two former premiers from the Liberal Party who sit across the way.

I am talking about a budget that talks about investment to continue to support world class research and researchers at our universities, including \$34 million per year to the Natural Sciences and Engineering Research Council for collaborative research that directly contributes to the knowledge and innovation needs of Canada's automotive, manufacturing, forestry and fishing industries.

The government also recognizes that increasing business investments in research and development will be crucial for our long term competitiveness. Budget 2008 enhances support for business investments with improvements to the scientific research and experimental development tax, which we at finance committee call SR&ED. This new incentive and new program to support research and development investment in the automotive industry is something to be spoken about.

This government realizes that investing in the future means investing in knowledge, it means investing in science, and it means investing in innovation.

Business of Supply

I want to speak a bit about the capital cost allowance. It was not introduced in 2008. In fact, it was introduced in 2007, but the minister extended the program. We are providing further assistance for Canada's manufacturing and processing sector by extending the accelerated capital cost allowance treatment for investment in machinery and equipment for three years. Specifically, the 50% straight line accelerated capital cost allowance treatment will apply for one additional year and the accelerated treatment will then be provided on a declining basis over a two year period.

I have to congratulate the member for Burlington who chairs the steel caucus. He is doing an excellent job. Representatives from the steel industry across this country sat down and met with us tonight and credited a number of things. The one thing that stood out this evening for us when they spoke was the fact that the accelerated capital cost allowance is telling its employees of the future that they are wanted, they are needed, and they are accepted in every manufacturing company in this country.

In addition, we are supporting small and medium sized businesses by improving the scientific research and experimental development tax incentive program and easing the tax compliance burden by reducing the record keeping requirements for automotive expense deductions and taxable benefits. In other words, we are going to make sure we reduce the red tape.

Let me speak for a couple of moments about the community development trust.

While Canada's economic fundamentals remain solid, the government recognizes that there are some workers and communities that face challenges in adjusting to changes in the international economy. That is why in January 2008 the government announced up to \$1 billion for the community development trust to support those experiencing hardship due to international economic volatility. The 2008 budget built on this initiative by providing an additional \$90 million to extend to 2012 the targeted initiative for older workers to help older workers stay in the workforce.

A one billion dollar investment, \$350 million in the province of Ontario, was an investment made by the federal government. As much as we would like the provinces and the territories to give the federal government credit for making this investment, we realize that those dollars are transferred to them to allow them to make decisions according to what they believe to be in the best interests of the businesses in their provinces and territories. We are not asking for credit. We did not ask the provinces to go out and state that we were the ones who provided that community investment fund.

It takes a lot of guts and it takes a lot of nerve for the Prime Minister and the Minister of Finance to allocate \$1 billion for community reinvestment across this country with the full understanding that they and this government would not receive credit for it, not because we wanted the credit but because it was the right thing to do at the right time, in the right place, in this country.

● (2325)

Now, finally, Canada's economic fundamentals are solved and that is good news for all sectors and for all Canadians. We have paid down debt. We have reduced taxes paid by families and individuals. We have also cut corporate taxes.

In fact, let me take a moment to outline that we have taken steps federally by lowering business taxes to 15% by 2012. This will encourage investment, promote competitiveness, and most importantly, increase productivity. We certainly hope that other jurisdictions with large manufacturing sectors will follow suit and lower their corporate taxes. We can only lead by example; we cannot dictate.

The member for Markham—Unionville agrees with the significant steps that this Conservative government has taken. Some may be surprised to hear that, but he does. He said that corporate tax cuts are one of the best strategies to attract investment.

Let me ask the finance minister or the parliamentary secretary in the time remaining to speak about the many positive measures that we have advanced for the manufacturing, auto and forestry sectors.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, I thank the hon. member who plays a very pivotal role in the finance committee. The member for St. Catharines is much younger than me, Mr. Chair, I am sure that is obvious when you look at him. We expect him to be here for many years. He has done a wonderful job representing his constituents and representing all Canadians on the finance committee.

He was one of the very few who was actually able to travel all across the country during our prebudget consultation. The rest of us were caught up in other issues, but the hon. member travelled across the country and heard from all Canadians. We had a discussion at committee today about how many of those recommendations we heard during our prebudget consultations; 22 of the 37 recommendations, if I have the figures right, were actually implemented in the budget.

The entire budget may not be implemented if the NDP has its way. The NDP tried to hold this up at committee. Fortunately, we had the support of the Liberals because they recognized all of the important pieces in this budget, important to all Canadians. The Liberals helped us. The Bloc was there working with us. It understood the benefits that Canadians will see from this.

Let me share some of these benefits that we do hope and pray that the Liberals will continue support. If the NDP continues to play its silly games, it will hold up incredibly positive initiatives for Canadians if we do not get this through the House and through the Senate before summer. Let me talk about some of them.

The tax-free savings account, TFSA, is scheduled to come into play January 1. Canadians for the first time will be able to save tax-free, capital gains free. That is the first time since RRSPs were implemented. It is not to replace RRSPs, but to supplement savings for Canadians. Also, we are looking at \$500 million to help improve public transit; \$400 million to help recruit new front line police officers; and nearly \$250 million for carbon capture and storage, both in Saskatchewan and Nova Scotia. Mr. Chair, you would appreciate and know a lot about the one in Saskatchewan. There is also \$160 million to support geonomics and biomedical research. We need to raise the alarm bell that these need—

Business of Supply

• (2330)

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

[*Translation*]

Mr. Paul Crête: Mr. Chair, I listened to my Conservative colleague speaking about the work the Conservative members have done in committee. That has helped me answer a question. I always wondered why there were no Conservative members from Quebec on the Standing Committee on Finance.

I discovered the reason this afternoon when the budgets were crammed down our throats for the creation of a Canada-wide securities commission. The Conservatives' desire to centralize, with the support of the Liberals, led to the voting of supply.

Obviously, if there had been Conservative members from Quebec on the committee, they would have been so uncomfortable that they would have been unable—I hope—to vote with the Conservatives, and would have contradicted their own regime.

I remind members that if a Conservative member from Quebec ever wants to join the Standing Committee on Finance, he or she will be very welcome. For the time being, we do not have one. They felt it was not important enough. I will take note of this result.

The second thing I want to say to the parliamentary secretary is that we worked together on the Standing Committee on Finance when—

An hon. member: Oh, oh!

Mr. Paul Crête: Mr. Chair, I let the member speak. I call this a point of order.

[*English*]

The Assistant Deputy Chair: The hon. member makes a good point. There are only about 10 minutes left. It is very difficult for the Chair to hear the questions, so if hon. members could just allow the hon. member to finish asking his question then the minister will have a chance to respond.

• (2335)

[*Translation*]

Mr. Paul Crête: Mr. Chair, I would like to add that we did not cooperate with the government this afternoon because we were against the time limits and against what they wanted to do with Bill C-50 regarding employment insurance. However, the theft and diversion of \$54 billion by the Conservative government and the Liberal government before it has been confirmed.

All that aside, I have a question. The Conservative government, which had a \$10 billion surplus at the end of last year, saw the Government of Quebec introduce a program for the manufacturing sector. How could the Conservative government then turn around and allocate just \$1 billion for a trust for all of Canada but put \$10 billion toward the debt, thereby abandoning Quebec, Ontario and the provinces that are having a lot more difficulty making ends meet? They do not have the financial means since the fiscal imbalance has not been completely resolved.

Why did the Conservative government make such an egotistical decision, as though it were a corporation rather than a government,

to allocate 100% of the surplus to the debt, while leaving manufacturing businesses in their difficult situations? Thousands of jobs and many communities have disappeared, families can no longer make ends meet, and tonight, he is telling us that the only way to help older workers is to retrain them so that they can find new jobs even though many of them cannot find new jobs.

Are the Conservative government and the Minister of Finance ready to make a commitment, to change their attitude and to move forward with more appropriate measures to support the manufacturing sector and help older workers? Are they ready to find a way to make Conservative members from Quebec contribute and help solve the financial situation? Could that be why he does not understand Quebec? I do not know.

[*English*]

Hon. Jim Flaherty: Mr. Chair, I certainly understand that the employment rate in Quebec is strong, that the rate of employment is about the best it has been in a generation. I understand also that we have brought in funding to assist one-industry towns facing major economic slowdowns. That is through the \$1 billion community development trust.

I understand that we have made historic pre-emptive corporate business tax reductions for industry that run out every year up to 2012. It is less of a burden for them. I understand further we have done the very substantial accelerated capital cost allowance at a cost of billions of dollars, but it is very important to encourage technological innovation in these industries.

I know the member is well intentioned, but if his intention is to have a vibrant industry, a sustainable industry over time, I suggest that he consider what is being done as the way to go. It is the way to go because it makes it possible for these industries to retool and become more innovative. It makes them competitive in a world market. It makes them more productive and at the end of the day that is what makes them sustainable and that is where the sustainable long term jobs will be.

It is important, it seems to me, that we look at the longer term, but in the shorter term of course because some workers are displaced, particularly older workers between the ages of 55 and 62, we have the targeted initiative for those older workers to assist them to adjust at a time in their lives where no doubt it is more difficult to adjust.

For those who can retrain, who can obtain other skills, and there are lots of jobs available which is the good news, we have to ensure they can obtain those skills and that is why we are investing the largest amount ever of any government in skills training in Canada.

[*Translation*]

Mr. Paul Crête: Mr. Chair, Mr. Trahan of the Canadian Manufacturers and Exporters of Quebec appeared before the Standing Committee on Finance this week. He is not a separatist or a Bloc member, but rather someone who represents small- and medium-sized manufacturing businesses in Quebec. He gave the federal budget a failing grade when it comes to the manufacturing sector. He fully understands that tax cuts do nothing to help businesses that are not making any profit and are struggling to survive.

Business of Supply

What is needed—and this was repeated and indicated in the unanimous report of the Standing Committee on Industry, Science and Technology—are refundable tax credits to allow those businesses to be productive. That is what the people of Beauce and Chaudière-Appalaches wanted. A number of members here represent those ridings. There was a minister from Beauce, although he is once again a backbencher. There are members from Chaudière-Appalaches and other parts of Quebec. How is it that they could not convince the government to do something and implement such measures?

We never said we were against tax cuts, but other measures were needed to help businesses that are going through a rough period at this time. How is it that the minister, who read the unanimous report of the Standing Committee on Industry, Science and Technology last fall, did not see that he had the financial means to act and that it was important to do so? Is that not why Quebeckers are judging this Conservative budget so harshly? This budget does not meet the needs of Quebec.

• (2340)

[English]

Hon. Jim Flaherty: Mr. Chair, I am not sure exactly what the hon. member is advocating. If he is advocating a series of short term band-aid solutions where a government throws money at a problem and it has no long term effect, that is not the policy of this government. When it has been done by other governments it has been a colossal waste of taxpayers' money.

There is change in the economy. This is to be expected. We should not resist change in the economy. We should recognize that change in the economy is normal.

Yes, sometimes people suffer because they lose their jobs when an economy is shifting around. We see this in forestry now. It is not just Quebec. It is Alberta, British Columbia, Ontario and New Brunswick. The forestry sector itself told us in our prebudget consultations, and I am sure they would say the same thing to the hon. member, “We have to retool. We have to become more technologically sophisticated, otherwise we are just not competitive in the world. We need to be competitive to be sustainable. Do not give us band-aid solutions. Give us long term, sustainable tax planning that we can rely on, so that we can become more innovative over time”.

This is the future of that type of industry in this country. At the same time, let us welcome the fact that Bombardier is looking to hire 700 more people and that companies in the financial services sector like Morgan Stanley in Montreal are looking to do the same thing.

[Translation]

Mr. Paul Crête: Mr. Chair, Quebec exports by 25 sectors of activity increased in 5 sectors and decreased in 20 over the past three months compared to the same period in 2007.

I will use the example given by the minister. There can be no better example than the forestry sector. The Canadian Forestry Association told the committee that refundable tax credits are necessary. Band-aid solutions or subsidies are not the answer. There should be refundable tax credits for businesses. Furthermore, the Technology Partnerships Canada program should be reinstated as it

facilitates the development of new products in the regions of Quebec and Canada.

That was a unanimous recommendation of the Standing Committee on Industry, Science and Technology, which was chaired by the member for Edmonton—Leduc. All members of this House supported this recommendation.

The Conservative government hid behind its ideology. It did not want to provide this opportunity to manufacturers that do not make a profit. The Conservative government will have to bear the responsibility for the loss of thousands of jobs. Looking further down the road, those who have devoted their lives to their families will find themselves on social assistance in their final years because of this government.

[English]

Hon. Jim Flaherty: Mr. Chair, in my previous answer, I was referring to the comments of Avrim Lazar, the head of the Forest Products Association of Canada. Here is what he said:

We don't want subsidies; we don't want bailouts...long experience will tell everybody it simply doesn't work that way.... So no bail-outs, no subsidies. But there is stuff you can do that's positive and constructive.... The [Conservative] government has done many, many positive things in the past, and we're looking forward to many, many positive things in the future.

What have we done? We have provided over \$1 billion in tax relief to the forestry industry by 2012-13. There is the \$1 billion community development trust. As the member knows, that money is for workers and for communities directly affected. There is \$160 million for the targeted initiative for older workers. There is \$200 million with respect to the mountain pine beetle infestation in B.C. and Alberta, so far. There is \$127.5 million for the forest industry long term competitiveness support. There is \$25 million for the forest communities program to assist 11 forest based communities make informed decisions on the forest land base. We secured the return of over \$5 billion in duty deposits to Canadian producers by implementing the softwood lumber agreement in October 2006. A lot has been done.

If the member is advocating one time band-aid bailouts, that is not the policy of this government; that is not the way to go.

Business of Supply

• (2345)

The Assistant Deputy Chair: It being 11:45 p.m., pursuant to Standing Order 81(4), all votes are deemed reported. The committee will rise and I will now leave the chair.

The Acting Speaker (Mr. Andrew Scheer): This House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 11:46 p.m.)

CONTENTS

Wednesday, May 28, 2008

STATEMENTS BY MEMBERS

Khilafat Jubilee	
Mr. Obhrai	6153
Rae Austin	
Mr. Savage	6153
Parliament Hill Workers	
Mrs. Barbot	6153
National Day of Action	
Ms. Crowder	6153
Wedding Jubilees	
Mr. Watson	6154
Ron Wallace	
Mr. Regan	6154
Heroism	
Mr. Scheer	6154
Michel Sleiman	
Mrs. Mourani	6154
Women's Institutes	
Mr. Kramp	6155
Taste of Asia Street Festival	
Mr. Lee	6155
Carbon Tax Proposal	
Mr. Warkentin	6155
Cluster Munitions	
Ms. McDonough	6155
Cluster Munitions	
Mr. Eyking	6156
Member for Marc-Aurèle-Fortin	
Mr. Lemay	6156
International Aid	
Mr. Murphy (Moncton—Riverview—Dieppe)	6156
Leadership Campaign Financing	
Mr. Storseth	6156

ORAL QUESTIONS

Foreign Affairs	
Mr. Dion	6156
Mr. Van Loan	6157
Mr. Dion	6157
Mr. Van Loan	6157
Mr. Dion	6157
Mr. Van Loan	6157
Mr. Ignatieff	6157
Mr. Van Loan	6157
Mr. Ignatieff	6157
Mr. Van Loan	6157
Mr. Duceppe	6158

Mr. Van Loan	6158
Mr. Duceppe	6158
Mr. Van Loan	6158
Mr. Ménard (Marc-Aurèle-Fortin)	6158
Mr. Van Loan	6158
Mr. Ménard (Marc-Aurèle-Fortin)	6158
Mr. Van Loan	6158
Mr. Layton	6158
Mr. Van Loan	6158

Canada-U.S. Relations

Mr. Layton	6158
Mr. Van Loan	6159

Foreign Affairs

Mr. Dosanjh	6159
Mr. Van Loan	6159
Mr. Dosanjh	6159
Mr. Day	6159
Mr. Rae	6159
Mr. Van Loan	6159
Mr. Rae	6159
Mr. Van Loan	6159
Mr. Laframboise	6159
Mr. Van Loan	6159
Mr. Laframboise	6159
Mr. Van Loan	6160
Ms. Gagnon	6160
Mr. Van Loan	6160
Ms. Gagnon	6160
Mr. Van Loan	6160
Mr. Coderre	6160
Mr. Van Loan	6160
Mr. Coderre	6160
Mr. Van Loan	6160
Mr. Dosanjh	6160
Mr. Day	6160
Mr. Dosanjh	6160
Mr. Day	6160

Taxation

Mr. Brown (Barrie)	6161
Mr. Flaherty	6161

Health

Ms. Davies	6161
Mr. Clement	6161
Ms. Davies	6161
Mr. Clement	6161

Canada-U.S. Relations

Mr. Bains	6161
Mr. Van Loan	6161
Mr. Bains	6162
Mr. Van Loan	6162

Justice	
Ms. Neville.....	6162
Mr. Nicholson.....	6162
Ms. Neville.....	6162
Mr. Nicholson.....	6162
Shipbuilding Industry	
Mr. Cardin.....	6162
Mr. Emerson.....	6162
Regional Development	
Mr. Roy.....	6162
Mr. Gourde.....	6163
Foreign Affairs	
Mr. Dion.....	6163
Mr. Van Loan.....	6163
Aboriginal Affairs	
Mr. Albrecht.....	6163
Mr. Strahl.....	6163
The Environment	
Mr. Cullen (Skeena—Bulkley Valley).....	6163
Mr. Warawa.....	6163
Mr. Mulcair.....	6163
Mr. Warawa.....	6163
Aboriginal Affairs	
Mr. Russell.....	6163
Mr. Strahl.....	6164
Fisheries and Oceans	
Mr. Doyle.....	6164
Mr. Hearn.....	6164
Presence in Gallery	
The Speaker.....	6164

GOVERNMENT ORDERS

Canadian Environmental Protection Act, 1999	
Bill C-33. Third reading.....	6164
Motion agreed to.....	6165
Motion agreed to.....	6166
(Bill read the third time and passed).....	6166

ROUTINE PROCEEDINGS

Public Sector Integrity Commissioner	
The Speaker.....	6166
Points of Order	
Tabling of Documents	
Mr. Angus.....	6166
Alleged Comments by Member for Hamilton Centre	
Mr. Christopherson.....	6167
Government Response to Petitions	
Mr. Lukiwski.....	6167
Interparliamentary Delegations	
Mr. Lee.....	6167
Mr. Merrifield.....	6167
Mr. Harvey.....	6167

Committees of the House	
Finance	
Mr. Merrifield.....	6167
Veterans Affairs	
Mr. Anders.....	6167
Access to Information, Privacy and Ethics	
Mr. Szabo.....	6167
Telecommunications Act	
Mr. Angus.....	6167
Bill C-552. Introduction and first reading.....	6167
(Motions deemed adopted, bill read the first time and printed).....	6168
Bill C-21—Canadian Human Rights Act	
Mr. Van Loan.....	6168
Motion.....	6168
(Motion agreed to).....	6168
Petitions	
The Quebec Nation and the Charter of the French Language	
Mr. Nadeau.....	6168
Bill C-420	
Ms. Black.....	6168
Mining Companies Working Abroad	
Mr. Guimond.....	6168
Unborn Victims of Crime	
Mr. Tilson.....	6168
Iran	
Mr. Cotler.....	6168
Citizenship and Immigration	
Ms. McDonough.....	6169
Cluster Munitions	
Mr. Storseth.....	6169
Income Trusts	
Mr. Szabo.....	6169
Arts and Culture	
Ms. Chow.....	6169
Unborn Victims of Crime	
Mr. Epp.....	6169
Age of Consent	
Mr. Moore (Fundy Royal).....	6169
Animal Cruelty	
Mr. Moore (Fundy Royal).....	6170
Unborn Victims of Crime	
Mr. Moore (Fundy Royal).....	6170
Questions on the Order Paper	
Mr. Lukiwski.....	6170
Questions Passed as Orders for Returns	
Mr. Lukiwski.....	6170
Motions for Papers	
Mr. Lukiwski.....	6170
Privilege	
Question Period—Speaker's Ruling	
The Speaker.....	6171
Mr. Bélanger.....	6171

GOVERNMENT ORDERS

Canadian Human Rights Act

Bill C-21. Report Stage	6172
Ms. Neville	6172
Ms. Crowder	6173
(Motions Nos. 1 and 2 agreed to, bill as amended concurred in, read the third time and passed)	6175

Canada-EFTA Free Trade Agreement Implementation Act

Bill C-55. Second reading	6175
Mr. Martin (Esquimalt—Juan de Fuca)	6175
Mr. Chong	6177
Division on motion deferred	6178

Nuclear Liability and Compensation Act

Mr. MacKay (for the Minister of Natural Resources) ...	6178
Bill C-5. Third reading	6178
Mr. Anderson	6178
Mr. Martin (Esquimalt—Juan de Fuca)	6180
Mr. Chong	6180
Mrs. DeBellefeuille	6180
Mr. Martin (Esquimalt—Juan de Fuca)	6181
Mr. Alghabra	6181
Mr. Anderson	6182
Mrs. DeBellefeuille	6183
Mr. Boshcoff	6183
Mr. Chong	6184
Mr. St. Amand	6184
Mrs. DeBellefeuille	6185
Mrs. DeBellefeuille	6185

Canada-EFTA Free Trade Agreement Implementation Act

Bill C-55. Second reading	6186
Motion agreed to	6187
(Bill read the second time and referred to a committee)	6187

PRIVATE MEMBERS' BUSINESS

Income Tax Act

Bill C-445. Second reading	6187
Motion agreed to	6188
(Bill read the second time and referred to a committee)	6188

Criminal Code

Bill C-393. Second reading	6188
Mrs. Freeman	6188
Mr. Storseth	6190
Mr. Comartin	6191
Mr. Murphy (Charlottetown)	6192
Mr. Goodyear	6193
Mr. Tweed	6195
Mr. Brown (Leeds—Grenville)	6195
Division on motion deferred	6196

ADJOURNMENT PROCEEDINGS

Federal-Provincial Relations

Ms. Ratansi	6196
Mr. Menzies	6197

Citizenship and Immigration

Mr. Malhi	6198
Mr. Komarnicki	6198

World Food Crisis

Ms. Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	6199
Mr. Obhrai	6200

GOVERNMENT ORDERS

Business of Supply

Finance—Main Estimates 2008-09

(House in committee of the whole for consideration of all Votes under Finance in the Main Estimates, Mr. Bill Blaikie in the chair)	6201
Mr. Blaikie	6201
Mr. McCallum (Markham—Unionville)	6201
Mr. Flaherty	6201
Mr. Williams	6201
Mr. McKay	6202
Mr. Flaherty	6203
Mr. Miller	6205
Mr. Crête	6206
Mr. Laforest	6207
Mr. Mulcair	6208
Mr. Blaney	6211
Mr. Turner	6213
Ms. Hall Findlay	6214
Mrs. Jennings	6215
Mrs. Yelich	6216
Mr. Menzies	6217
Mr. Scheer	6218
Mr. Crête	6218
Mr. Del Mastro	6220
Mr. Savage	6223
Ms. Murray	6224
Mr. McGuinty	6224
Mr. Keddy	6225
Mr. Julian	6228
Ms. Fry	6230
Ms. Minna	6231
Mr. Alghabra	6232
Mr. Dykstra	6233
Mr. Menzies	6234
Mr. Scheer	6237
All Finance votes reported	6237

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En case de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :**
<http://www.parl.gc.ca>

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

**Additional copies may be obtained from Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: (613) 941-5995 or 1-800-635-7943
Fax: (613) 954-5779 or 1-800-565-7757
publications@pwgsc.gc.ca
<http://publications.gc.ca>**

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

**On peut obtenir des copies supplémentaires ou la version française de cette publication en écrivant à : Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : (613) 941-5995 ou 1-800-635-7943
Télécopieur : (613) 954-5779 ou 1-800-565-7757
publications@tpsgc.gc.ca
<http://publications.gc.ca>**