



CANADA

House of Commons Debates

VOLUME 137 • NUMBER 140 • 1st SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, February 6, 2002

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, February 6, 2002

The House met at 2 p.m.

Prayers

• (1400)

[English]

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

[Editor's Note: Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

JEAN CARLE

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Speaker, in the House all members are protected from harassment for their beliefs by parliamentary privilege, but judging by the personal smears that have been launched by the opposition it is clear that some of us are abusing that privilege to harass a private citizen.

I refer to the disgraceful treatment of Mr. Jean Carle and his family. I know Jean Carle.

[Translation]

I have worked very closely with him. Jean has a great deal of talent and I am privileged to call him a friend.

[English]

For the sin of having worked for the Prime Minister he has become the victim of an opposition witch hunt that would make Senator McCarthy proud. He has been the subject of baseless allegations of wrongdoing, allegations that have been refuted time and time again including in the *National Post* this morning. His every career move is fodder for snide comment and gross innuendo with no regard for fairness or for the effect on his reputation and his family.

The opposition may be doing this just for laughs but it is no joke.

* * *

WINTER SPORTS

Mr. Andy Burton (Skeena, Canadian Alliance): Mr. Speaker, for five days last week I accompanied Clayton Prince, executive director of the British Columbia Snowmobile Federation, and 18

other snowmobilers on a cross-country trip from Kitimat in northwestern British Columbia to Wells in central British Columbia, a distance of almost 500 miles.

The British Columbia Snowmobile Federation is promoting the linkage of communities throughout British Columbia and across Canada by winter trail. I recognize that snowmobiling is a legitimate sport and a real revenue generator for winter tourism, especially in smaller communities in rural parts of the country and I fully support that effort.

At the completion of the trip I had the pleasure of attending the Northern British Columbia Winter Games in Smithers. I congratulate the Smithers community leaders and volunteers who made the games such a success. I also congratulate the hundreds of participants, coaches and parents from across northern British Columbia. They are all winners.

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[Translation]

YOUNG OFFENDERS

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, Bill C-7 on Canada's young offenders was passed, following an amendment proposed by the Senate regarding sentencing for aboriginal offenders.

The Liberal Minister of Justice and member for Outremont stated that once it receives royal assent, this bill will provide all of the flexibility required to allow Quebec to maintain its own system, which emphasizes rehabilitation rather than incarceration.

Only 19 Bloc Quebecois members out of 38 voted against the bill. I repeat, only 19 of the 38 Bloc Quebecois members voted against the bill.

* * *

• (1405)

[English]

MEMBERTOU FIRST NATION

Mr. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, it gives me great pleasure to recognize a significant community achievement in my riding. The Membertou First Nation has become the first native government in North America to become ISO certified.

The ISO rating shows customers that the reserve has achieved a high level of product quality and service which is a key requirement to do business with many multinational corporations.

S. O. 31

Membertou is determined to be the master of its own destiny. Although it has already signed deals with four major corporations the band is still striving to better the lives of its residents. The business deals have earned the band more than \$500,000 in the last year and the unemployment rate has dropped from 50% to 35%.

I would ask everyone in the House to join me in congratulating Chief Terrence Paul, CEO Bernd Christmas and all the residents of Membertou for their hard work and trailblazing attitude toward community development. Membertou is setting a fine example for all communities right across Canada.

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[Translation]

INTERNATIONAL COOPERATION

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, on Sunday the Minister for International Cooperation announced that CIDA would continue to support the work done in Guatemala by Quebec cooperatives grouped together under the name of SOCODEVI.

CIDA has contributed up to \$7 million over four years to SOCODEVI to support its work with small agricultural cooperatives in Guatemala. As a result, thousands of rural families will benefit from improved access to agricultural equipment and opportunities related to their marketing efforts.

The peace established in Guatemala in 1996 put an end to four decades of war, fuelled for the most part by the gap between the rich and the poor. This peace since 1996 is being strengthened daily with improving living conditions for all.

By supporting SOCODEVI, Canada is contributing to this peace.

Here is a meaningful example of Canada's support to less disadvantaged people in developing countries.

* * *

[English]

GOLDEN JUBILEE

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, today Canada and the entire Commonwealth will be celebrating the 50th anniversary of the ascent to the throne of Her Majesty Queen Elizabeth II.

As only the second Canadian monarch to celebrate 50 years on the throne our congratulations must go out to her. Queen Elizabeth II has reigned as our monarch for half a century, a half century of tremendous change in the world and tremendous change in her dominions.

Throughout her reign Her Majesty has demonstrated the dignity and grace that the monarchy represents for Canadians. She stands for the peace, order and good government that many cherish as a strength of our nation. The stability which the monarchy brings to our nation is an effective safeguard and a welcome tradition.

We pay tribute to our great sovereign. May her reign continue for many years to come. God save the Queen.

[Editor's Note: Members rose and sang God Save the Queen]

MARC AND ROGER GAUTHIER

Mr. Eugène Bellemare (Ottawa—Orléans, Lib.): Mr. Speaker, I bring to your attention a wonderful act of generosity from a father to his son who both live in my riding of Ottawa—Orléans.

[Translation]

A few days ago, Roger Gauthier gave one of his kidneys to his son Marc. This act of extreme generosity shows the love and dedication that a parent shares with his child and also the trust and appreciation that the child has for his father.

Thank goodness, both are doing well. This father and his son are evidence that organ donations save lives.

I thank Roger and wish a good and healthy life to Marc.

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COAST GUARD

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, coastal communities and the fishing and shipping industries had been demanding the setting up of a search and rescue organization.

On January 26, 1962, Léon Balcer, the then minister of Transport, announced that the fleet of the Department of Transport would be called the Canadian Coast Guard.

Today the mandate of that fleet includes coordinating and conducting marine research and rescue operations, supporting the enforcement of the fishing regulations, providing ships or platforms for marine and fishery research, and ensuring that shipping lanes are clear and safe.

I ask hon. members to join me in congratulating the 4,400 members of the coast guard and the 5,100 volunteers, whose dedication and actions enable the coast guard to fulfill its mandate.

* * *

• (1410)

2002 WINTER OLYMPICS

Ms. Hélène Scherrer (Louis-Hébert, Lib.): Mr. Speaker, I would like to extend my heartiest congratulations to the seven young people from the Quebec City area who will be part of Canada's delegation to the 2002 Winter Olympics.

They are: Mélanie Turgeon, Anne Marie LeFrançois and Sara-Maude Boucher, downhill ski; Guillaume Morisset, snowboard; Philippe Marois, Patrick Bouchard and Éric Brisson, speedskating. All will be members of the Canadian team taking part in the Salt Lake City Olympics, from February 8 to 24.

It takes almost superhuman effort to be chosen for this team, and we are proud of that these athletes were selected, as it reflects many long years of intensive preparation.

We wish them the greatest success in their efforts to give their best ever performances at the upcoming games.

[English]

PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, today we honour our Queen of 50 years.

Royalty has shaped our rich heritage, our present culture and will continue to guide our future.

Canada's military is steeped in royal tradition. Many regiments bear royal names and have royal patrons.

Today the Princess Patricia's Canadian Light Infantry will be honoured at Edmonton city hall. Its colonel-in-chief is Countess Patricia Mountbatten of Burma. Her father, Lord Mountbatten, and son Nicholas were killed in a terrorist bombing in 1979. Today the PPCLI continues a war on terrorism.

Today Edmontonians have shown their support for the brigade in a special flag raising ceremony at city hall where their flag will fly until they return home.

Today we wish our gracious Queen a long reign, that the royal family be well and that the Princess Pat's and all who serve Canada, Godspeed.

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IMMIGRATION

Mr. Joe Fontana (London North Centre, Lib.): Mr. Speaker, I rise in the House today to express the absolute and unequivocal belief of this government in the integrity and the great value of all immigrants to Canada.

I was dismayed at newspaper reports today that quoted a spokesperson for a potential leader of the Ontario government as referring to immigrants arriving in Ontario as garbage.

Let me assure the House that I consider no immigrant to be garbage. This country and this province were built largely by immigrants whose hard work and love of Canada is one of those things that makes this country great.

This government has no objection to sitting down and working with the province of Ontario on a federal-provincial immigration agreement. We have concluded similar agreements with several other provinces such as the immigration accord with Quebec.

All these agreements have been successful to date in answering to the needs of the Canadian economy while welcoming those who came here by choice and by necessity to build the greatest country on earth.

I am asking that all members of the House join me in condemning such language on immigrants.

* * *

POST-SECONDARY EDUCATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, we in the NDP stand in solidarity with the tens of thousands of students across the country and the Canadian Federation of Students in a national day of action to defend public, accessible and quality post-secondary education.

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Students are being hammered with high debtloads and rising tuition caused by the erosion of federal funding to our universities and colleges.

Even so, over 90% of students pay back their student loans. Compare that to the corporate deadbeats who suck out billions of dollars in public funds from Industry Canada and have less than a 2% payback rate. There is an example of good corporate citizenship.

How many times have we heard the mantra that education is the future? Yet the government has gutted funding for education.

We have a message for the federal government today from students. It should quit shovelling out billions to its corporate buddies and start making education accessible to all students so they will have a future.

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[Translation]

GOLDEN JUBILEE

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, 50 years ago today, Elizabeth II acceded to the British throne. Very few heads of state have been in place for so long and have been a witness to so many historical events. The Bloc Québécois would therefore like to take the opportunity to salute the Queen and Prince Philip, who are today celebrating the golden jubilee of her accession to the throne.

Like the great majority of Quebecers, the members of the Bloc Québécois do not feel that they come under the British crown and do not consider themselves its subjects. Certain episodes in the history of the francophones of America, such as the deportation of the Acadians, still rankle.

As for the British people, we want them to know that the Bloc Québécois greets them in fraternal friendship and hopes they will have a wonderful and joyous celebration.

The respect and sometimes profound attachment felt by certain Canadians to the crown is owed recognition. Other peoples and other individuals throughout the world have attachments as well to the British crown and to the monarch.

To all those for whom this event holds significance, the Bloc Québécois wishes a joyous celebration.

* * *

• (1415)

[English]

GOLDEN JUBILEE

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, today, February 6, marks the 50th anniversary, the Golden Jubilee, of Her Majesty Queen Elizabeth II's accession to the Throne, a significant event for Canada.

It was 50 years ago today that Princess Elizabeth became Queen of Canada, and a relationship with our country that was already close and personal became one of mutual devotion; it is a relationship that continues.

Oral Questions

Over the past 50 years our country has developed into the modern and cosmopolitan Canada of today, and Her Majesty has been present for many of our defining moments and has championed our most cherished Canadian values.

All Canadians have been invited, by proclamation dated February 6, 2002, to take this opportunity to pay tribute to Her Majesty's immeasurable devotion, Her dignity, Her presence and Her sense of duty, and to reflect upon the myriad of accomplishments of Canadians over the past 50 years.

Here is to many more years and a future abounding with hope and possibility.

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GOVERNMENT OF CANADA

Miss Deborah Grey (Edmonton North, PC/DR): Mr. Speaker, there is good news: Canadians have the chance to take back their government.

Our coalition has brought forward a package of democratic reforms that offers Canadians a clear choice: one between power for the Prime Minister to make all the decisions or one that allows citizens to have a real and accessible say in how they are governed.

The coalition democratic reform task force offers a vision that includes an elected and reformed Senate, accountability and responsibility for individual members of parliament, and more opportunities for citizens to have a direct impact on the way they are governed.

This is a vision endorsed by our PC/DR caucus coalition. It is a vision endorsed by those of us who come from the reform Alliance tradition in this coalition. It is a vision endorsed by the Conservative Senate caucus. It is a vision endorsed by the Progressive Conservative management team.

This plan has the opportunity to draw Canadians, yea, political parties together to replace the Liberals who operate by the maxim, "We're the government. We can do whatever we want."

To any naysayers let me say that this is our culture, this is our raison d'être, this is our chance.

ORAL QUESTION PERIOD

[English]

MINISTER OF NATIONAL DEFENCE

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I welcome the Prime Minister back from his flu bug. It is nice to see him in the House.

For the past week, the House has been debating what the minister of defence told the Prime Minister and when. Now we can hear the Prime Minister's side of the story.

Could the Prime Minister assure the House that for a full week after Canadian soldiers turned al-Qaeda terrorists over to the United States neither he, his office nor the privy council were informed of this incident?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister of defence told the House all along that he informed me and the Cabinet at the same time, on Tuesday, that he had learned of the incident in general terms on the Monday. He realized that the Canadian soldiers were not the only ones directly involved when he saw the picture. He reported very clearly to the House of Commons the sequence of what happened. I have accepted his explanation.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the principle of ministerial accountability means that the ministers are responsible for the actions of their staff and departments.

If the minister of defence did not inform the Prime Minister, then he is at fault. However if the Prime Minister's staff and the department did not inform the Prime Minister, then the Prime Minister is responsible for misleading Canadians as well.

Once again, did anybody in the PMO or the PCO know about the capture and handover of terrorists before last Tuesday?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the rule of parliament is that the ministers are responsible to the House of Commons.

The first time I learned about the incident was when the minister of defence informed me and the cabinet at the same time in cabinet on Tuesday last week. No one reported that to me from inside. The only person who informed me of that was the minister of defence himself, and he did that at the same time that he informed the rest of the cabinet.

* * *

● (1420)

INFRASTRUCTURE PROGRAM

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I would like to ask the government about its change in infrastructure grants.

Last fall, the Prime Minister's Office said that the Prime Minister, not the Minister of Finance, was writing the budget. It looks like the Prime Minister still has not stopped writing the budget.

My question is for the Minister of Finance. If an independent, arm's length foundation was a great idea on December 10, why is it not a good idea on February 6?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, since December 10, a number of discussions have been held with international financial institutions on an international basis. It was found that the details for the Africa fund would not be worked out until after Kananaskis.

In terms of the infrastructure fund, a number of interesting propositions and proposals have come in from the municipalities and the provinces. I have begun to take a look at those. It was deemed that they would be of such complexity that a government-to-government action would be required.

Oral Questions

[Translation]

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, on a number of occasions in the past in Quebec, Human Resources Development Canada has been caught getting its projects approved by Liberal cronies in opposition ridings. The government has just abandoned a transparent approach to return to its old questionable methods by letting the Deputy Prime Minister decide.

Will he make a commitment to avoid repeating the mistakes of the past and to keep certain Liberal activists from stepping up to the trough and taking advantage of the infrastructure projects?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Finance just gave a good explanation. I can provide another one.

The auditor general and many other observers said that the preferred method at this time was to have this type of program, which involves the municipal and provincial governments in projects of a national scope, and that decisions should be made by people who report directly to parliament.

That is precisely what we did. That was what the opposition criticized us for in December. Today they are doing something that is customary for opposition members, what is known around here as a flip-flop.

[English]

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, the fact that the Liberals always use their friends to give out those sorts of grants does not change anything. That is what Canadians dislike.

The government did not cut one dime of waste in the last budget. It already blew \$1 billion in HRDC grants and last week it was revealed that it had lost \$3.3 billion in an Enron sized accounting error.

Why should we trust this cabinet with discretionary control over \$2 billion more in taxpayer money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Because the Canadian people trust the government, Mr. Speaker.

All Canadians know that we had a so-called Conservative administration before we formed the government that had a deficit of \$42 billion. We have managed to have five balanced budgets over the last five years.

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[Translation]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, on January 29 the Prime Minister told the House that Canada had reached an agreement with the United States regarding the transfer and treatment of prisoners captured in Afghanistan that is based on compliance with the Geneva convention. However, if this agreement does exist, it is so vague that the Americans must now provide clarification.

Did the Prime Minister, as head of a government, not act imprudently by authorizing the transfer of prisoners without having

first received firm assurances from the United States that the Geneva convention would be respected?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have been in politics for many years and I know that Canada, the United States, Great Britain and all western countries have always respected the Geneva convention.

Therefore, it was not imprudent on the part of the government, in the context of our fight against terrorism, to side with a nation that was attacked and not become the defenders of terrorists, as the Bloc Québécois has.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, at the beginning of the crisis I said that the Prime Minister was behaving like a statesman.

He is now his old self again. He is very petty. He has few arguments. He is behaving as he always has, like a small-minded person who is incapable of debating substantive issues.

If he did not have these assurances, and this must now be clarified—a legal expert said yesterday that Canada was violating the Geneva conventions—did the Prime Minister not fall short of his international obligations by not behaving like a head of state, but instead like a small-minded politician?

● (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are over there to protect those who support freedom and the respect of citizens.

At this point, we are targeting the terrorists who killed Canadians and Americans in Washington, especially in New York.

We are waging a war against terrorism, and in any such war, it is perfectly normal to have agreements between the troops regarding who will take charge of the prisoners. In this case, it was decided that it would be the Americans.

The agreement is respected not only by Canada, but by the other countries involved.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Deputy Prime Minister as well is trying to back Canada's actions in the treatment of the Afghan prisoners it handed over to the Americans by citing the absence of criticism from the Red Cross.

How can the Deputy Prime Minister say that Canada respected international conventions when the position of the International Red Cross is that those being held in Guantanamo should be granted the status of prisoners of war until a competent tribunal has decided otherwise?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Geneva convention provides that the country holding the prisoners must determine whether or not they are prisoners of war. That is what the Americans are now doing.

There was confusion last week when a statement was interpreted as meaning that they were not going to respect the Geneva convention.

Oral Questions

But if the member reads the text of the statement made last week by Secretary of Defense Rumsfeld, she will understand that the Americans have clearly decided to respect the Geneva convention. We are currently asking them to be even clearer.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, this is amazing. It is the opposite of what the Deputy Prime Minister said yesterday in front of the cameras.

How can the Prime Minister and the Minister of National Defence reconcile the statement to the effect that there is no doubt about the status of the Afghan prisoners Canada handed over to the United States, when an official of the ICRC delegation in Washington has said that the status of a prisoner must be determined by a competent tribunal, which has obviously not happened in the United States so far?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if I understand the Geneva convention correctly, it is the country responsible for the prisoners that must determine their status, whether or not they are prisoners of war.

Under the circumstances, the U.S. Army is responsible for the prisoners taken in Afghanistan during the operations which took place and in which Canadians participated. They are assuming their responsibilities under the Geneva convention by determining whether or not those captured are prisoners of war or common law prisoners.

* * *

[English]

TECHNOLOGY PARTNERSHIPS CANADA

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, under questioning yesterday about technology partnership loans, the industry minister insisted that these are not loans, they are investments. The minister can use whatever terminology he wants, but the TPC terms and conditions clearly state "the contribution will be repaid". That is a loan.

The technology partnerships program has been in place for six years and \$1.66 billion has been lent to corporations. I ask the minister, so far how much money has been repaid to the government?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, over the last six years these investments have enabled Canadian businesses to grow, Canadian entrepreneurs to create jobs and to create markets here and around the world. I referred earlier this week to the BlackBerry by Research in Motion which perhaps is the most obvious example of a Canadian success story enabled by Technology Partnerships Canada.

It takes between three and five years for these investments to produce returns. We have received over \$20 million so far in royalties repaid to the government. We expect that all of these investments will be repaid to the Government of Canada.

• (1430)

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, no wonder the minister does not want to answer the question. Hear this: Of the \$1.66 billion lent over six years, less than \$25 million has been repaid, less than 2%. Today across Canada students are demonstrating against rising tuition fees. Ninety per cent of these students repay

their loans. If they do not, they are hounded to death. Compare that with corporations that have repaid less than 2% on technology partnerships loans.

Where is the government plan to get the money back, or does it just intend to let its corporate friends off the hook?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, one of the reasons the hon. member's party is so marginalized is its traditional failure generation after generation to understand the concept of investment and return in the free market in Canada.

We are going to get the money back by these companies and businesses succeeding. We have less than 1% project failure rate in Technology Partnerships Canada.

If the students the member is worried about want to have a job when they get out of school, want to have a future in a country with a prosperous economy, she should join with us in building that economy through these kinds of investments.

* * *

FOREIGN AFFAIRS

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, the confusion over the handing over of prisoners continues. The International Committee of the Red Cross mandated by the Geneva conventions to protect POWs and other victims of war has said that the Guantanamo detainees are considered prisoners of war until proven otherwise by a competent court. Now the Deputy Prime Minister says that the murky U.S. detention process may not satisfy international law.

Are we not in danger of letting some terrorists off the hook by refusing to ensure that all detainees come before a competent tribunal for assessment?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Rumsfeld said clearly last week that they will respect the Geneva conventions. Of course there will be a determination done under the Geneva conventions to determine if they are prisoners of war or not. If they are not and if they are terrorists, they will be treated according to international law as criminals and not as prisoners of war. The determination has to be done by the people who have custody of the prisoners. In this case, they are the Americans.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, that might be a good after the fact assessment, but the truth is that right now, the way it is working out, every single person who goes to Guantanamo Bay is already an illegal combatant. There is no competent court of jurisdiction to determine that.

The Prime Minister told the House that he learned about JTF2 taking prisoners long after the fact. It is now also unclear how the status of prisoners will be determined with different ministers apparently shooting from the hip and simply hoping for the best.

It was announced last Thanksgiving that Canadian troops would join the international campaign against terrorism. Why did the government not work out details then so that we would know how all these prisoners would be treated today?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is easy to understand because there has been an understanding from many wars that the Americans and Canadians at all times respect the Geneva conventions.

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INFRASTRUCTURE PROGRAM

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, it appears that the Liberal government has learned nothing from the HRDC scandal. The Liberals are back to their old tricks.

The government has backtracked on its promise for an independent foundation to distribute the \$2 billion in infrastructure funding. Instead the whole process is going to become political with the Deputy Prime Minister and other local MPs of the Liberal Party pulling the purse strings.

Can the Deputy Prime Minister explain how this self-serving decision was made?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that question was answered in an answer to the opposition leader.

The fact is that discussions were held on a national level with a number of potential participants. Discussions were held and a number of proposals were put forth by people, municipal governments and provincial governments. It became very clear that in both cases the complexity of those negotiations really meant there had to be government to government negotiations and therefore, an independent foundation could not function.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, we all remember the complexity of the David Dingwall highway diversion a few years ago on a similar project.

It seems to me the appeal of dangling taxpayers' money in front of constituents is just too much for the Liberal government to pass up. Canadians are tired of seeing their hard-earned tax dollars treated as if they were a Liberal Party political slush fund.

Can the Prime Minister tell us what safeguards will be put in place to ensure that this \$2 billion fund will not be spent on questionable projects, rather than practical infrastructure that is needed in Canada?

• (1435)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would agree that there is no problem.

The best thing is to make sure that the person responsible will be able to reply to all the questions by all members of parliament every day of the week in the House of Commons.

* * *

[Translation]

FOREIGN AFFAIRS

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, there is total confusion at present as far as the Afghan prisoners are concerned.

Oral Questions

Yesterday in this House, the Deputy Prime Minister said he even feared the United States might be in contravention of the Geneva conventions.

How, under the circumstances, can the Deputy Prime Minister say he wishes to continue transferring any future prisoners to the Americans, when he himself admits that he has doubts about their compliance with the Geneva convention.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I have just said, and have explained on a number of occasions, the statement made by the U.S. Secretary of Defence two weeks ago has led to some confusion.

Last week he clarified the statement by indicating that, in the past, now and in the future, they have respected and will continue to respect the Geneva convention. As well, we have asked the U.S. government to reaffirm the statement made last week by the Secretary of Defence.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, this is a totally inconsistent situation, to put it mildly.

Canadian soldiers are ordered to treat the prisoners as prisoners of war, while making haste to hand them over to the Americans, who deny they have that status.

Is the Prime Minister, or the Deputy Prime Minister, not saying one thing and doing quite the opposite?

Right Hon. Jean Chrétien (Prime Minister, Lib.): No, Mr. Speaker.

* * *

[English]

CANADA CUSTOMS AND REVENUE AGENCY

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the government needs to clear up the confusion caused by losing \$3.3 billion of taxpayers' money.

The auditor general's office tells us that the government has no protocol or established plan to sort out this mess. The provinces are still in the dark. Instead of pulling an Enron and blaming all of this on its auditor, what is the government doing to clean up its own \$3.3 billion mess?

Ms. Sophia Leung (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, the CCRA has identified the problem. We did take on the review of the tax process. We are discussing with the auditor general and the provincial auditors to review the program to avoid any overpayments in the future.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the finance minister has speculated that have-not provinces may be hit with a change in the equalization formula and of course we know about the horrendous record when it comes to cutting funding to health care.

Will the minister assure the provinces that he is not going to make up for the government's \$3.3 billion mess by once again cutting the heart out of funding for health care?

Oral Questions

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, the statement about the speculation is simply not true. Second, the fact is we are waiting for the auditor general to complete her verification. We have asked if independent auditors would like to come in and look at the situation to make sure it is done in an open and transparent way.

I will be meeting with the provinces on the matter and it will be resolved. It will be resolved in a way that is fair to all provinces and all Canadian taxpayers.

* * *

[Translation]

BUDGET SURPLUSES

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, yesterday, we learned that despite the budget statements and documents tabled by the Minister of Finance barely two months ago, the year end budget surpluses will not be allocated to the infrastructure foundation and the Africa fund, but that from now on, these two funds would be funded over a certain number of years from the government's general revenues.

How can the Minister of Finance explain this flip-flop a few weeks after tabling his latest budget, other than admitting the fact that he committed a serious error of management, that the surpluses will be far greater than forecast and that it would be incongruous for the government to put this many billions of dollars into infrastructure and the Africa fund?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the member opposite were able to read the monthly documents produced by the government, he would see that the surpluses are clearly shrinking. This is not necessarily good news, but it is the reality, given the recession in the United States and the global economic downturn. This has an impact on the Government of Canada's revenues and on the Canadian economy.

• (1440)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, there was a different version eight weeks ago.

When the budget was tabled—and this is in writing—the minister stated “Given the current economic weakness, debt pay down at this time is not appropriate. Any reserves at this year's end will be not used to pay down debt”. But yesterday the minister said the opposite.

How can the Minister of Finance justify this sudden change in policy a few weeks after bringing down his budget, if it is not due to his incompetence at managing public funds?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I have already assured the House, and I am doing so again, that the goals and objectives of the foundation are exactly the same as those of the fund. The financial commitments are there. The government is prepared to meet with the municipalities and the provinces to discuss it so that construction projects can begin as soon as possible.

[English]

FOREIGN AFFAIRS

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, a few minutes ago the Prime Minister refused to answer straight questions as to whether his staff or the privy council had been informed of the capture of al-Qaeda terrorists and their handover to the United States. This suggests that someone in his office or in the PCO was informed but failed to tell the Prime Minister.

Did someone in the Prime Minister's Office or the PCO know about the incident but deliberately kept it from the Prime Minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the chain of responsibility is very clear. The Minister of National Defence responds to the Prime Minister and the Minister of National Defence informed me in the cabinet at the same time as colleagues as was his duty to do.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, why does the Prime Minister refuse to answer a direct question on this issue? It just does not make any sense unless he is trying to hide something.

The principle of ministerial accountability means that ministers are accountable for their actions and the actions of their staff and departments. If someone in the Prime Minister's Office or the PCO knew about the handover of captives two weeks ago, then the Prime Minister and no one else is responsible for that.

Will the Prime Minister take responsibility for the actions of his own subordinates who deliberately kept him in the dark?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, whenever a minister gets up in the House and tries to blame a bureaucrat, they all say that the minister is the one responsible. It is the way the system functions.

No, I was not informed by anyone in my office and the one who informed me was the Minister of Justice. I am not the one who is trying to blame the people who work under me. I am able to take all the responsibility that I have to take as Prime Minister of the land.

* * *

POVERTY

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, my question is for the Minister of Finance. I am particularly interested in the issue of poverty.

Could the minister tell the House what was achieved at the recent world economic forum in New York and what obstacles remain in the fight against poverty in the third world?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I want to thank the member for Brampton Centre who has had a long interest in this subject.

Certainly one of the major obstacles, and we know this on behalf of Canadian farmers, is there are hundreds of millions of people living on less than \$1 a day in the poorest countries of the world who are faced with massive agricultural subsidies in the United States, France and Europe which are preventing them from exporting their goods.

The fact is at the present time there is five times as much money spent on agricultural subsidies in those countries as there is on overseas development assistance, and that is just fundamentally wrong.

On the other hand, one of the highlights was the Prime Minister's plan for Africa which was received overwhelmingly by the entire world economic forum.

* * *

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, too many Canadians are experiencing untold heartbreak at the suffering of loved ones and loss of loved ones because of this country's inability to ensure a safe insulin supply.

Reports of eight deaths and more than 450 reported adverse reactions from synthetic insulin in Canada are surely enough for the government to act. Yet the government has issued no warnings, no mandatory reporting and no effective monitoring system.

Will the Minister of Health act on this serious matter today with compassion, issue health warnings for the adverse reactions of synthetic insulin and ensure a safe supply of insulin for all Canadians with diabetes?

• (1445)

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, I think we are all aware that diabetes is a complex and difficult medical condition. In essence, its effects vary from person to person. I am certainly very much aware of the concerns expressed by those who have suffered adverse reactions to synthetic insulin.

I want to reassure members of the House that animal insulin continues to be available in this country as well as synthetic insulin. The product monograph in relation to synthetic insulin clearly indicates various possible adverse reactions. Let me reassure every—

The Speaker: The hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

* * *

ARMED FORCES

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, yesterday the ombudsman to the defence department issued his report on post-traumatic stress disorder.

Many members of our military and their families suffer from this terrible affliction. There are many recommendations by the ombudsman for the government to act to protect the mental health of our troops and their families.

My question for the defence minister is this. Will he now allocate the necessary resources and the personnel to combat post-traumatic stress disorder?

Hon. Art Eggleton (Minister of National Defence, Lib.): Absolutely, Mr. Speaker. We welcome the recommendations of the ombudsman in this regard. The health and welfare of our troops is of utmost importance to us.

In the last few years we have concentrated on improvements in quality of life, pay and benefits. We are putting particular focus this

Oral Questions

year on reform of the health care system. We want to ensure that those who suffer, whether it be from physical or mental illnesses, particularly in this case PTSD, get the kind of treatment that they need.

As quickly as we can get professionals in this field, we certainly will continue to hire them so they can provide the services that are needed for our troops.

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MINISTER OF NATIONAL DEFENCE

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, the Prime Minister informed the House that the Minister of National Defence told him about JTF2 taking prisoners a full eight days after the incident occurred. Yet Britain's elite service, the SAS, has a dual reporting system to ensure that the cabinet is informed at the same time as the minister of defence. The Australian system is the same.

Why is Canada the odd man out? Why does Canada rely solely on the discretion of the minister of defence to determine whether or not information is important enough to be passed on to the Prime Minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to correct a statement I made. I referred to the Minister of Justice in replying to the question of the defence critic in the Alliance, but I meant the minister of defence.

In our system the minister of defence has full responsibility. He is the one who handles the problems on a daily basis. He is called upon to pass judgment because I have confidence in him and I think he is doing a good job.

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, we disagree with the Prime Minister. He is not doing a good job of informing the House and the Prime Minister.

The question remains as to why there is this gaping hole in the chain of command. Why do we not follow the same system as the SAS? Our system is modelled after the SAS. Why do we not follow the same system as the Australians? Why is the Prime Minister not informed? Why is there this gaping hole in the chain of command?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is because we are Canadian and we have our own system. The debate all the time is that we should be doing it the Canadian way and that is the way we are doing it.

We do not operate exactly like the others. For example, the minister of defence confirmed that there was some special forces activity in operations in the caves of Afghanistan. We understand other countries are involved, and they do not even admit that to their parliament.

*Oral Questions***CANADA CUSTOMS AND REVENUE AGENCY**

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, the first line of defence for Canada is our customs officers. Yesterday in the House the Deputy Prime Minister stated that we must not create an apprehension of problems that do not exist. Unfortunately numerous reports prove otherwise. In one instance a passenger at Pearson airport became violent, abusive, tore up papers and threw them at the officer. When he was arrested the officer was bitten in the thigh.

Does the government take the safety and security of customs officials seriously or not?

• (1450)

Ms. Sophia Leung (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, on the border, we have policemen and other military members nearby. If necessary, we will involve them to protect the interests of Canadians. Our customs officials are very well trained and are doing an excellent job.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I am really glad the member mentioned the police because in another instance, apparently one of the customs officers was approached and attacked by another violent individual. The police were summoned after he hit the alert button and it took them 12 minutes to get to the scene.

How does the Deputy Prime Minister think that customs officers can keep Canadians safe, when they are not even allowed to protect themselves?

Ms. Sophia Leung (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, we are very sure that our customs officers are doing a very good job. They are vigilant all the time to protect the safety and security of Canadians.

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[Translation]

INFRASTRUCTURE

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, yesterday, the Minister of Finance confirmed in the House that the \$2 billion earmarked for infrastructure in the last budget will not be managed by a foundation but rather through a fund on which the government will have direct control.

Could the Deputy Prime Minister tell us if this \$2 billion is immediately available, or if it will be over a seven year period, based on some people's interpretation?

Is the \$2 billion available immediately, yes or no?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, of course, there is currently a bill before parliament. It will be debated and hon. members will vote on it. Until then, there is no money. Afterwards, I will have to propose to Treasury Board a program under which the money could be spent.

Ultimately, I will have to answer questions here in parliament as to how the funds will be used.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, the MOUs for highways 175, 185 and 30 are ready.

Will the government pledge to immediately sign these three memoranda, to allow Quebec to go ahead, and also to fulfill the promises made by the Liberals during the last election campaign?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I think it would be prudent on my part to at least wait until the bill is passed by parliament. In any case, I will prepare a program, I will discuss with provincial governments, and then we can make decisions.

* * *

[English]

HEALTH

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, Health Canada has been covering up information about synthetic insulin. An access request shows that Health Canada is sitting on 465 reports of adverse reactions, including eight deaths.

Why would the minister's department hide this life and death information?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, the Department of Health is not hiding this information. We are well aware of the reports of adverse reactions. Those adverse reactions are being followed up on.

Let me reassure the hon. member that we are well aware of the concerns of those who suffer from diabetes and those who are concerned about adverse reactions to synthetic insulin.

The Department of Health will continue to monitor the situation and will take whatever steps are necessary in the future.

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, there have been seizures, comas, brain damage and deaths. Doctors lack this lifesaving information because Health Canada is hiding it.

The Society for Diabetic Rights demands a public inquiry on access to insulin from animal sources. Will the minister call for an inquiry and ensure that Canadian diabetics get the drugs they need?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, let me reassure the hon. member that animal insulin is available in this country. In fact, my department is not hiding information in relation to adverse reactions. The department is well aware of the reactions and of the tragic deaths.

Let me also underscore the fact that in relation to any drug there are adverse reactions. Diabetes is a particularly complex and difficult disease. What we are doing is studying those adverse reactions.

I also want to reassure the hon. member that doctors have available to them the product monograph in which it clearly indicates the possibility of adverse reactions.

Oral Questions

•(1455)

[Translation]

CHRYSOTILE ASBESTOS

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, again in connection with our government's support in defence of the safe use of chrysotile asbestos, my question is for the Minister of Public Works and Government Services. What is the status of the policy on the safe use of chrysotile asbestos in federal government buildings?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, this industry deserves our utmost congratulations. The member who has just spoken also deserves to be congratulated for his efforts regarding the safe use of asbestos. I know that all members commend him.

My department inspects the buildings regularly. The Government of Canada, through my department, recognizes that modern chrysotile products are completely safe, if used properly. That is my department's policy, and I am pleased to state it for the hon. member in answer to his excellent question.

* * *

[English]

ZIMBABWE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, President Robert Mugabe of Zimbabwe continues to brutalize his citizens despite the Commonwealth ministers meeting last week. Mugabe will continue to play games with the lives of his own people until we stand up and make a strong stand.

Will the government stand up, do the right things, save lives and impose unilateral sanctions on Robert Mugabe and his henchmen?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, as the hon. member knows well, there is a process in the Commonwealth whereby—

Mr. Vic Toews: Come on, Bill, do the right thing.

Mr. Myron Thompson: Show some leadership, Bill.

Hon. Bill Graham: I am anxious to answer the question, Mr. Speaker.

The Speaker: Order, please. The House is anxious to hear the answer and a little order might help. The hon. Minister of Foreign Affairs has the floor.

Hon. Bill Graham: Mr. Speaker, obviously some of the members opposite have been watching Mr. Mugabe's tactics too long and they are taking an example from him.

We want to ensure that we can protect the people of Zimbabwe. The Commonwealth meeting said clearly that Mr. Mugabe will allow inspectors in and will allow fair elections or he risks being expelled from the Commonwealth when the meeting takes place in Australia. I am confident that when our Prime Minister goes there he will carry that message to Mr. Mugabe.

[Translation]

CHILD ABDUCTION

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, Fabienne Brin, a French national currently in Canada, is searching for her daughter, who was kidnapped by her former partner. Although there was an international warrant out for him, he was able to enter Canada, eluding the RCMP, the Canada Customs and Revenue Agency, and Immigration Canada.

Will the minister explain how an individual for whom an international warrant has been issued for kidnapping can make it across the Canadian border and wander freely around the country with a kidnapped child?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, there has just been a late development in this story. There has been an arrest made. Everyone is okay. The father is in custody. The mother and French authorities have been informed. The RCMP will be releasing details on this arrest later this afternoon.

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FISHERIES

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Mr. Speaker, several years ago the Liberal government implemented a series of aboriginal based regulations causing turmoil in the B.C. commercial salmon fishery. After five unsuccessful years of urging the minister of fisheries to correct this illegal situation members of the Standing Joint Committee on Scrutiny of Regulations voted this past December to disallow the regulations.

I want to ask the House of Commons chair of the scrutiny of regulations committee, the member for Surrey Central, when he will table the disallowance report in parliament.

•(1500)

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, the report is before the Standing Joint Committee on Scrutiny of Regulations which is meeting tomorrow. The wisdom of members of the committee will of course prevail.

The Minister of Fisheries and Oceans should have resolved these issues long ago. The file has been sitting on his desk for over five years. Certainly that highlights the need for regulatory reform in the country. The corrective action on the regulations could have been done before the commercial fisheries started in B.C. this year.

* * *

AGRICULTURE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, my question is for the government House leader. This morning before the American senate finance committee U.S. trade representatives spoke about the possibility of launching an anti-dumping and countervail duty against Canadian farmers and the Canadian Wheat Board. What will the government do to protect our farmers?

Privilege

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, there is nothing new here. These allegations have been made and investigated by U.S. authorities no fewer than eight times over the past decade. The score thus far is eight to nothing in favour of Canada.

The Canadian Wheat Board is a fair trading agency within all the rules of NAFTA and within all the rules of the WTO. If the United States wants to know the source of the problem in world grain markets, it should look in the mirror and recognize that its own unfair subsidization is the cause.

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FOREIGN AFFAIRS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, the whole point is that there will not be any fair elections in Zimbabwe. Since the ministers met, Robert Mugabe has been gagging the press, brutalizing his own people and hiring thugs to murder his own civilians.

Will the government do the right thing to ensure a fair election by unilaterally imposing sanctions including dismissing Zimbabwe's high commissioner to Canada now?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I know the hon. member opposite has a sincere interest in the well-being of people in Africa. I am sure he will agree with me that the government's policy of ensuring that we can have Commonwealth inspectors there during the election process is the best way to go. We can then deal with the government of Mr. Mugabe after that process has taken place.

The government has firmly indicated that it will take the necessary steps to protect the people of Zimbabwe.

* * *

[Translation]

THE MONARCHY

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, some months ago, the Deputy Prime Minister described the monarchy as an out of date and obsolete institution and indicated that it might be time for Canada to give some thought to having its own head of state.

Can he tell us whether he is still in agreement with the statement he made at that time?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, today we wanted to pay tribute to Her Majesty, and the opposition did not want to give us authorization to do so. For a celebration such as this, all MPs ought to have joined in an address to be made by either the Prime Minister or the Deputy Prime Minister.

* * *

[English]

FOREIGN AFFAIRS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs. Yesterday the

minister's colleague, the Deputy Prime Minister, stated that we take the position that there must be some kind of process to make the determination of the status of prisoners that are captured by Canada. There is no process in place now.

I want to ask the minister a very straightforward question. Why does Canada continue to say that we will turn over prisoners to the United States when there is no process in place? Why are we showing such contempt for international law?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the answer of the Prime Minister in the House today made it very clear that we have a long tradition of co-operating with our ally, the United States, on the understanding that international law and the Geneva conventions will be applied.

Mr. Rumsfeld himself has given this assurance and we will continue to ensure that this does take place in accordance with international law and the Geneva conventions.

* * *

[Translation]

PRIVILEGE

ORAL QUESTION PERIOD

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I rise on a question of privilege.

During oral question period, the Prime Minister accused me, along with my colleagues, of having become the defenders of terrorists.

He said, and I quote, "Therefore, it was not imprudent on the part of the government, in the context of our fight against terrorism, to side with a nation that was attacked and not become the defenders of terrorists, as the Bloc Québécois has".

I am raising this question of privilege because this is, in fact, an attack on our reputation, not only my own but that of all members of the Bloc Québécois.

From the very beginning of this crisis, after the terrible events of September 11, we have raised the necessity of dealing with the terrorists, but in so doing, to quote the Prime Minister, "setting the example of democracy, not becoming like them, that is not respecting international conventions".

The point we are raising today is that the terrorists must, of course, be attacked, but democracy and international conventions must still be respected.

I am therefore calling upon the Prime Minister to withdraw his statement. This is an attack on myself personally, on the members of the Bloc Québécois, and I would say also against parliament and against logic.

Routine Proceedings

● (1505)

[English]

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, we have a dispute here with respect to statements that were made during the course of question period. It is perhaps a point of debate and rhetoric, but I do not think it constitutes a question of privilege that would be properly before the House at this time.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I would like to speak in support of the question of privilege raised by the leader of the Bloc Québécois.

I feel that the Prime Minister's answer in this case by suggesting that members of the opposition of whatever party who are critical of the government's policy are somehow acting in support of the terrorists is a form of parliamentary McCarthyism that is unacceptable in this place and should be censured.

The Speaker: The Chair will consider the matter and get back to the House if need be.

[Translation]

I have noted the comments by the hon. member for Laurier—Sainte-Marie, the government House leader and the hon. member for Winnipeg—Transcona. I will take all of them into consideration and will reach a ruling on it later, if necessary.

* * *

*[English]***POINTS OF ORDER**

ORAL QUESTION PERIOD

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, during question period the Prime Minister made a statement that the opposition blocked a motion to congratulate the Queen on Her glorious reign.

I wish the government House leader to acknowledge that it was not the Canadian Alliance that blocked that and that it would not block that. I am prepared to make a motion to the extent that we do indeed support Her glorious reign.

I would also like it understood over there and acknowledged as to where the problem is. If not, we will make it an issue. I ask the government House leader to stand and correct the Prime Minister's statement.

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the hon. gentleman is correct in saying that in any conversation I have had with him or representatives of his party the Canadian Alliance has been most enthusiastic about acknowledging the anniversary of Her Majesty.

There are perhaps others in the House who have a different view but it is fair to say that it is not the Canadian Alliance. I point out that the question that was asked of the Prime Minister to which he

responded in reference to the opposition did not come from the Canadian Alliance but in fact from another party in the House.

The Speaker: I trust the matter has been clarified, and question period is over.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the government House leader does not seem to have learned from history. The Prime Minister implies one thing and one party gets up to clarify. The government House leader then leaves open the possibility that perhaps it was the NDP or some other party—

● (1510)

The Speaker: Order, please. I have a feeling that all things will become clear in due course.

[Translation]

As I said, I think that everything will become clear in due course. The hon. House leader of the Bloc Québécois has the floor for a very short comment.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, as House leader of the Bloc Québécois, I am deeply distressed that my colleagues are feeling confused.

In order to avoid any ambiguity, it is the Bloc Québécois that refused that the motion on the Queen's birthday be moved. We were the ones who did it.

The Speaker: As I said, it will all be clear soon enough.

ROUTINE PROCEEDINGS*[English]***COMMISSION ON THE FUTURE OF HEALTH CARE IN CANADA**

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, pursuant to Standing Order 32 I have the pleasure to table, in both official languages, the interim report of the Commission on the Future of Health Care in Canada.

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GOVERNMENT RESPONSE TO PETITIONS

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

* * *

GOLDEN JUBILEE

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, today is February 6, 2002. Hon. members will know that this must be a bittersweet day for Her Majesty Queen Elizabeth II, the Queen of Canada. It was 50 years ago today that she received word of the passing of Her beloved father, thereby making today the 50th anniversary of Her accession to the throne.

Routine Proceedings

The government has given notice of a motion for an appropriate humble address to Her Majesty marking this occasion and we will proceed with that motion in the very near future. At that time I am certain members will want to more fully express their best wishes.

It seems appropriate, however, that the House should take note of this event on the actual day of the anniversary. Her Majesty has travelled widely in Canada throughout Her reign and we happily anticipate another royal tour this autumn.

Her Majesty is the 40th monarch of Her line, going back to William the Conqueror. Only four of Her predecessors reigned longer than she now has. We look forward to many more happy years of Her reign.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, on behalf of the official opposition I thank the government House leader for his remarks and express our regret that we did not have the opportunity to pass in the House today a humble address to Her Majesty. I understand that one has been presented on the order paper and fittingly so.

Fifty years ago today the 25 year old Princess Elizabeth was awoken in a safari lodge in Kenya to learn that Her father, King George VI, had died. She ascended to the throne, Regina Dei gratia, as the 40th monarch since William the Conqueror and as the fifth Sovereign of Canada since Confederation.

Since then she has dedicated herself unswervingly to Her duty as the head of state of over two dozen countries, the head of the Commonwealth, the patron of hundreds of organizations and regiments including many in Canada and as the Queen of Canada.

She visited every part of Her Canadian Dominion addressing Canadians in both of our official languages. She signed into law our newly patriated Constitution Act in 1982.

Her Majesty, to whom each of us in the House has sworn allegiance, opened parliament in 1957 on Her first of 20 official visits to Canada.

As we prepare for Her golden jubilee visit this October, it is my hope that she will be again invited to do so in a concrete demonstration that the crown remains and integral element of parliament, what Eugene Forsey described as “the first principle of Canadian government”.

[*Translation*]

This institution is solidly anchored in the past. The crown symbolizes the protection of the rights of the most humble citizen by the monarchy, across the kingdom. In exchange, we owe our sincere allegiance to the monarchy. I believe that it was John Farthing who explained this the best. The historian said that “freedom wears a crown”.

• (1515)

[*English*]

Such occasions are rare. The last golden jubilee that we celebrated as Canadians was in 1891, the year that our first prime minister, Sir John A. Macdonald, died, and the 50th year of Queen Victoria's reign.

In an age when Canadians are more concerned about their sovereignty and their role in the world, the monarchy is one of the distinctive Canadian institutions that sets us apart from our American neighbours.

We as members of this place will come and go, depending on the political fashions of the day, but the crown goes on as the ultimate symbol of our order and the continuity in our constitutional monarchy. Queen Elizabeth's 50 years of selfless service have personified our crown with dignity and grace. Long may she reign. God save the Queen. Vive la reine.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we respectfully acknowledge the comments made by the government House leader regarding the Queen, and it is our opinion that members from the other provinces of Canada have the right to feel such respect towards Her Majesty the Queen of England.

However, we in no way recognize the authority she claims to exercise over Canada, and particularly over Quebec, and more importantly over our institutions.

The representatives of the Queen in Canada are the Governor General and the Lieutenants Governor in the provinces, and this institution, for which we have no admiration whatsoever and which we believe is greatly outdated, needs to be subject to an indepth reform as soon as possible.

Our political party sincerely believes that if members from the other provinces, and Liberal members from Quebec, want a monarch who hails from another country to be the head of their country, they are free to do so.

The Bloc Quebecois members elected to the House represent citizens who want a sovereign country that is not led by any foreign monarch, but one that is elected by the people that he or she will lead.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I welcome the statement by the hon. government House leader and the indication that there will be time again in the House to speak at greater length in celebration of Her Majesty's 50th anniversary.

At this time I would like to extend, on behalf of the NDP caucus, best wishes to Her Majesty Queen Elizabeth II on this day, the 50th anniversary of her accession to the throne.

She has presided over the British Commonwealth with great dignity, enjoys much affection from Canadians and symbolizes for many the merits of a constitutional monarchy in which the head of state, or in Canada's case her representative, is separate and apart from the ongoing political struggles of the day.

May she continue to enjoy good health, and as we pray when we sing *God Save the Queen*, long may she reign.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, it is indeed a humbling experience to stand in this storied House on behalf of my colleagues and constituents and offer sincere congratulations to Queen Elizabeth II on the 50th golden anniversary of her reign.

Routine Proceedings

The heavy burden of public service and constitutional duty devolved on the Queen when she was only 25 years old and the mother of two was an awesome and daunting task. For half a century she has, with grace and complete and total integrity, discharged her constitutional obligations to the people of this country and throughout the Commonwealth.

The pledge made by the 21 year old Princess Elizabeth, and later made by her again as Majesty in her coronation oath, was to serve the people however long she may live. What more noble promise can there be than to serve the people and to preserve the rule of law? There is none higher.

In her Internet message this morning, the Queen expressed the hope that this jubilee year would not be nostalgic but rather an occasion on which to look forward with confidence and pride. We will do that.

Today, on the anniversary of the succession, many Canadians of an earlier generation than mine personally remember with gratitude the life and service of the Queen's father, King George VI, who died 50 years ago today. He came to the throne in a time of crisis, led the people through the second war and died much too young. Today we think as well of a widow of 50 years who forged an innovative and dynamic life of public service.

In my lifetime, and for a majority of Canadians, we have known only one person as our sovereign. Queen Elizabeth has always been there. There has been constitutional stability and we have grown up in a peaceable kingdom. Too often we take things for granted or because they are familiar. We fail to notice them.

This is the Queen's Canadian parliament. The laws we pass are the Queen's laws to keep the Queen's peace. Those who sit in the cabinet serve the crown in the name of the people, not as the masters of the people. At the very core of parliament and responsible government are the crown and the concepts of duty and service.

For 50 years Queen Elizabeth has fulfilled her pledge to the people of Canada. She has not been just a fair weather friend. In difficult times, in difficult circumstances, she has been loyal to us. We now have the honour to return that loyalty with gratitude. She has remained faithful to us in her duty and we thank her.

On behalf of the right hon. leader of the PC/DR coalition and my colleagues and constituents, we send to her our personal best wishes. We look forward with pleasure to her visit in this jubilee year and we echo the prayer from the anthem: Long may she reign.

* * *

• (1520)

[*Translation*]

COMMITTEES OF THE HOUSE

JUSTICE AND HUMAN RIGHTS

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the eleventh report of the Standing Committee on Justice and Human Rights.

[*English*]

In accordance with Standing Order 108(1)(c), the committee is pleased to report to the House that it has agreed to hold a hearing on the annual report of the privacy commissioner for the fiscal year ending March 31, 2001.

* * *

PETITIONS

CANADA POST

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, on behalf of a number of constituents in my riding I have a petition that calls upon parliament to repeal Section 13(5) of the Canada Post Corporation Act. I am happy to present this on their behalf.

FOREIGN DEBT

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36 I have the privilege to present to the House a petition signed by concerned constituents of my riding of Crowfoot. The petitioners are from communities such as Czar, Wainwright, Provost, Chauvin, Amisk and Brownfield.

These constituents are calling upon the government to set guidelines to have meaningful debate and a vote in the House of Commons, to be seconded by the Senate, as it applies to writeoffs of foreign debt, that is, of our Prime Minister almost unilaterally writing off foreign debt, and the implications that has for the Canadian taxpayer.

It is my privilege to present this petition.

PORNOGRAPHY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, pursuant to Standing Order 36 it is my pleasure to present two petitions, the first on the issue of child pornography. The petitioners call upon parliament to take all measures necessary to ensure that possession of child pornography remains a serious criminal offence and that federal police forces be directed to give priority to enforcing laws for the protection of children.

PERSONS WITH DISABILITIES

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): My second petition is in reference to protecting people with disabilities. The petitioners ask that parliament, under section 15(1) of the charter, uphold the Latimer decision of the Supreme Court of Canada.

MEDICAL RESEARCH

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, I have two petitions to present today. The first one has 84 signatures from petitioners who believe that it is unethical to harm or destroy some human beings in order to benefit others. Therefore the petitioners request that the Parliament of Canada ban human embryo research and direct the Canadian Institutes of Health Research to support and fund only promising ethical research that does not involve the destruction of human life.

Government Orders

AGE OF CONSENT

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, the second petition is also from constituents in my riding of Wetaskiwin who believe that it is unacceptable that our government's liberal attitudes about sex are placing our children at risk. Therefore they request that the Parliament of Canada restore the legal age of consent for sex to 18 years from the current legislated age of 14 years.

• (1525)

[*Translation*]

GENETICALLY MODIFIED ORGANISMS

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I have the honour to present a petition signed by residents of my riding.

The petitioners are asking that stricter rules apply to the labelling of genetically modified organisms contained in some food items, and that the act be amended by parliament.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*English*]

* * *

MOTIONS FOR PAPERS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): 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.

The Speaker: I wish to inform the House that because of the ministerial statement government orders will be extended by nine minutes.

* * *

PRIVILEGE

REFERENCE TO STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

The House resumed from February 5 consideration of the motion, and of the amendment.

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I rise on a point of order. I wish to advise the Chair and the House that discussions are continuing among parties with respect to this matter of privilege. While those discussions are ongoing, I believe you will find consent in the House

to adjourn this matter to the next sitting. We will see what those discussions generate in the meantime.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 2001

Hon. Ralph Goodale (for the Minister of Finance) moved that Bill C-49, an act to implement certain provisions of the budget tabled in Parliament on December 10, 2001, be read the second time and referred to a committee.

Hon. John McCallum (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I welcome this opportunity today to present Bill C-49, the Budget Implementation Act, 2001 for second reading. This bill would implement many of the measures announced in the 2001 budget.

I would like to begin by giving an overview of the 2001 budget, which will set the context of the measures contained in this bill.

Allow me to go back for a moment to September 11. The terrorist attacks perpetrated that day in the United States constituted first and foremost a great human tragedy, measured in lost lives, destroyed families and rekindled fears, as the minister of finance pointed out. Budget 2001 deals with the economic impact of this tragedy.

It is based on a long term government plan to build a strong economy and to ensure a safe society, but it also responds to Canadians' immediate concerns regarding the economy and security following the events of September 11, in four ways.

First, the budget stimulates the economy in this period of global downturn and uncertainty. It provides Canadians with the means to fully benefit from the expected recovery.

Second, it acts to build personal and economic security by protecting Canadians, by keeping terrorists out of our country, and by maintaining a secure, open and efficient border.

Third, it keeps the nation's finances healthy by balancing the budget this year and for the next two years.

Fourth, it fully protects the \$100 billion tax cut announced in October 2000 and the \$23.4 billion in increased support for health care and early childhood development announced in September 2000.

I wish to assure members of the House that the events of September 11 have not shaken the government's budgetary convictions.

Our government continues to lay the foundation for a better future. It continues to invest in human resources, to cut taxes, to pay down the debt and to build a strong economy.

Government Orders

We stand by our commitment to reduce the debt. In addition, the 2001 budget confirms that the government will continue to implement its long term plan of investing in the future without falling back into a deficit situation. This is the result of our prudent approach.

• (1530)

[*English*]

Having given a background regarding the budget, let me turn now to an overview of the bill. The major points the bill seeks to achieve can be summarized as follows.

First, with respect to transportation there is the creation of the Canadian air transport security authority, along with the introduction of the air travellers security charge. Second, there are some measures to improve the income and business tax system, as well as the employment insurance system. Third, there are measures to establish the Canadian strategic infrastructure fund and the Canada fund for Africa.

Let me speak briefly to each of these major areas in turn, beginning with the Canadian air transport security authority. As part of the government's comprehensive response to the events of September 11, the 2001 budget committed \$2.2 billion over five years to enhanced air travel security. This commitment is crucial to assuring air travellers that Canada continues to have one of the safest and most secure air transportation systems in the world.

Air security services will now be consolidated under the new Canadian air transport security authority which will provide key air transport security services, a consistent and integrated air transport security system across the country, and enhanced security performance standards and services.

The authority will be responsible in the following areas. The first is the certification of screening contractors and officers. The second is pre-board screening of passengers and their belongings, taking over this function from the airlines and of others who have access to aircraft or restricted areas through screening points. The third is the acquisition, deployment and maintenance of explosives detection systems and conventional pre-board screening equipment at airports. The fourth is federal contributions for airport policing related to civil aviation security measures. The fifth is contracting with the RCMP for armed police on board aircraft.

Transport Canada will continue to regulate and monitor the provision of security services while the new authority will be responsible for delivery. This separation between service delivery and regulating and monitoring will enhance checks and balances in the system. Air travellers can now be assured that Canada continues to have one of the safest air transportation systems in the world.

I come now to the question of the air travellers security charge. The enhanced air travel security system will be funded by a new air travellers security charge. The charge will be collected by air carriers or their agents when airline tickets are purchased.

Enhanced air travel security will principally benefit air travellers using the air transportation system. A user charge is therefore fiscally responsible and reasonable.

For travel within Canada the total cost of the charge will be \$12 for a one way ticket and \$24 for a round trip. The charge on a ticket to the continental U.S. will be \$12. It will be \$24 for a ticket to travel outside Canada and the continental U.S. These amounts are inclusive of GST where the GST applies.

For travel in Canada the charge will apply to flights connecting the 90 airports where the government is planning security enhancements. Small aircraft such as those carrying only four to six passengers as well as certain specialty services such as air ambulance services will be exempt. All proceeds of the charge including net GST will be used to fund the enhanced air travel security system.

The last point on this issue is a critical and very simple one. If revenues exceed costs over time, the government will reduce the charge.

• (1535)

[*Translation*]

Let us now look at the measures having to do with the EI system.

The first measure I would like to examine improves parental benefits under the EI program.

In order to improve the support provided for families, among other measures, the 2000 budget extended the duration of parental benefits under the EI program from 10 to 35 weeks, thus allowing parents to spend more time at home with a newborn or a newly adopted child. Bill C-49 further improves these benefits.

Under the current EI program, certain seriously ill women may not qualify for extended parental benefits because of the 50 week ceiling on the combined total of sick leave, maternity benefits and parental benefits an individual is allowed.

Bill C-49 increases this ceiling by one week for each week of sick leave taken by a mother during her pregnancy or while she is receiving parental benefits, so that she may benefit fully from the special benefits. This change will take effect on March 3, 2002.

The second measure takes into account the fact that parents must now apply for parental benefits in the year following the birth or adoption of a child. This may limit benefits when a child is hospitalized for a long period after birth or adoption.

In order to allow a bit of leeway to parents who want to start applying for the parental benefit once the child comes home from hospital, they will now have up to two years to apply. This change will come into effect once Bill C-49 is passed.

*Government Orders**[English]*

I come now to the third element, the Canada strategic infrastructure fund. As I said, the government's long term goals are to build a strong economy and a secure society and to improve the quality of life for Canadians. The strategic investments in the 2001 budget help achieve these objectives by dealing with today's needs and bridging to a better tomorrow.

The modern economy of the 21st century requires a backbone of sound physical infrastructure to sustain the nation's growth and our quality of life. Canada must have the physical infrastructure it needs to succeed. Previous budgets allocated funding to improve provincial and municipal infrastructure. In particular the 2000 budget introduced both the infrastructure Canada program and the strategic highway infrastructure program.

To meet the need for additional support for large strategic infrastructure projects, Bill C-49 will establish the Canada strategic infrastructure fund with a minimum funding of \$2 billion as set out in the 2001 budget. This new fund will compliment other federal infrastructure initiatives such as the two programs I just mentioned.

Working with provincial and municipal governments in the private sector, the Canada strategic infrastructure fund will provide assistance for large infrastructure projects in areas like highways and rail, local transportation, tourism, urban development, and water and sewage treatment.

Investments in these projects will stimulate job creation and confidence in the short term and will make the economy more productive and competitive in the medium term. The minister of infrastructure will be responsible for all government infrastructure initiatives to better co-ordinate all government activities in this area.

I come now to the subject of the Canada fund for Africa. As my hon. colleagues will recall, the Speech from the Throne last January indicated the long term well-being of Canada and Canadians depends upon success in improving global human security, prosperity and development.

At the G-8 summit in Genoa last July, African leaders presented their proposals and G-8 leaders, Canada included, pledged to support this initiative. The partnership is about Africans taking control of their own development.

Since then the Prime Minister has restated his commitment that development in Africa will be one of the principal themes of the G-8 summit that we will host this coming June. As was stated in question period today, the Prime Minister's support recently in New York for this project received strong support.

In recognition of this commitment the 2001 budget announced \$500 million for African development. The new Canada fund for Africa will provide \$500 million in funding for activities that will help reduce poverty, provide primary education and set Africa on a sustainable path to a brighter future.

I come now to investing in skills and learning. Another strategic investment in the budget involves these very things. The acquisition of skills and learning is further encouraged through a number of changes to the tax system.

First, tax assistance will be provided to help apprentice vehicle mechanics cope with their extraordinary costs. A second measure affects adult students who received government assistance to pay their tuition fees for basic education at the primary or secondary school levels.

This assistance must be included in income without any offsetting credits. For many the tax cost of receiving this assistance is a real burden and discourages them from advancing their education. Bill C-49 will exempt from tax the tuition assistance for basic adult education provided under certain programs including employment insurance. This measure will apply to eligible tuition assistance received after 1996.

A third measure will help more students undertake lifelong learning. Beginning in 2002 the education tax credit will be extended to students who have received financial assistance for post-secondary education under certain government training programs including employment insurance.

● (1540)

These changes would provide significant tax relief to approximately 65,000 Canadians for upgrading their skills and give them access to the same tax benefits that are available to other post-secondary students.

I will briefly mention a number of tax measures to improve the personal income tax and business tax system. First, there would be an improvement of the tax treatment of intergenerational transfers of woodlots.

Second, we would make permanent the 1997 budget measure that provided special tax assistance for donations of certain securities to public charities.

Third, there is a measure to improve the system for providing GST credits.

Fourth, to provide a cash flow benefit to small business, federal corporate tax instalment payments for January, February and March 2002 would be deferred for at least six months without penalty.

Finally, although this is not an exhaustive list of measures, the budget allows full deductibility for the cost of meals provided to employees at temporary construction work camps where employees could not be expected to return home each day.

[Translation]

In conclusion, Canada's air system is among the safest in the world. The new air security authority will make it even safer.

The charge for air passenger security is financially wise and reasonable, and it is only logical that the costs of these new expenses relating to security be borne by passengers using the airlines rather than all taxpayers.

The changes to the parental benefits available under EI will help families of newborns or newly adopted children.

The Canadian Strategic Infrastructure Fund will make it possible for Canada to have the material infrastructure it requires for success in the 21st century.

The Africa Fund is concrete proof that Canadians have not lost sight of their obligation to help those who are less well off than themselves.

What is more, the income tax changes help enhance the simplicity and fairness of our taxation system.

The 2001 budget reflects the decisions reached by the government in these uncertain times. Managing the economy in hard times is a matter of balance. The 2001 budget is the best example of this. It provides the support that is essential during a crucial period, but not at the expense of past progress or future prospects.

• (1545)

[English]

In conclusion, I encourage hon. members to give the legislation their full support. I remind them that both the Canadian Air Transport Security Authority and the Air Travellers Security Charge must be in place by April 1.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it is a pleasure to rise and address the budget implementation act, Bill C-49. I regret to tell the hon. member who just spoke that it does not enjoy the support of the official opposition.

As I have said before in the House, this is the worst budget the finance minister has ever brought down. Frankly, it is a disgrace to see spending rise by 9.3% and to see some other things that have occurred. We had a \$6.2 billion planning deficit until this year when the government conveniently changed how the books were kept to avoid the embarrassment of having the deficit exposed by its own documents. These are not just my observations. Others have observed them. I will say more about that in a moment.

The markets have passed judgment on the budget. We saw this in the precipitous fall of the dollar in the last several weeks. The decline has been absolutely amazing despite the amateurish efforts of the government to talk up the dollar, as if anyone could talk up the dollar on a permanent basis. It can only be done in the short run.

The government is confused. We have seen that in the events of the last couple of days. The government is talking about changing the infrastructure program it proposed from an arm's length program into one run by the Deputy Prime Minister and subject to the caprices and whims of a politician. At bottom that is what the Deputy Prime Minister is. Being a politician he is always tempted to use government money for his own political ends. It is a dangerous situation and we need to be wary of it.

We saw the government propose another accounting trick in the budget where it would take \$500 million and put it into a trust. This

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is what it did with the Africa Fund. The finance minister today said no, that would not happen. He said the money would go into debt retirement. The government has been stung by the accusation that it has not retired debt this year. Even \$500 million is a pittance when we have a debt of \$547 billion. It would take hundreds of years to pay down the debt if we proceeded at a pace of just \$500 million a year.

The budget is a disgrace for other reasons. At a time when the whole world has been rocked by the events of September 11 and when the first role of government must always be to protect its citizens, it is an absolute disgrace that so little emphasis in the budget was put on protecting the public. I will talk in greater detail about that in a moment.

It has been revealed that the government has made a \$3.3 billion accounting error à la Enron in the last couple of weeks. This points to how money seems to flow through the fingers of the government like water. It calls into question whether the government has done an adequate job of scrutinizing all it does to find waste and mismanagement. I would argue it has not. I will say more about that in a moment.

To sum up, this has been a terrible budget. It does not do the finance minister any credit. The finance minister has won plaudits even from the opposition for some though not all of the things he has done. However he blew his reputation completely with this budget.

I will offer as evidence some newspaper commentary we saw in the wake of the budget. Here is one from the *Montreal Gazette*. Commenting that the finance minister "spends like Santa", it says:

As the first budget in 22 months, it was unforgivably tardy. As a security and military spending boost, it was undeniably tepid.

• (1550)

Here is another from the *Montreal Gazette*. It quotes Jack Mintz, president of the C.D. Howe Institute and one of the most trusted economists in the country. He called the infrastructure foundation "the Liberal Leadership Candidates' Strategic Slush Fund", noting it could be used for anything that fits under a broad description.

Here is what TD Canada Trust had to say about the budget:

—under the older planning framework, the government would be targeting a deficit in the order of \$5.5 billion for fiscal 2002-03.

Here is an editorial from the *Ottawa Sun*:

This budget demonstrates marvelously that the biggest threat to the nation's finances isn't recession or terrorism, it's this government's abject refusal to embrace a policy of spending restraint, especially during tough economic times.

Andrew Coyne's headline in the *National Post* calls it:

A reckless, dishonest, two-year con job: Budget casts aside undeserved cloak of fiscal responsibility.

Here is what Terence Corcoran of the *National Post* had to say about the budget of December:

—Paul Martin reiterated his commitment to the contingency reserve as an annual \$3-billion pool that would be used to cover forecasting risks and other economic errors. "It is not a source of funding for new policy initiatives. If not needed, it will be used to pay down the public debt." Yesterday, Mr. Martin rewrote the rules.

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Walter Robinson of the Canadian Taxpayer's Federation said:

Minister Martin has once again refused to institute a schedule of legislated debt reduction...and thereby, continues the fiscal crime of intergenerational tax evasion perpetuated against our children—

I offer these quotes as evidence of my assertion that this is the worst budget the minister has ever brought down.

I will say a few things about what the budget did not do. It did not inspire confidence in the ailing dollar. The fall in the dollar since the budget came down is evidence of that. It has done nothing and will do nothing to improve our productivity. That can only happen when the government withdraws to some degree from the economy, is less intrusive, lowers taxes and provides some kind of economic vision for the future. That has not happened.

As a result the budget has done nothing to offer new job opportunities at a time when unemployment is rising. Surely to goodness the government should be concerned about that but it was not reflected in the budget. The budget has done nothing to offer new opportunities for investment in Canada, something which is completely linked to the concept of productivity.

In short, there is no vision to help Canada reach its incredible potential as a nation. The government did not rebalance its spending. In the wake of September 11 that is shocking. In not doing so the government is almost guilty of gross neglect.

For every year in the \$170 billion budget a spending envelope of about \$15 billion would go to grants and subsidies. I will not say the entire \$15 billion consists of things that can be cut out of government without harming people. However billions of dollars in the envelope are examples of unnecessary and low priority spending.

Grants to artists and regional development grants have been shown over and over again to distort the economy and hurt businesses that are making it on their own. They are always subject to politics. We have often revealed in the House how the government rewards its political friends by handing out grants and subsidies so liberally. I say that both figuratively and literally.

In not addressing the \$15 billion envelope of grants and subsidies the government did not find new money without raising taxes that could have been used to help it fulfill the most important role of any government. What is the primary role of government? It is to uphold the law. No society can long survive unless there is a government that consistently upholds the law.

• (1555)

In order to do that we would need a strong criminal justice system. We would need the police to enforce it. We would need good controls on our borders and on immigration. We would also need a strong national defence and a strong intelligence arm.

However the record of the government is to take what is the core business of government and chop it to the bone while it expands spending in all other areas that really are slush funds, in my judgment, and money the government uses to help it win elections.

The result is that organizations like CSIS, which is our intelligence arm in helping to protect the Canadian public, has been slashed to the bone. Previous to this budget, the government

introduced cuts to CSIS of about 28%, and even with the money it put back into CSIS, we are still at 1993 funding levels in inflation adjusted dollars.

CSIS, an organization that has been charged with finding out if there are terrorists or criminal elements trying to get into the country, if they are active in the country, what they are doing, how active they are and if they are infiltrating government, for instance, has been cut to the bone under the leadership of the Liberal government.

The government should be roundly criticized for that because when it does something like that it puts public security at risk. We have seen many examples in the last several months of terrorists who were allowed into the country, in some cases being sought by international authorities in connection with the efforts of al-Qaeda and perhaps even in connection with what happened on September 11. That is disgraceful and we should not be allowing it.

It is not to say that could never happen, even with a fully funded organization, but obviously the government has to put more priority on it. The same applies to immigration. We pointed to problems over and over again in the House. We think immigration is positive and it is a good thing but it does not mean that we just let everybody in. There should be some scrutiny at the borders but that does not require a bunch of new laws, laws like the government gave to itself in the wake of September 11 that allow it to do all kinds of things without consulting parliament, things that are contrary to our common law tradition, where the government can arrest people for 72 hours without allowing them to access a lawyer and without pressing charges.

We really need more officials at the border to handle all the cases we have but we do not have that. It is well known that there are many thousands of people who have been allowed into Canada as refugees and were subsequently turned down but we have no idea if they actually left the country.

Why were they turned down? They were suspected, in many cases, of being a security risk. We have no idea whether they left the country. There are some estimates that as many as 27,000 of those people may be running loose in Canada. Rather obviously, that should be a huge concern of the government but the government has always shortchanged security even though it is the primary role that any government should play.

It was a few years ago that the Canadian Alliance pointed out in the House that the RCMP in British Columbia did not have enough money to put new tires on its cars. It did not have enough money to put fuel in its boats and planes, and to do drug interdiction on the west coast. It was an absolute disgrace.

The primary role of government is to set the laws and enforce them because no country or society can exist without that. However the government had no money for that while it spent billions upon billions for discretionary spending on all kinds of crazy things. That was a disgrace.

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We are now trying to play catch up, but it really is an indictment of the government that it made it such a low priority for so many years. Over the last couple of days we have had examples of how the government has failed our customs officials who are the first line of defence when people come into Canada.

● (1600)

When people enter the country the first people they meet are our customs officials. Customs officials must uphold dozens and dozens of statutes in Canada. We have heard stories of how customs officers, who are not armed by the way, have been so afraid of some of the people they are dealing with at the border that they have actually allowed them into the country because they themselves were not armed and feared that the person on the other side of the window was. We have heard from customs officials themselves that this has occurred.

We are arguing that the government has done a terrible job of looking after our customs officials to make sure they are adequately protected and can make sure that these people who are suspected of criminal activity or even terrorist activity not be allowed into the country or in fact arrested.

It was revealed the other day that customs officials at Pearson airport do not have any protective gear. They do not have pepper spray, batons or flak jackets. However we understand that immigration officials have been issued those things. Is that not a little ironic? The customs officials are the first ones to deal with new arrivals into Canada but they are not given those things. It is only after these people have been pulled aside by the customs officials that they are handed over to the immigration officials.

We asked the Deputy Prime Minister about that yesterday and he was quite confused about it all. He did not know that it was happening. We have it on good authority that it is happening. We want the government to start taking the security of Canada seriously, something that was simply not reflected in the budget.

I find it ironic that in the last number of days there have been a lot of concerns coming from the Liberal backbenches and actually even from former cabinet ministers, like Lloyd Axworthy, about sovereignty in the wake of what happened on September 11 and in the wake of discussions about co-operating more fully with our allies, especially the United States, on security measures, for instance. The reason this is very ironic is because the same people who have repeatedly voted against increasing funding for Canada's military, the RCMP and CSIS, are the same people who complain about a threat to our sovereignty by the United States.

They do not worry about the threats to our sovereignty by terrorists or criminals that are caused by a lack of funding for officials who have to greet dangerous people at our borders. However the moment we talk about working in a co-operative way with the United States and exercising our sovereignty by making a decision in the interest of Canada to work with the United States, they rise up on their hind legs and start to scream bloody murder. I think they are guilty of gross hypocrisy.

It does not end there. What do we mean when we talk about sovereignty? I think we mean that if a country is sovereign it has the ability to make decisions that affect its own destiny. What happens in

Canada if we as a country make the decision to work co-operatively with the United States on issues that we think will benefit Canada? What if we exercise our sovereignty in that way? Is it offensive to members across the way if we make that decision? We are exercising our sovereignty.

I do not think the issue here is the issue of sovereignty. What members across the way have a problem with is co-operation with the United States of America, which many of them frankly resent. They resent the Americans because they have become so extraordinarily wealthy at a time when our standard of living is falling against that of the United States. They resent them because they are able to put more money into public health care than Canada has with its socialized medical system.

● (1605)

They have become resentful. They mask this resentment with the argument about sovereignty but let us look at it for what it is. It is bitterness and resentment, and it is time it was exposed.

I want to—

Mr. Myron Thompson: Mr. Speaker, I rise on a point of order. I want to apologize to the hon. member for the Alliance but the message he is delivering is such a good one there should be more Liberals here to hear it. There are only three in the House. I would call for quorum.

The Acting Speaker (Mr. Bélair): Indeed there are not enough members. Call in the members.

And the count having been taken:

The Acting Speaker (Mr. Bélair): We have quorum now and debate shall continue.

Mr. Monte Solberg: Mr. Speaker, my friends across the way honour me with their presence in wake of the speech I am giving.

I want to say a few words about something that is perhaps the greatest flaw in this budget and it is really the greatest flaw of the government in general. The Liberal government has been in power since 1993. Where it falls short, more so than in any other way, is with respect to the economy.

The government makes decisions every year about how to spend roughly \$170 billion of taxpayer money. I think it is engaging in a game. It takes the hard earned dollars of taxpayers and appropriate them to itself in the form of taxes and then hands the money back to those same taxpayers and tells them to be grateful. That is fine as far as it goes. However, as members across the way know, that has a terrible impact ultimately on the economy. I will get into that in more detail in just a moment.

The truth is that in the last number of years Canada's standard of living has fallen rather dramatically. I want to quote some statistics in order to help make that case. The 1990s really was a decade of drift in Canada. I want to touch on some numbers and I hope members will allow me to do that.

Taxes drifted higher as a share of the economy in 2000 to 44.3% of GDP, up from 44% in 1999. The Canadian living standard fell \$44, or about 0.2%, from \$17,915 in 1989 to \$17,871 in 2000. Over that entire decade our standard of living actually went down.

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The U.S. standard of living increased by \$2,573 or about 13% from U.S. \$20,546 in 1989 to \$23,119 in 2000, an average annual increase of 1.1%. An average American could buy more in 2000 than they could in 1989. They were much richer.

The gap between Americans and Canadians increased 61% between 1989 and 2000. By 2000, Canadians were just 70.3% as well off as Americans, down from 79.3% in 1989.

I want to underline that those are not my numbers. It was just a couple of years ago that the former industry minister, now the Deputy Prime Minister, raised these issues as the industry minister in the House. He said that the average standard of living for Canadians at that time was lower than that of the poorest of the poor U.S. states, Alabama and Mississippi. That was a tragedy. Does anyone know who that was a real tragedy for? It was a real tragedy for the poorest of poor Canadians.

For years I have sat in this place and listened to the government lecture us on how it cared about the little guy. However when the economy does not move at its full capacity, who are the people who are hurt? It is not the people with big incomes and all kinds of education. It is not the people with all kinds of contacts. It is not part of the family compact. It is not people who are connected to the government. Those are not the people who are hurt. It is the people without skills. It is the people who come from underdeveloped regions of the country.

The reason our economy does not move at full capacity and why we have an unemployment rate that has gone from 7% to 8% to 8.4% in the last several months is because the government decided it was willing to sacrifice economic growth in order to sustain billions upon billions of dollars in funding that it can use to politically benefit it and its colleagues. That is a moral outrage and a disgrace but it happens every budget.

• (1610)

What the Liberals should do, and they know this because they have economists who sit in their caucus, is pare out the unnecessary spending. By definition, if it is unnecessary, it is a waste and should not be in there. They should turn it back to people in the form of lower taxes, which creates more activity in the economy and broadens the tax base. When more businesses start up because of more activity, more jobs are created and eventually the unemployment rate is lowered.

The best example is the recent expansion in the United States. I pointed to this many times in the House. During the height of the U.S. expansion, the unemployment rate in the black community in the United States, which traditionally has been the poorest ethnic community in the United States, dropped to 7%. It was the same as our national unemployment rate in Canada. That was a wonderful thing because the black community had been disadvantaged for so many decades in the United States.

As a result of that great expansion, many companies that could not find workers when the unemployment rate was 4% went into areas where the unemployment was very high. They went into ghettos. They said they would train the people because they wanted them to come to work for them. Maybe these people had been on welfare their entire lives, or did not have the skills or had not finished school.

However the companies wanted them to work for them. The companies said that if they did, they would not only get a wage but they would get some training, some contacts, some confidence and some hope, something they had not had that until then. That is the great triumph of an economy that is moving at full capacity.

In Canada, our economy cannot move at full capacity because it is so weighed down by taxes and debt that the government has built up.

The way to change that is to change the entire course of what we do. We do not just maintain the status quo or make it worse by increasing spending by 9.3%, which was what the government did last time around. We shed all that heavy baggage of extraordinary spending that is not needed and offer it back to people in the form of lower taxes. We cut unnecessary regulation and pay down debt. The government should focus on its core role, which is to ensure that we have a peaceful country and that people are protected and secure.

If that were done, eventually underdeveloped regions of Canada, just like occurred in the United States in the recent expansion, would see industries move into them, like Cape Breton, Newfoundland, or northern Canada, northern Ontario, northern Alberta, northern Saskatchewan. Industries would move there because of the pools of labour, those people who do not have jobs but want them. Pretty soon people would have the opportunity they did not have before.

It is to the shame of the government that it has never ever recognized this obvious fact that it needs to do things to make our economy work much faster so that people who are on the bottom end and who have never had a chance in Canada will finally have some kind of an opportunity.

I promise the government that as long as I am in opposition, I am going to harry it on this every chance I get. It has been completely hypocritical to the point where the Liberals speak forever in this place about how much they care, yet on the other hand, their actions show something completely different.

• (1615)

I am simply going to conclude by saying the budget implementation act should not be supported. Again, this is a disgraceful budget, the worst effort ever by the finance minister. We see that in recent developments where the government is still trying to tinker with it two months after it coming out. We see the judgment of the markets in the form of a falling dollar. It is rather obvious the markets do not care for it and think the government is out of control. A 9.3% spending increase is absolutely shocking.

For instance, the government has not put any emphasis on providing for our military, those brave men and women who are going to Afghanistan. It has not put a priority on protecting them by funding them adequately and ensuring they are well equipped. The same applies to customs officers, immigration officials, RCMP and CSIS agents, all those people who do so much to protect our country.

I urge members around this place to vote against Bill C-49, the worst budget ever produced by the government.

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[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I was explaining to my colleague, the Bloc Québécois critic for international affairs, how this budget had totally changed if one is to believe the statements made yesterday by the finance minister.

This is the first time I see a finance minister, eight weeks after tabling the budget, completely change his mind on some basic aspects of the government fiscal policy that was read here in the House, described in the budget documents and announced during several scrums after the budget speech. This gives us a peculiar image of this government, especially the finance minister, who does not seem to know where he is going. This does not make sense and I will give two rather obvious examples of what happened yesterday.

Eight weeks ago, we were told that during the current fiscal year, 2001-2002, the finance minister would not spend one dime on paying down the debt because of the downturn we are now experiencing and other priorities the government had, including investing in infrastructure to encourage economic growth and setting up a fund to help Africa, which is welcome news under the circumstances.

Yesterday, and I will borrow the phrase used by the Prime Minister during oral question period, the finance minister flip-flopped magically. He has now decided to apply any surplus accumulated at the end of fiscal 2001-2002, the fiscal year ending March 31, 2002, to the debt.

As for the foundation, it remains to be seen, we do not know yet. The infrastructure foundation has become the Strategic Infrastructure Foundation and we do not know the rules yet. We do not know how it will work. It would have been too simple to simply renew existing agreements, especially with the Quebec government, regarding the infrastructure program and allocate new money.

It is difficult to understand where the finance minister is going. Not only did he say yesterday that he would apply any surplus, which might be bigger than planned, to the debt, but today during oral question period he is saying surpluses are dwindling and might be insignificant.

How can we understand what the government is up to, in terms of management, when in just eight weeks, the finance minister changed his policy on the use of surpluses, in a few hours, modified his vision concerning the scope of these surpluses, and in a few minutes, went from the infrastructure fund to the infrastructure foundation, after we were told yesterday that the foundation no longer existed? The unbelievable confusion around this minister's management makes us think that he doesn't know where he is going.

How can we have confidence in the initiatives he has announced and which were in the budget tabled eight weeks ago? Since yesterday, he has put himself in a shameful contradiction in terms of the debt and the infrastructure fund.

Before getting into the bill and its various proposals for review and comment, I would like to recall certain elements of the financial framework designed to help assess these measures.

First, it is wrong to say—as the Minister of Finance did today while he said the opposite yesterday—that surpluses are not important.

We will end the current fiscal year with substantial surpluses, probably double what the Minister of Finance initially announced. Even taking into consideration the new initiatives totalling about \$4 billion that were handed out eight weeks ago in the budget, the net surpluses after subtracting the cost of all these initiatives will probably exceed \$6 billion.

Before the initiatives announced eight weeks ago, we had anticipated that surpluses between \$10 and \$12 billion. Even after factoring in the initiatives announced in the budget eight weeks ago, there will still be a 6 or \$7 billion surplus. People must know that it is still possible to do things.

Second, this is rather astonishing, yet the Minister wonders why he is not being taken seriously and why he is regarded more like a stand-up comic than a real manager of public funds. Yesterday, I read the budget over, because I was not sure I had clearly understood the Minister of Finance and his statements regarding the debt and the foundation compared to the infrastructure fund.

• (1620)

In reviewing his estimates, I noticed that he overestimated his expenditures. There is a \$11 billion year over year increase in expenditures, which is not supported by the facts.

Third, he underestimated his revenues. For example, if one looks at the employment insurance fund, one sees that, a few weeks after the actuary for the fund indicated that the surplus could exceed \$7 billion, the Minister of Finance wrote in his budget that the surplus in the EI fund would be about \$3.5 billion. That is half of the amount estimated by the chief actuary.

The government must quit taking people for fools. It must quit doing these kinds of flip flops on such important issues. What do people on the outside think of the Minister of Finance and this government when they see such flip flops eight weeks after the tabling of a budget? They do not take them seriously.

When I went to New York City last weekend, I met business people. I also met forecasters, serious people. And I can tell you that the Prime Minister and the Minister of Finance are not taken seriously when they show up in New York City saying that everything is fine, that our fiscal house is in order, particularly since we have just learned, eight weeks after the tabling of a budget, that there has been a change in policy and that there will not be a debate on the issue of monetary instability and monetary integration for the Americas.

People must not be taken for fools. Those who take an interest in the evolution of the Canadian economy, in public finances, in the budgets and in the great debates on currency know full well that when the government steers the House away from this kind of debate, it is because it does not want to talk about these issues. And if it does not want to talk about them, it is because there is a problem.

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And the Minister of Finance tells them “Perhaps we could advertise in the *New York Times* and in the *Washington Post*, to sell the Canadian dollar”. It is not smart at all to say such things. It creates doubt in the financial sector.

We say “If there is no problem, why advertise in the *New York Times* and in the *Washington Post* to promote the value of the Canadian dollar and say that it is not appreciated at its fair value?” By doing so, we are drawing attention to the problem.

The government may spend billions of dollars in advertising, but this will not enhance the competitiveness of Canadian businesses versus American ones, and that is the main reason why the value of the Canadian dollar has been decreasing over the past 30 years.

Moreover, this will not convince international speculators, who make billions of dollars on infinitesimal variations of secondary currencies such as the Canadian dollar, to stop making billions by speculating. This is totally ridiculous.

Fortunately, ridicule does not kill, otherwise a number of government members would no longer be around. It does not make sense to manage public funds the way the Minister of Finance has been doing, especially in the past 24 hours. That is unbelievable.

There are also dubious and questionable decisions in this budget—I am going back to the specific bill, Bill C-49—particularly the imposition of a tax on domestic air transportation.

Some sad events occurred on September 11 in the United States. If there is one sector that was directly hit, and in a catastrophic way, it was the air transportation industry. And, in his great wisdom and with surpluses that far exceed what he claims to have available for the current fiscal year, the Minister of Finance has decided to impose a new tax on air transportation.

What a nice way to help the airline industry. What a nice way to get the economy back on track, as we have been asking him to do since September, because we were already experiencing a slowdown, and September 11 just hastened things. What a nice way to help the airline industry, and regional development too.

It is ill-advised—and I am being polite when I say that—to impose a tax on air transportation services provided by small carriers, particularly those serving remote regions. They have enough problems as it is, but the government imposes a new tax on them. What a bright idea.

• (1625)

Moreover, some regional carriers are pulling out of some areas, because the routes are no longer financially viable. Because of this tax that is coming up, it will be even less worthwhile. Air travel will no longer be competitive. The people in the regions will be considered second class citizens. We have just learned that Air Alma has dropped its Alma-Montreal service, and recently Alma-Magdalen Islands as well. What sort of country will we end up with? Only someone who was not in his right mind would impose such measures. There are plenty of questions to be answered about this.

In the budget implementation bill, the airports where security is improved with the funds from this tax have been classified. It will be

collected at 20 Quebec airports, for example, and the charge will range from \$12 to \$24 per ticket, as if the price of tickets were not already high enough. I will remind hon. members that the price of air travel has risen 9.2% since 1983 in Canada, overall, while there has been a drop of 43% in the United States over the same period. This is a fine way to improve our competitive edge.

Instead of making ridiculous statements, like saying they will bail out the Canadian dollar by putting ads in the *New York Times* or the *Washington Post*, they should show more intelligence, and take some measures that are not counterproductive, unlike the ones in the airline sector. The situation is totally ridiculous.

One might well wonder, in connection with the airports affected by these improvements to security, why there were 20 in Quebec out of the 90—all over the regions, as will be seen when I list them later, which is rather peculiar—whereas there are only 15 in Ontario. Why is a greater need being felt to improve security in airports in Quebec than in those in Ontario?

This means that there are more airports in Quebec where this tax will have to be paid, more airports in Quebec that will be affected, as will the air carriers themselves, by this new tax, which will be detrimental to their competitiveness. This means that there will probably be more residents in remote parts of Quebec whose areas will be served less frequently or certain routes will simply be eliminated altogether. May we have an explanation of why this is the case? This is the type of question that will be raised in committee. We will have a lot of questions to ask.

Here is the list of the affected airports throughout Quebec: Alma, Bagotville, Baie-Comeau, Chibougamau, Gaspé, Îles-de-la-Madeleine, Kuujuaq, La Grande Rivière, La Grande-3, La Grande-4, Blanc-Sablon, Mont-Joli, Montreal, Quebec City, Roberval, Rouyn-Noranda, Sept-Îles and Val-d'Or. Virtually all regions are affected.

Do people really think terrorism will be an issue in Kuujuaq, and that we should improve security there that much in case something unfortunate happens?

Sometimes, a little bit of logic helps. Once again, why are there more airports in Quebec than in Ontario that are dealt this blow against the competitiveness of airlines? Will the prejudice caused by this charge be greater in Quebec than in Ontario? We need an answer.

Just like the general content of the budget did, Bill C-49 makes us wonder about the abilities of the Minister of Finance. And we are left to wonder even more, after what happened in the last 24 hours. We have to ask whether the minister should let somebody else take over. It is fortunate the Deputy Prime Minister is there to put a semblance of order in government business. Otherwise, the government and its management would really not look good.

The Bloc Québécois has always strived to improve things. Right after the events on September 11, we urged the government and the Minister of Finance, who is forever doing flip-flops, to help the economy weather the storm, but the minister did not listen.

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•(1630)

At the time, either late October or early November, we even presented a five-point emergency plan to help the businesses and workers who could be seriously affected by the economic downturn, not to say recession, then anticipated. We even put down suggestions in writing and sent them to the Minister of Finance, who has run out of new ideas and does not know where he is headed.

We said, “We will sit down at the drawing board. We will make some appropriate suggestions and we will give him a little help. He may have run out of ideas and have problems, but we have ideas on how to help people and companies”. We then made public our emergency plan, which included a real reform of employment insurance. Why? Because this government has slashed EI benefits and literally stolen from the pockets of unemployed workers and people who pay into the EI fund.

People should never forget that the federal government is no longer putting a red cent into the fund. Proportionately speaking, the premiums paid by employers, employees, SMBs and average wage earners account for the bulk of the fund. But, year after year, for the last five years in particular, this government has literally been stealing the surplus from the EI fund. This minister keeps telling us how well he is doing his job, but the real reason he has a surplus and can look so good is that he has been stealing other people's money.

Our emergency plan included provisions for improving the EI system so as to help support the economy in two ways. First, by helping those who make the economy run and who were in danger of being affected by the downturn. We have seen the increase in unemployment in recent months. Our plan was to help these people qualify for EI, because many of them could have been excluded by the stringent and inhumane requirements imposed by this government. Our plan contained provisions for helping current and future unemployed workers with a humane and decent system, which would not be governed by completely inhumane and vicious criteria, like those this government introduced a few years ago.

Second, our plan provided for the injection of new funds into the economy. Let us not forget that each time there is a flow of new money, it can help boost the economy. It can help the regions through the economic downturn. We were told no.

The Standing Committee on Human Resources Development made 17 recommendations. These were unanimous recommendations. Unanimity is not common here. All members of the Standing Committee on Human Resources Development, including Liberal members, signed a report containing 17 recommendations designed to improve the employment insurance plan by making it more humane, more accessible and more universal. Right now, only 40% of Canadians are covered under the plan. Is it not stupid to have a plan that does not even cover the majority of the people it should help? It is absolutely ridiculous.

Despite such unanimity—and we know the proverbial courage of Liberal members, who may say many things in committee but later get their arms twisted and say nothing when it is time to vote because they all have the ambition of becoming ministers—they all voted in favour of the budget even though it contained only one measure out of the 17 recommendations. We do welcome this measure, which

gives more flexibility to parents with children who are hospitalized for extended periods, because we, in the Bloc Québécois, fought for it. It was part of the improvements we asked for so as not to exclude certain people, especially among the most disadvantaged.

My colleague, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques fought for this. Before him, it was my colleague, the member for Mercier, who is now our party's critic for foreign affairs. All of the Bloc Québécois fought for these types of improvements. We are being shown an improvement when there were 17 recommendations that would have used part of the \$7 billion surplus from the employment insurance fund, not all of the surplus. The measure proposed involves spending some \$50 million.

They must be joking when they say “We are helping the unemployed”. One would have to be a heartless millionaire to propose this kind of thing and then say “we are helping the unemployed”, while proposing measures as insignificant as these. Eventually something is going to have to happen, because it is ridiculous to manage taxpayers money like this and mislead Canadians every year with surplus forecasts that are way off.

•(1635)

We had also asked, as part of our emergency plan, to anticipate—because we, on this side of the House, are responsible—measures which are not costly but which could provide a leg up for business, particularly in times of crisis, after the events of September 11, to help them weather the economic turbulence that we experienced at that time, but also to help them get through the economic downturn, which had begun prior to that.

We proposed a measure that would cost the government virtually nothing. It was the deferral of corporate tax instalments. We know what businesses must pay periodically. We said, “Let us allow them to regroup. Let us allow them to assess the situation, take corrective measures, in terms of managing their business, strategic planning, and as a result of the events and the downturn. And in order to give them a real hand, it would be a good idea to defer their tax payments, their corporate instalments, by six months”.

Mme Marois, in Quebec City, did not wait until December. She proposed this measure right away, and was applauded by the business leaders. But no. Our Minister of Finance was thinking. He was not acting. And when he thinks, it is dangerous, because he changes his mind about four times in 24 hours.

We are pleased with this measure, because it is included. The Bloc Québécois fought to have this measure included, to allow small and medium size businesses to defer tax instalments, so as to make it easier for them to make it through the economic downturn. It would have been so easy to announce and implement this measure at the end of October. It would have been a breath of fresh air for businesses. But no. The minister had to think. And since this idea was not his own, perhaps it was not such a good idea. There is a bit of narcissism in politics. The Minister of Finance is not immune to it.

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We are also pleased about another measure. It would be difficult to feel differently, because we are the ones who proposed it. I am referring to the tax deduction for mechanics' tools. It was my colleague, the hon. member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, our deputy whip, who made that suggestion through a bill he introduced in the House several months ago. We are not talking about last week. That was a number of months ago. He was a forerunner and his proposal is included in the December budget.

When my colleague presented this most beneficial bill—because tools now cost a mechanic or an apprentice a small fortune; there are incredible technological advances in this area and there is a need for this type of measure—our Minister of Finance, the stand-up comic, told his Liberal colleagues—we saw him, we were there—to oppose my colleague's bill, instead of supporting it, because he had not sponsored it. This minister is as proud as a peacock.

Mr. Speaker, we sometimes we get carried away by our emotions. But I refrained from saying certain things. It could have been worse.

We were pleased to see this measure included in the budget. But again, why wait almost a year before implementing such a measure, when it would have been so easy to announce it immediately? The minister thought this was a good idea since he used it. He thought the Bloc Québécois had a good idea since he included it in his budget.

But why did he vote against the bill introduced by the hon. member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans? This is called petty politics. To engage in petty politics is to put one's image, one's prestige first, it is to give the impression that we have ideas and to present them in a budget and get all the praise. One can either engage in petty politics or truly help people.

The Minister of Finance decided to turn the budget into a show, with surprise announcements at the end of the year about surpluses that were larger than expected, when one would have to be completely stupid to come up with the sort of forecasts he did, containing errors that gave him an extra \$50 billion to play around with over six years.

This is called looking out for one's political career, one's political image, one's chances of winning the next leadership race. It is a cheap stunt, because the money we pay to this government does not belong to the Minister of Finance. It is not his to do with as he pleases. It belongs to taxpayers. Taxpayers expect their money to be used honestly and in a transparent manner, and they are tired of being fed ridiculous forecasts.

● (1640)

We came up with a good measure. The Minister of Finance waited, presented it himself, and it was passed by a majority. However, this measure only went part way. My colleague's bill was much more complete. It affected all mechanics, not just apprentices. Bravo, we are happy for apprentices, but it would have been a good idea to allow tax deductions for all those in this line of work, to make deductions universal, as with other professions. But no.

Sometimes we have trouble understanding the reasoning and the philosophy behind the decisions and the flip-flops of the Minister of Finance.

I am sorry that the Minister of Finance is not more clairvoyant and not more courageous in his ideas and measures. In the last budget, there could have been tremendous opportunities for improving the general wellbeing of society, of taxpayers, of unemployed workers and of companies. The Minister of Finance could have jumped at this chance to show us just once that he was capable of coming up with ideas, that he too had a vision for the future.

Taking Quebec—not that we want to imply that we are better than anyone else—just look at what has happened in the last two budgets. Quebec's minister of finance and deputy premier, Mme Marois, has succeeded, with the little funds available to her, to put in place some forward-looking meaningful measures. Do hon. members realize why we have so few measures in the Quebec government, by which I mean budget measures? It is because the federal government has deprived it of them. Since 1995, the federal government has outrageously slashed transfer payments for health, education and income security. This leaves Quebec in a budget situation that is not characterized by the same huge surpluses that are enjoyed here by our minister, Mr. Flip-flop.

Nevertheless, we have successfully put in place programs to assist the regions, to attract investors to the remote regions, to improve the secondary and tertiary processing sectors in the resource regions, to attract foreign capital, to earn Montreal the reputation of an international financial capital, to make the regions more than just the source of workers for the major centres. We have put measures in place to allow young people in the regions to stay home, to enjoy a decent life, to earn a living and to prosper and thus improve regional prosperity.

While over here, nothing at all was happening, Mr. Landry's government was helping the Gaspé. With very little means, helpful measures were developed. It does not take billions of dollars to do so.

We have living proof. The Minister of Finance has billions of our dollars, taken in excess from our pockets, and he is still unable to come up with development policies and policies to help support the economy. He shows up late with his measures. They are pieced together and based on the most erroneous forecasts of the surplus.

And to top it all off, eight weeks later, he changes his mind. I do not know how he manages to maintain his credibility, but his is a pretty strange way of managing public finances.

I was saying that despite Ottawa robbing the provinces when it comes to transfers for health, education and revenue equalization, Quebec has managed, in its two most recent budgets, to come up with measures that help people, that help business and that help the regions that are in trouble, whereas here, we have not even been able to lift a finger to help the regions that are experiencing hard times, not even to improve the employment insurance program, even though we are experiencing a downturn, and unemployment has risen.

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I find it somewhat indecent that Bill C-49 is being introduced and that we are being asked to support it because it contains good measures. If it does contain good measures, where did they come from? They come from suggestions made by the Bloc Québécois. Because the pressure on the Minister of Finance was too great, he had to give in on certain small measures, otherwise he would not have survived.

• (1645)

If there is one thing the finance minister should be thinking about first and foremost, it is the well-being of our fellow citizens. First and foremost, he should serve taxpayers well and stop using his office as a platform for the upcoming leadership race. Every single one of his budgets, especially the 1996 one, was aimed at boosting his ratings, taking credit for unexpected surpluses, claiming to be a good manager who made all the right decisions, when in reality the provinces, especially Quebec, have fallen on hard times since he became finance minister. He ruthlessly cut health and education transfer payments that should have been maintained.

The Government of Canada invests respectively 8 cents and 13 cents for every dollar invested by Quebec in health and education. That is the contribution of this government. This is the lowest in history.

This government is sending us by mail documents—in Quebec this document is not the same as in the rest of Canada— which state on the first page that health is paramount and education is an investment. Oh yes? The Government of Canada contributes 8 cents out of every dollar invested in health and 13 cents for education. And health is of paramount importance and education is an investment?

One has to have a lot of gall to advertise how much the Canadian government invests in health and education, when in reality it hardly contributes any money any more to these areas. One has to have a lot of gall to say that the government actually contributes 50%, because it includes the tax points transferred in 1977 in the calculation of federal expenses regarding transfers to the provinces. One has to have a lot of gall to do that.

When you sell your house, Mr. Speaker, do you go and tell the new owner 20 years later that this house still belongs to you? Tax points were transferred and the tax system was rebalanced. In those days, we had ministers, and prime ministers too, who were intelligent enough to know that the tax powers of the various government levels were in need of rebalancing.

What we are asking for today with regard to correcting the tax imbalance is nothing new. History has seen two major conferences aimed at balancing the taxing powers of the provinces and the federal government, namely the Quebec City conference and the one that took place in 1977. That is when tax points were transferred. At that time, nobody used the kind of demagogic arguments and meaningless rhetoric used by the Minister of Intergovernmental Affairs to lead us to believe that there is no tax imbalance. No. People had discussions and they believed that it was a good idea to do some kind of realignment, especially since the main functions of provincial governments and of the Government of Quebec are to provide essential services in areas such as health and education, and now manpower training as well.

For all these reasons, we, in the Bloc Québécois, will continue to defend the people, to fight for the most effective use possible of the funds entrusted to this government and to see to it that the flip-flop minister quits changing his mind this way every 24 hours, quits promoting himself as a politician and starts putting the well-being of those people whom he purports to represent above everything else.

We will keep working for the major reforms we have been demanding for years, especially the reform of the employment insurance plan, so that we will have a fair and decent plan. We will keep fighting for the elimination of outrageous conventions between Canada and Barbados, for example, that allow tax avoidance with the complicity of the government and the Minister of Finance, who may have assets in Barbados. Actually, he does have some. The organization chart of his companies shows that he has some in Barbados.

We will continue our fight to help the Quebec government and other provincial governments to get a new fiscal balance in Canada. While the federal government puts up a big show, flip-flops, smiles broadly and boasts about the economic and financial performance, there are real decision makers and managers in the Quebec government and other provincial governments who look after the people, because their job is to manage health care, education and income security.

• (1650)

A time comes when some have it easier than others. In the coming months, the Bloc Québécois will work eagerly to get a better balance in taxing powers to better serve the citizens, and not the ambitions of the Minister of Finance.

The Acting Speaker (Mr. Bélair): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment are as follows: The hon. member for Saskatoon—Humboldt, Agriculture.

Starting with the next speaker, there will be a ten minute question and comment period.

[*English*]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, Bill C-49 implements many details of the December budget. It was a budget of missed opportunities and failed to address many important problems facing Canadians.

The implementation bill contains five or six key aspects of the budget. A major change has been made in the last eight weeks in the way part of the budget is organized, namely the infrastructure program and the Africa fund.

Last week the budget went through the House and there was no whimper, no scuttlebutt, no talk whatsoever about making a major change in the administration of a major part of the budget. I speak about the infrastructure fund that was supposed to be administered at arm's length from the cabinet, from the federal government, from the politicians. It was to be run like an arm's length foundation.

Government Orders

I also have some concerns about the terms of accountability to parliament. The attitude of the government has changed 180 degrees. It has decided that the infrastructure fund will be under the responsibility of the Deputy Prime Minister.

There is a danger of it becoming a politically targeted infrastructure fund for the Liberal Party of Canada if it comes under political direction. The temptation is there, some \$2 billion. There would be a real temptation to put some of that money into more politically sensitive projects than if the fund were administered totally at arm's length from the Government of Canada.

The other big change was the \$500 million Africa fund. Again, the fund was to be administered at arm's length from the federal government but there was a change and it too is under the political responsibility of the Deputy Prime Minister of Canada.

I wonder whether or not the finance minister has lost a little tug of war within the cabinet. The Prime Minister seems to be favouring the Deputy Prime Minister as his successor as leader of the Liberal Party. He tried with Mr. Brian Tobin who was the Minister of Industry but that did not work out. That fizzled and failed. He has made the former foreign affairs minister the Deputy Prime Minister. He has given him a lot more responsibility and a lot of political clout in terms of doing favours for all kinds of government members. That is a real concern to me and many other members of the House of Commons.

The implementation bill, in addition to what I have already mentioned, brings in a number of other aspects of the budget. It establishes the new Canadian air transport security authority, because of what happened on September 11. The new authority will be responsible for security at the airports. It will have the full power of a crown corporation and will be run by 11 government appointees. I would bet dollars to donuts that most of those 11 government appointees will be people who are very active in the Liberal Party of Canada. Another 11 people will be put in patronage positions.

From the way the legislation is written and from the briefings we received, I do not think regular travellers will see much of a change at the airports as they go through security screening. I think the same or similar private sector contractors will be running airport security.

It is interesting to note that a public opinion poll was taken and 70% of Canadians wanted the security services at the airports to be under the authority of federal officials. Only 20% wanted to have private contractors responsible for screening at Canada's airports. I predict that the screening will continue to be provided by private contractors and I do not think that is the way the general public wants to go.

• (1655)

I am also concerned about the rights of workers who are already there. Many of them are members of the United Steelworkers of America union, which represents many of the people who work in airport security. I am concerned about what kinds of rights they will have as we go through this changeover and phasing out of the present system into the new.

The other thing we should be noting is that last year the Toronto airport authority gave the federal Liberal Party a contribution of \$7,500, and I think that when we have this new crown agency its 11

government appointees will be looking at political considerations, not necessarily solely the safety considerations for the people of our country.

Second, I would like to mention something new in the bill, the implementation of the air traveller security charge as of April 1, 2002, to fund the air security enhancements at airports in the country. This will be a charge of \$12 a flight, \$24 per round trip, plus the GST. It does not matter in most cases how long the trip will be. Whether it is a long haul flight from Vancouver to Halifax or a short haul flight from Ottawa to Toronto or Regina to Winnipeg, there will be a charge of \$24 plus GST. Meanwhile in the United States the equivalent fee that the Americans will be charging is \$2.50 U.S. a flight. Let us say that is \$4 Canadian a flight. Our government is charging \$24 Canadian a flight, fully \$20 Canadian more for a flight in this country than is being charged in the United States. According to some of the research that has been done, only about \$2 of that new fee will go to fund the new agency, the Canadian air transport security agency, and \$10 from that flight will go into general government revenues or coffers. In other words it is just a new tax grab. It is a fee. We get tax reductions on one side and fee increases on the other side and the ordinary person will pay through the nose once again.

We are concerned about this. It is something we will fight against in the committee. I am sure the Canadian people will be on our side in terms of mobilizing against this new airport tax, most of which will not be for airport security but will go into government revenues for other purposes.

There is one more point I would like to mention and it is one thing that I certainly agree with in the budget implementation bill, because we should not forget that a bill like this is an omnibus bill. It has the good, the bad and the ugly. The ugly is the airport tax. There are a lot of bad things in the bill but there are some good things as well.

One of the good things is the deferral of taxes for six months for the small business people of the country. The federal government will be deferring tax instalments for January, February and March of 2002 for up to six months to assist small businesses in their cashflow. This is \$2 billion. It is not a tax writeoff. It is a tax deferral. Because of the slowdown in the economy, the recession or near recession in the economy, and because of what happened on September 11, there is a deferral of taxes for up to six months for small businesses that want to exercise that deferral right. We support that, because small businesses in the country employ about half the Canadian population and now create about 80% of the new jobs in Canada.

When I talk about small businesses, I mean really small business. In fact, 80% of small businesses in the country have sales of less than \$1 million a year. Eighty per cent of the new jobs are in small business. Sales for 80% of those small businesses are less than \$1 million a year. They employ from one to twenty people, maybe up to thirty or so. Many of these small businesses are single person operations. Many people operate these companies out of their own homes or have a small retail operation such as a hair salon. These businesses create about 80% of the new jobs in the country.

Government Orders

This is a sector we should be looking at in terms of creating jobs, creating wealth, helping Canadian people and putting Canadian people to work. This deferral is one small way of helping people who are employed by small business or who indeed are owners of small businesses. I remind the House that the majority of small business owners and those who work in small businesses in the country now are women, not men. This is an area that needs a lot more assistance in the future.

• (1700)

Another positive thing in the bill is a new provision to allow an apprentice vehicle mechanic to deduct a portion of the cost of new tools acquired after 2001. Mechanics, men and women, who bought tools for their businesses could not deduct them as an expense. They buy these tools to work. People in a business operation who have a legitimate business expense can deduct it on their taxes, people such as doctors, dentists and many other professionals, including consultants. Consultants who have home businesses can deduct a portion of home expenses on their taxes. They can claim 20% of their home expenses or whatever amount it is and telephone costs and a certain amount for utilities. They are deducted as legitimate expenses. Yet we had mechanics, young people in the country starting out, who were spending thousands of dollars on tools but could not deduct them as a legitimate expense.

In 1999, I introduced a private member's bill in the House, Bill C-338, calling for the deduction of costs of mechanics' tools from income tax. I did that after circulating a petition throughout my riding and parts of Saskatchewan, getting signatures from hundreds of mechanics who were saying they wanted fair treatment, justice and equality in the tax laws. I have raised this issue time and time again at the finance committee. The government has not gone as far in the budget as mechanics want it to go, but at least this is a start. It is going in the right direction and it will allow the deduction of some of the cost of purchasing tools. I will keep pushing to make sure that we get the full deduction of the cost of tools for mechanics in the years that lie ahead.

Another part of the budget in terms of the implementation is the change for companies that want to donate securities to public charities. In our country when people have capital gains they are taxed on 50% of the capital gains. The 1997 change to the law for companies making donations to charities was that instead of having 50% of that income taxable, the government put it down to 37.5%. This budget brings it down to only 25%.

In the United States and the United Kingdom there is no tax whatsoever when securities are contributed to charitable organizations. What we have done in this country is strike a note halfway between what happens in the U.K. and the United States and what we used to have here. I certainly support that provision as well. I support making it easier for companies to donate to charities. There has been a lot of lobbying on that in the finance committee over the last while. Indeed, many members of the finance committee would like to see the capital gains tax eliminated altogether for securities donated to charities by companies in our country. I have not gone that far and the Minister of Finance has not gone that far, but at least there is some progress in that direction.

There is another thing I wanted to mention again. I started to say at the outset of my remarks that a big thing that is happening is the \$2 billion Canada infrastructure fund, which will provide assistance for infrastructure in the country. We need a massive infrastructure program in Canada. This is one of the ways to create jobs. It is one of the ways to build the country, to build the economy. We need a vision of building our country and our economy, a vision of building the roads, highways and water systems and cleaning up the environment. What we get in the budget is a \$2 billion fund over six years.

In the United States over the equivalent period of time, the Americans have committed \$217 billion in transportation infrastructure alone. In our country we have some \$2 billion to cover all infrastructure over a period of six years. If we were to have an equivalent measure of investment into infrastructure, comparing our population to that of the United States, we would need at least \$18 billion more than we are seeing in this budget implementation bill.

These are some parts of the bill that will be debated in committee. Some of them are negative, some of them are positive and some of them are really bad, like the airport tax that everybody will have to pay.

• (1705)

Another part of the bill is the African development fund to reduce poverty, provide education and set the African people on the path to a more sustainable development of their societies and their lives. This is a promise that was made by the Prime Minister to Nelson Mandela many years ago. It is \$500 million over six years.

Despite this, we are now spending only .25% of our GDP on foreign aid. The goal for many years has been .7% of our GDP. We are spending just a bit over a third of what we should be spending to help countries in the third world. It is a sad commentary on our country. In Canada we should be strong advocates of a world economic development agency that has a vision of a new development plan, a modern day Marshall Plan that would develop places like Africa, Afghanistan and many other parts of the world. That should be one of the things that we advocate as a Canadian parliament and as a Canadian government.

We need to solve some of the problems of world poverty, world despair and world hunger. People are dying of starvation as we speak in the House of Commons today. Hundreds of people in the world are literally dying from a lack of food, yet we have the means in this country and in this world to produce a great deal of food. We have the means for international development in the world. If we do not solve some of these problems we will have more tragedies like those of September 11 and more calamities that will haunt us in the years that lie ahead. We have the means.

Government Orders

About three years ago, parliament passed a private member's motion I introduced, stating that we endorsed in principle the idea of the Tobin tax, a tax on the speculation in currency around the world. This is a tax that was suggested by an American professor named James Tobin whereby we would put a very small tax of about .1% or .2% on speculation in currency. In the world today over \$1 trillion is traded in currency every single day, mostly by big banks. With this small tax we could raise hundreds of billions of dollars for international development and environmental cleanup. Much of it could be spent in countries around the world to develop social programs, to help eliminate poverty and to help reduce the gap between the rich and the poor. We have the means in the world to have these kinds of funds developed to help all Canadians and help all peoples of the world, whether is it a Tobin tax or some other means of funding some of these initiatives.

I conclude by saying that the budget brought down by the Minister of Finance was a budget of missed opportunities. It was a budget that did not tackle some of the real problems that we have today. It was a budget that failed to address the real issues of the economy and unemployment. Back in December the unemployment rate rose to 7.5%.

• (1710)

[*Translation*]

Today, the national unemployment rate is 8%. This is the highest rate in years. In the forecasts the finance minister issued two months ago, there was nothing regarding job creation for Canadians.

[*English*]

We have to create jobs and we do that by investing in infrastructure, by putting money into affordable housing, into cleaning up the environment and into water treatment facilities across the country.

We also do it by making sure that we have a fair deal for the farmers of Canada. The farmers of Canada are in a real crisis, largely because of massive government subsidies for farmers in the United States and Europe. There is now a bill before the American congress, supported already by the house of representatives, I think, and going to the senate. It was agreed to by the president of the United States. It will inject into the American economy over \$170 billion American in additional money in terms of farm subsidies to support the farmers of the United States of America. We should think about the impact that will have on Canadian farmers. Yet the government brought down a budget with absolutely nothing in it for the farmers of our country. Canadian farmers need a fair shake and a fair deal. The foundation of the country is agriculture and when the farmers are better off we are all better off. There would be job creation in the towns and cities from coast to coast. We need more assistance for our farmers. We have missed the opportunity. The Minister of Finance should be changing some of those things instead of the changes he made in terms of infrastructure and the African fund.

Since the government took power, the gap between the rich and the poor has widened. We have a part time, high unemployment, low wage society and that is what must be changed.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Madam Speaker, I thank my hon. colleague, the finance critic for the NDP.

The budget did not include aspects concerning seniors and the disabled. As the federal Liberal government was bringing down the budget, the revenue department was sending out what I call the greatest insult to people with disabilities. A letter was received by 106,000 people. This new form stated that if a person could walk in an ordinate amount of time with a device on a flat surface, then that person would no longer be able to collect the disability tax credit.

We held a press conference in my riding. One gentleman who is 60 years old has been missing a leg since he was 13. When he got this insult in the mail, he thanked the Liberals because only the Liberals could take away his disability. Unfortunately, when he looked down the leg was still missing.

If a person is missing a leg, would the hon. member consider that person to have a slight disability? If that is correct, why would the federal Liberal government take away the tax credit?

Most of these people get a tax credit from \$200 to \$800 a year to offset their additional costs for clothing, devices or whatever it is they require to have a semblance of a normal life. The government is trying to take it away from them. It is an insult to seniors and people with disabilities. Would my colleague care to comment on that?

• (1715)

Hon. Lorne Nystrom: Madam Speaker, I certainly agree with the hon. member that if somebody is missing a leg, surely to goodness that is a disability. Why would the government take away a small disability pension or tax credit from someone in that situation?

This is the kind of issue that was not addressed by the government in the budget that came down in December. Instead, it is more content to keep its tax promise of \$100 billion in tax cuts over five years. Much of that would be going to the wealthy and the large corporations. The government should be trying to do something for people on disability pensions who should be getting a disability tax credit.

This is one of the areas of social policy that the government has fallen down on year after year. My mother, who is no longer alive, suffered for many years from very severe rheumatoid arthritis. When I meet people in that kind of situation I realize that there is a big hole in the social safety net in terms of adequate help and support for people with disabilities, whether it is through a new social program, the taxation system or a combination of a federal-provincial program. It is a sad commentary on modern society.

Government Orders

We are a society that will spend all kinds of money on corporate welfare for large corporations. There is all kinds of money being wasted on all kinds of projects. There is \$60 million a year on an unelected, unaccountable Senate across the way. We do all these kinds of things as a government and as a parliament, yet people with disabilities are struggling to put food on their table, to pay for decent housing or shelter, to pay for utilities and to help their children.

We have a warped vision of a just and fair society. We should be striving to help the common good, to create more equality in our society, to help people help themselves and to make sure that we give opportunities to those who need help. That is exactly what government should be for.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Madam Speaker, I appreciate the comments made by the hon. member for Regina—Qu'Appelle. He would probably agree that at best the budget is nothing more than status quo and keeping the Liberal record as dismal as it has been in the past.

I have been here for nine years and this is the eighth budget. We know what happened to the other one that should have been presented. The budget is always full of wonderful rhetoric about the wonderful things the government will do. The Liberals have a Minister of Finance who is excellent in presenting a budget to the television land people who think it is wonderful.

We all know the budget is empty because the Liberals do not produce what they say they will do. The red books have not been up to snuff in accomplishing what they are supposed to be accomplishing, for example, scrapping the GST all through the years.

We now have a budget of all the things the opposition knows the government is not doing but that it could be doing. We know of the shortages in the security areas and the absolute zero help for farmers. We know about all these things.

Then all of a sudden the department of revenue is spending \$50 million to hire 960 individuals to collect more taxes. More auditors are being hired to go after struggling businessmen and farmers that are having a tough time paying their taxes. The hon. member, as much as anybody else in the House, has to deal with situations of individuals being pressured by Revenue Canada to pay up.

The government is hiring an army of people to do this. It will cost \$50 million. I find it totally inexcusable. I know the NDP is not really ashamed of taxes. I would like to hear what the member from the NDP would have to say about that.

• (1720)

Hon. Lorne Nystrom: Madam Speaker, I would start off by saying what I said to the previous member. A good example of people being harassed is people being harassed over the disability tax credit. They are being cut off when they should be getting a tax credit.

The government seems to be spending so much money on hiring so many people to harass ordinary citizens. It is going after a few dollars here and a few dollars there from people who are struggling. That is a wrong priority and the wrong way to go. The question raised about the fellow without a leg is a good example of that. An individual is being harassed for a few dollars a year.

Yet we have huge family trusts outside Canada that evade taxes. We have large corporations that do not pay their fair share. We have huge government expenditures every year in terms of tax expenditures to subsidize the huge multinational corporations. I am not talking about small businesses. I am talking about the really big companies.

If Canadians want a fair taxation system then everybody should be treated fairly and justly based on their ability to pay. The tax system in the last few years has become less fair and less progressive.

A number of years ago we had seven or eight different marginal tax brackets and a more progressive tax system. This has started to disappear as we flattened the tax system.

A reduction in income tax, as is the case in Ontario, and I do not know about the situation in Alberta but I suspect it is the same thing there, often leads to an increase in user fees. User fees in Ontario have gone up in many instances for ordinary people.

A user fee is a flat tax. Whether individuals are rich or poor they pay the same fee when entering a park. If individuals are wealthy or not they pay the same fee when paying a premium on health care as people do in the province of Alberta. That is not the way to go. The way to go is to make sure that we have a very progressive tax system based on the ability to pay. We do not have that in this country.

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Madam Speaker, last July we were blessed with the Whitehorse accord dealing with agriculture. The agriculture minister came out with a five year plan. He did not tell us at the time that it would take five years to develop. When the ministers next meet we will be one year into that plan. We have no details and no agreement between the provinces. We have no new money for that plan.

It is interesting that while the federal government gave less than a billion dollars in aid to agriculture, it ran through a \$2 billion slush fund without hardly saying a word. How do farmers get help from a government that is far more concerned about public relations than it is about actually helping farmers put substance into this plan?

Hon. Lorne Nystrom: Madam Speaker, that is a good question and a difficult one to answer. How do farmers get help from the government? We have been trying to answer that question for many years. We sent many articulate members of parliament from the prairies and rural Canada to the House of Commons. However, we have a government across the way that gets very few votes from farmers and very few seats represent farmers in the Liberal benches.

One thing we must do, and I say this in all sincerity, is take a real look at our electoral system. We should bring in an aspect of proportional representation, a mixed member proportional system so that we would have a fair electoral system. In a fair electoral system a vote in Kamsack, Saskatchewan would be worth the same as a vote in Toronto or Ottawa.

Government Orders

The government across the way will have to listen to every Canadian regardless of where they are. Right now the Liberals do not listen to farmers. They do not have any seats there so why should they make that a big priority in terms of spending. As long as they have an electoral system that distorts this place, that will continue.

I know some members of his party have looked at it. A system of proportional representation would mean that everybody's vote would be equal. There would be no structural discrimination built into the system against any people because everybody's vote would count. Today, there are no Liberal members from the rural part of the prairies. The rural part of the prairies tend to be ignored but with PR a vote would be worth as much as a vote in the city of Ottawa.

• (1725)

Mr. Scott Brison (Kings—Hants, PC/DR): Madam Speaker, it is a pleasure to rise today to speak to Bill C-49 regarding the budget, which was a great disappointment to many Canadians. On the day after he introduced the budget the finance minister stated during question period in the House:

—what is important in a budget is the way...it is received by the public.

We should all be disappointed by a finance minister who believes that public opinion and focus group economics is the way to govern a country when sometimes the most important and best decisions for the long term good of a country are not always the most popular decisions. I am speaking of decisions like free trade, the deregulation of financial services, transportation and energy, all of which were controversial and many of which were not popular. Even the replacement of the manufacturers sales tax, which was the euphemistic way of introducing the unpopular GST, was not popular but has proven to be the right policy down the road.

Canadians have paid a significant price for this type of government that focuses on polls and focus groups and does not have a vision or the wisdom and foresight to make the types of decisions which will improve the lives of Canadians well into this century.

Let us look at the budget from the perspective of the finance minister's statement, "what is important in a budget is the way it is received by the public". The public includes Canadian farmers who have spoken out loud and clear on the budget. They were as disappointed as all Canadians and as they have been with every budget the finance minister has introduced by the fact that the minister and the government have failed to deal adequately with the crisis facing farmers across Canada.

There is a view in the federal department of agriculture that if something is not raised or grown in the west it is not agriculture. As the member of parliament for the riding of Kings—Hants where 50% of all the agricultural products of Nova Scotia are produced, with a larger output of agricultural product than the entire province of Prince Edward Island, I urge the department and the government to take seriously issues of agriculture which have not been dealt with properly by the government. It has failed to recognize the important contribution made by Canadian farmers to the lives of all Canadians.

The budget failed to deal with the crisis the Canadian military is facing. Even in a pre-September 11 context our Canadian military had been starved of resources. In the budget the government did not

deal with the crisis that existed in military funding pre-September 11. If we add to this difficulty and the stretching of scarce resources the September 11 imperatives, the new security imperatives, and the increased levels of duty and tasks added to our Canadian armed forces, clearly the budget does not come close to addressing these needs. It was supposed to be a security budget and it did not even address those issues.

Numerous presentations were made to the House of Commons finance committee by the non-profit sector urging a permanent elimination of the capital gains tax on gifts of publicly listed securities. In the budget the government made permanent a reduction to the capital gains tax on publicly listed securities, but that was a baby step in the right direction. The Canadian philanthropic sector, Canadian charities whether a university foundation, the United Way or a hospital foundation, is at a competitive disadvantage when competing with funds currently being drawn to places in the U.S. and the U.K.

The government has not worked with the non-profit sector to make it easier for Canadian institutions, the non-profit sector, universities, hospitals, foundations and charities to raise money that is necessary, particularly during a period of decreased federal and provincial funding.

• (1730)

Even with the minister's view that we should judge budgets based on public opinion the budget was a gross failure. Probably the most damning gauge by which to evaluate the budget is what the international markets have said about it and about the performance of the government.

Under the government the Canadian dollar has lost 20% of its value against the U.S. dollar. The Prime Minister's response is typically that this is not really a problem and a low dollar is good for exports. If we think about the logical corollary of the Prime Minister's arguments and follow his flawed logic, by reducing the Canadian dollar to zero Canada could be the greatest export nation in the world.

Another argument that the Prime Minister makes about the Canadian dollar is that although we are doing badly against the U.S. dollar we are doing well against other currencies. He is right. Our dollar is doing better than the ruble at this time. All we have to do is wait, because we have lost 15% against the British pound and we have lost significantly against the Mexican peso.

A 20% drop in the value of the Canadian dollar represents a pay cut to every Canadian, a drop in our standard of living and a reflection of the fact that Canadians are getting poorer as Americans are getting richer under the watch of the government.

Government Orders

Last week the Prime Minister and the Minister of Finance went to New York for a couple of days. During the period of time they were out of the country the dollar improved marginally. Since they have returned, however, the dollar has dropped again.

I would suggest that the government seriously consider sending the Prime Minister and the Minister of Finance out of the country for about 30 days. Based on that performance, if they stayed out of the country for 30 days the Canadian dollar might ascend to the level at which it rested prior to the government taking power in 1993. Maybe the answer is to get the Minister of Finance and the Prime Minister out of the country.

If they are not here they certainly will not be able to direct funding to departments and misguided spending programs where it ought not to be going. They will not be able to spend money in one of the sixteen departments the auditor general described as having out of control spending.

When the finance minister was given an opportunity to reduce spending in some key areas he did not take that opportunity at all. He did not cut one area in a \$130 billion budget. No one is saying that the finance minister should be cutting in health care, the military or agriculture, the prime areas he ought to be investing more in.

However there are areas of government waste. There is no member on either side of the House who does not realize in his or her heart there are areas of government spending which do not reflect the priorities, the needs, the values and the long term interests of Canadians.

This is not an esoteric debate we are making as people with so much money that we do not have to worry about how we balance the budget. Based on U.K., U.S. and German accounting standards the fact is that Canada is in a deficit right now.

Based on our own accounting standards Canada is sliding toward a deficit position next year. This year the government provided not a tax break but a deferred corporate tax benefit to next year. Why did it do that? Did it do that to be nice to people? Did the government do it to try to help corporate Canada? If it were interested in doing that it probably would have applied it in some way that would have benefited mom and pop operations and would have been more broadly based.

The government did it for one reason and that was to avoid the stark reality of being in a deficit next year. The only thing that is keeping Canada out of a deficit position right now is Liberal leadership politics. A stark fear exists on government benches that because of its lax spending and the fact that it has not monitored spending it will slide back into a deficit. It wants to avoid that reality.

In terms of health care there is a health care crisis in every province in Canada. We cannot blame provincial governments for the health care crisis in Canada.

● (1735)

The blame belongs squarely on the desk of the Prime Minister and on the desk of the Minister of Finance who have cut transfers to the provinces. In an unprecedented cruel way they have put provinces in a position where they have not had the resources to meet their basic needs. The provinces are now paying 85% to 88% of health care

costs. When medicare was first introduced the federal government was actually paying 50%. Now it is down to 10%, 12% or 15% depending on the province, to a point where a province like Nova Scotia is now facing a health care crisis, a province that does not have the tax base of Alberta or Ontario. A province like Nova Scotia is hit disproportionately hard by these types of cutbacks.

That is why provincial governments are in such a difficult position trying to keep clinics and hospitals open. The waiting lists for surgery and treatment have grown well beyond what anyone considers acceptable. The blame belongs squarely on the government which has not only failed to respond in every budget prior to this one but has disappointed all Canadians concerned about health care in the latest budget.

If the government were serious about addressing some of the real challenges facing Canada in this century, a century during which Canadians will face an even greater rate of change and challenge than they have faced in the last century, I would posit that the government would have used the budget to strengthen our health care system, to strengthen our commitment to agriculture, to rationalize spending in other departments, to find areas of government waste where it could have reduced some of that spending and to address the fundamental issue plaguing Canadians, the Canadian dollar.

The Canadian dollar should be a source of pride for Canadians, not a source of embarrassment. The Canadian dollar should not be a joke. It is really terrible when our friends and family in the U.S. talk to us about how they are being paid in American dollars and laugh at us. The Canadian dollar is more than just a bread and butter or nuts and bolts issue. It is a symbol of Canada.

Earlier today we were speaking in the House in honour of Queen Elizabeth whose face graces our Canadian dollar. What an embarrassment that we honour Queen Elizabeth in the House yet we embarrass her by failing to introduce the types of economic policies that would strengthen the dollar bill upon which her face is placed.

If we are serious about honouring Queen Elizabeth and the Canadian dollar, we ought to introduce a productivity agenda. That means tax reform focused on productivity. That means regulatory reform focused on productivity. That means the rationalization of spending focused on the types of initiatives that would lead to the long term success and prosperity of Canadians.

I recognize education for very important reasons is under provincial jurisdiction in Canada, but by restoring transfers to the provinces to the levels at which they ought to be the federal government could help significantly in terms of ensuring that all Canadians have the opportunity to obtain an adequate education. Not only has health care been devastated by the cuts of the federal government but our education system has as well.

The Acting Speaker (Ms. Bakopanos): I apologize to the hon. member but time has run out. The hon. member will have five minutes and 54 seconds the next time the bill is before the House.

Private Members' Business

Mr. Greg Thompson: Madam Speaker, I rise on a point of order. I would be as interested in putting some questions to my colleague as I think other members in the House would be. Would you seek unanimous consent of the House to do that?

The Acting Speaker (Ms. Bakopanos): I am the servant of the House. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

PRIVATE MEMBERS' BUSINESS

• (1740)

[English]

CRIMINAL CODE

Mr. Mac Harb (Ottawa Centre, Lib.): moved that Bill C-408, an act to amend the criminal code and the Modernization of Benefits and Obligations Act, be read the second time and referred to a committee.

He said: Madam Speaker, I will be splitting my time with the very capable member for Kitchener Centre.

The Acting Speaker (Ms. Bakopanos): I am sorry but members cannot split their time on private members' business. However she can stand and the Chair will recognize her.

Mr. Mac Harb: Madam Speaker, I was planning to go with a long speech on this important subject, but since the bill has been on the order paper I have been given every necessary assurance by the government to move forward with the content of the bill.

The government is known, not only here in North America but around the world, as a leader for its progressive agenda on the issue of children. As a signator to the United Nations Convention on the Rights of the Child the government has taken a tremendous amount of action to fulfill its commitment.

Bill C-408 falls within the UN Convention on the Rights of the Child. There is legislation before the other House, Bill C-15A, which will be dealt with tomorrow on a clause by clause basis. Under the leadership of the government the legislation would remove all references to the word illegitimate when it comes to children. This would be a victory not only for the House but for all children across the country.

A second component of the bill would affect native children. I have been given assurances that the government is in the process of negotiating with the native community. I am confident that at the end of negotiations the second part of the bill will be dealt with positively and expeditiously.

I am delighted with the government's leadership. It has not only listened but taken action. It cares about the children of Canada and of the world.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Madam Speaker, it is a pleasure to rise today and speak to Bill C-408. The bill would remove the word illegitimate from the definition of child in two federal statutes and replace it with

the phrase "child born of persons who were not married to each other at the time of the birth".

This is not merely a cosmetic change to make people feel better. Words are important. They have profound meaning. Words are concepts that reflect our most deeply held beliefs. They guide the direction of public policy. The word legitimacy in this context lies at the heart of the difference between conservatism and liberalism.

The issue is the negative nature of the word illegitimate. There is an element of fairness to it. A child can be born and raised with a label that stigmatizes him or her as something less than a legitimate person because of the circumstances of his or her birth. The circumstances into which children are born are something over which they have no influence whatsoever, yet children are marked for life with the negative word illegitimate. This is truly unfair. A child should not be forced to suffer because of something his or her parents did.

There are many ways children can suffer because of the actions of their parents. Let us take the problem of fetal alcohol syndrome. A pregnant woman with a drinking problem may be condemning her child to a life of great personal difficulty. This too is unfair.

Parents with substance abuse problems, chronic gambling addictions and diseases brought on by their own actions pass them along to their children on a daily basis. Patterns of verbal and physical abuse are unconsciously transmitted to children by their parents. It is a rule of life that we all echo both the greatness and failings of our ancestors. This is reality but it is not fair.

For this reason I agree that the word illegitimate in referring to children should be removed. Every child is a legitimate person and the laws of Canada should reflect it.

Research literature universally attests to the fact that it is in the best interests of children to grow up in a stable home where the parents are married. A professor at the University of Chicago examined numerous statistical studies across America and had this to say in her recent book, *The Case for Marriage*:

Why does it matter to kids whether or not their parents are married? A short answer is this: Marriage shapes children's lives first and foremost by directing the time, energy and resources of two adults toward them...it is marriage that creates the conditions under which warm, affectionate, consistent parenting is most likely to take place.

There is much evidence from Canada as well. In its massive National Longitudinal Survey of Children and Youth, Statistics Canada found that:

—children from single-mother families had higher rates of difficulties than children from two-parent families for all of the emotional and behavioural problems and academic and social difficulties examined, and the differences in these rates were all statistically significant...The average household income of a single-mother family was...less than half that of a two-parent family.

The value of marriage is confirmed by Canadian social commentators such as Professor John Richards, a former NDP member of the Saskatchewan legislature. He said "At this point, I want to be blunt: family structure matters, and two parents are preferable to one for successful child raising".

Private Members' Business

The state of lawful union is designed to be a protection for children. The law recognizes that if a couple is committed to join their lives together and form a permanent home their union forms a stable, healthy cradle in which to grow a happy and healthy child. It would be ideal for every child to enjoy an environment like this. It is therefore less than ideal for a man and woman to have a child when they are not committed to each other, not committed to the child and without any intention of imparting to their child the benefits of their collective support.

If it is in the best interests of children to be born to parents who are lawfully wedded it is in the interests of the state, even the state's responsibility, to encourage that behaviour. John Richards says:

In general, two-parent families, comprising a mother and a father, raise children more successfully than do other family structures...Accordingly, social policy should discriminate fiscally on behalf of such families (and)...it makes sense to discriminate fiscally against divorce—

● (1745)

As a society we need to reaffirm that sex is not just a lark or a thrill. It is a serious act of tremendous gravity and importance. It is the most profound of any physical union and bears the potential to produce another human being worthy of dignity, respect and a lifetime of caring and love.

The recognition of the tremendous value of every child lies at the foundation of the institution of marriage. To reduce its position of privilege and honour by legitimizing arrangements that are not in the child's best interests is to reduce the protection we can afford the weakest members of our society: our children.

The state has the right and the responsibility to help single parents and their children in the difficult situations in which they find themselves, and to encourage marriage and dual parenting in the future by using the instruments of public policy and the institutions of government.

The question marks a great difference between the world view of the liberal and that of the conservative. The liberal believes in the granting of more individual freedom. Unfortunately this too often happens at the expense of others. The conservative believes the state should require more individual responsibility and cause its citizens to exercise more caution and care toward others.

While the dictionary definition of illegitimate is "not lawful", the word has a more negative connotation. Children should be given every opportunity to enter the world as free of obstacles as possible. The psychological implications of labelling children illegitimate are a barrier to a healthy childhood.

In closing, I reiterate my belief that no child should be labelled with such a negative term as illegitimate. From birth every child is a legitimate being and should be validated as such.

● (1750)

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Madam Speaker, before I start I would like to say that we will obviously support this bill. We find it interesting because it would eliminate the adjective illegitimate when referring to a child.

I also want to congratulate my colleague from Ottawa Centre for his insight and for introducing Bill C-408.

I will not use up my ten minutes as it would appear that we will have to consider another bill later. We will debate this at a later date.

I would simply like to state a very definite opinion regarding the bill. In Quebec, these words have been removed from the civil code since 1994. In recent history, being called illegitimate meant a lot of things for children in their daily life.

Recently, I was listening to a program coming from the United States. I listened to children who had been labelled illegitimate, children who had been put up for adoption or institutionalized. They were telling their story. Today, they are between 40 and 45 years old or even less. They were talking about how they were treated when they were young and how the fact that they were branded illegitimate marked them for life.

Right here, in Canada, we have had the same kind of problems, including the Duplessis orphans. We have seen the way orphans were treated in orphanages in Newfoundland and nearby in Ontario. We have just seen what it was like to be considered illegitimate in our societies that are supposed to be free and respectful of individual rights.

We had yet another example in the debate just concluded in Ireland. In case my colleagues did not know, this debate has lasted for years in Ireland, and it has just concluded now. Our societies change. It is important, at least that is what the Bloc Québécois thinks, that we take that word out of the criminal code. A child cannot be illegitimate. A child is the son or daughter of a mother and father. Being born cannot be illegitimate. Legally, a child cannot be illegitimate.

That is the gist of my argument. I want to see us go a little further. I have not yet seen the new bill the government intends to introduce, but I hope it goes a little further still. I hope that the Canadian government will look at what has been done with the revision of the Quebec civil code, and that it will at the very least draw upon what has been done, and well done, therein.

Certain words have been taken out. As far as is possible, I would like to see the entire Criminal Code looked at, not just the parts relating to children, as have been proposed by my colleague for Ottawa Centre—whom I again congratulate and thank—but a complete review of the criminal code in order to seek out everything that, in my opinion, does not do justice to people and still hangs on to what I would call stuff from the past. We are still dragging along baggage from the past, tradition that is, to my way of thinking, unhealthy, and this is particularly the case with the matter of concern to us at present.

Since we shall have to get back to the debate raised by my colleague, as I have said, I merely wanted him to know that we were in agreement with his bill. We hope that the one to be introduced by the government will go a little further still.

Private Members' Business

● (1755)

[English]

Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR): Madam Speaker, the coalition supports the amendments that the bill would bring to the Modernization of Benefits and Obligations Act. We feel it is important enough that it should be voted on. We should have more than just an hour of debate on a bill of this importance. It should be votable and it should be moved on.

We are against any form of discrimination. We find that words used in the act are discriminatory against children who were born outside of marriage. The legislation has very objectionable language in it and this private member's bill, Bill C-408, would deal with that.

Section 241 says that "child" includes an adopted child and an illegitimate child. Bill C-408 would change that wording, which is very important. From personal experience, I know children sometimes carry burdens because of things outside their control. The least we can do in the House is try to undo the damage that words can place on a child.

In today's modern society to treat children who through no fault of their own find themselves born in an unmarried relationship is just a sign of the times. We can lay judgment on whether it is right or wrong. We can lay judgment on whether or not the state should support it. However to lay judgment on children who have had no opportunity to change the circumstances is not fair and not right. Whether we like it or not, we have many different forms of families. Not all families have a father and not all families have a mother. That we in this House would discriminate against children who find themselves in a family that does not meet the tradition is not appropriate.

We will be supporting the bill and hope that it actually finds its way into changing legislation, albeit it will not be voted on in the House. Young people have a hard enough time in today's world without the stigma that words can impose upon them. We would just hope that this private member's bill does not stop at this point. The intent of the bill should carry the weight of government and the government should be sensitive.

There are many bills that in Canadian tradition have words that are inappropriate in today's modern society. This is one instance where we need to be considerate of the changes and ensure that the language in today's legislation is appropriate and reflects the changes we see around us.

The coalition is very supportive. We wish the member well in taking this through the system. We hope the government uncharacteristically takes note of the debate and the support this has and puts some meaningful change in.

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I am very happy to rise in the House today to speak in support of Bill C-408 and to congratulate the hon. member who brought it forward. I apologize for not hearing the earlier debate, but unfortunately I was in a committee and could not get over here fast enough.

The bill is very remarkable in its simplicity. It is an issue that has a lot of history and a lot of weight. The principle being put forward here, which is very important, is to ensure that children are not being

discriminated against by the use of really archaic language and labels.

While the implementation of something like this to ensure that the definition of child and the use of the words illegitimate child are removed from all legislation may be a fairly logistically complex thing to do, we should not lose sight of the principle contained in this private member's bill.

The New Democratic Party supports the bill and its principle. Being a signatory to the international convention on the rights of the child, it is very important that the Government of Canada upholds that convention and ensures that its legislation, public policies and program development do not discriminate against children.

From that point of view, I would say most strongly that it is very important that not only do we move forward in addressing programs and policies to uphold the rights of children in Canada, but we also look at our history and the legislation on the books. We have to recognize that sometimes we have to go back and update, change language and modernize.

There have been various instances where that has taken place in the House of Commons through government initiatives and maybe through private members' initiatives. We have had that in legislation pertaining to same sex relationships and the modernization of benefits and responsibilities. We have had that in legislation that pertains to the equality of women and the use of more gender neutral language. All those things are very important.

When it comes to the rights of children and how we portray them, not only legally but in language that is used in the media or in our local communities, it is important to ensure that we use language and make references that are not judgmental and do not reinforce stereotypes that serve to harm the well-being of children in our society.

I wholeheartedly support this effort. I would hope that all members of the House would support it. It is something that is pretty straightforward. Even though logistically it may be very difficult to accomplish, in going through goodness knows how many hundreds of pieces of legislation to make changes, it should be done.

I hope there is a will in this place and a commitment from members on all sides of the House to ensure that we adopt the bill and encourage the government to begin the process of making these changes to ensure that the rights of children are upheld. It is important that we refer to children in a way that is appropriate, that reflects our modern day society and that is respectful of different kinds of relationships. Most important, we must be respectful of the rights of children.

I am very happy to support the bill and thank the hon. member for having the courage to bring it forward. I hope it will gain acceptance from all members and that we will be able to accomplish this.

● (1800)

Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.): Madam Speaker, Bill C-408 addresses an important issue for many Canadians. It proposes to eliminate the term "illegitimate" in two federal statutes, the criminal code and the Cree-Naskapi (of Quebec) Act.

Private Members' Business

Before I turn to an examination of the bill, I would first like to commend the hon. member for his dedication and his commitment to the eradication of this antiquated concept and language from federal law. He has continued to bring this important issue before the House in a number of private member's bills over the passage of several years. His hard work and his personal commitment to the belief that all Canadian children deserve the same protection under law and to be treated with the same dignity by the law is very much appreciated by Canadians.

I know I share the view of many in the House in thanking him for his role and his contribution. Children should be included in and protected by our laws without regard to the relationship of their parents. It is the responsibility of government to ensure that the concept of illegitimacy no longer exists in any federal law.

The issue is not new to the House. The Modernization of Benefits and Obligations Act, that was enacted by parliament in June 2000, accomplished several goals, one of which was removing the last remaining references to illegitimacy in seven federal statutes, including the second statute proposed for amendment in Bill C-408. These amendments specifically address the concerns of the hon. member and that he had previously brought before the House.

Let me point out that these amendments in the Modernization of Benefits and Obligations Act to remove references to illegitimacy do not actually change the substance of the law. The seven statutes included all children. The references to illegitimate children that have now been removed were actually the earlier attempts of the House to ensure that children born to unmarried parents were included in eligibility for benefits.

Until recently, if a specific statute referred to the child of a person, some doubt existed in law about whether this referred only to children born to married parents. In order to make it clear that the law was intended to include all children, the acts were amended many years ago to specify that a child meant both legitimate and illegitimate children but this was in an effort to be inclusive in providing benefits.

More recently, with new international commitments and changes in our law, these specific references are no longer legally necessary. It is now clear in law that a reference to a child of a person would include any child, whether the parents were married or unmarried. Clearly the goal of this government is similar to that of governments that passed those earlier amendments; that is, all children, regardless of the relationship of their parents, deserve the same protection and treatment under the law. I have no doubt that all members support this worthy goal.

With more modern law, we can now remove the references in our statutes to the concept of illegitimacy without risking some children being left out of legal protections. Removing these references will help in turn to eradicating any discrimination or differentiation in the treatment for children.

The Government of Canada continues to emphasize the importance of families and of supporting families as set out in the Speech from the Throne last year. The government means that all families with children are important—married couples, common law

couples and lone parents—so that no Canadian children will be stigmatized by something so clearly not within their control.

Bill C-408 supports the work accomplished in the Modernization of Benefits and Obligations Act. The first provision of the bill proposes an amendment to the criminal code to change the definition of child to remove the reference to an illegitimate child. This amendment addresses a definition which was repealed by Bill C-15A and was passed by the House last fall.

The second provision of Bill C-408 would bring the amendment made in the Modernization of Benefits and Obligations Act to the Cree-Naskapi (of Quebec) Act into force as of December 31, 2001. The reference in the statute to legitimate and illegitimate descendants in the definition of the "Inuk of Fort George" or the "Inuit of Fort George" was removed.

• (1805)

It is true that it has not yet been brought into force. However this is for a good reason. The Cree-Naskapi (of Quebec) Act is a federal statute based on negotiated agreements: the James Bay and northern Quebec agreement and the northeastern Quebec agreement. Therefore the amendments to this act must be discussed with the Cree, the Naskapi and the Inuit prior to being brought into force. These discussions were raised at both the House standing committee and the committee of the Senate during the passage of the modernization act.

I understand from officials of my colleague, the hon. Minister of Indian Affairs and Northern Development, that consultations with the Inuit are underway. It is hoped that some agreement is possible through that process, following which the amendment would be brought into force. However it is clear I am sure to members of the House that bringing this provision into force at this time might jeopardize that ongoing process.

Although the reference to legitimate and illegitimate may unfortunately remain in one statute for a short while longer, the effect on the children covered by the Cree-Naskapi (of Quebec) Act would not change; that is, they would continue to be included.

In closing let me emphasize that the government believes that there is no longer any place in federal legislation for the use of language such as "illegitimate" or "children born out of wedlock", with two small exceptions, one of which is currently under consideration by the Senate in Bill C-15A, federal law no longer distinguishes between children on that basis, and this last remaining stigma of another era will finally be gone.

The intention of this bill is laudable and the government will be acting to implement its intent.

• (1810)

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I could not resist the temptation to rise and add my expression of support for the bill. I profoundly disagree with a lot the member does, and I have made some snide remarks, even in the last few days, about his being the sponsor of a bill to legalize prostitution, but it is quite a contradiction in the personality of the member to now come up with such a very fine bill.

Adjournment Debate

Having done the negative on previous occasions, I felt it was important for me to now stand up and positively support what he is doing.

Most members in the House and certainly our pages have no idea how things were many years ago. I love to take my grandchildren on my knee and read them storybooks. I am at the age now where I do that sometimes.

While the speeches were taking place, I was thinking about when I was a youngster. I recalled that at about seven or eight years old, I, for some reason, became convinced that I was not the biological child of my parents. Thinking in that way caused me considerable personal distress. In those days, a long time ago, there was indeed a considerable social stigma attached to being a child without recognizable parents. The word illegitimate was used and I felt that I was illegitimate. This feeling caused me a lot of what they now call a lack of self-esteem.

I found out later on that it was not true. However I was so afraid that it may be true that I could not bring myself to ask my parents. I remember one day when I was rummaging through my mother's pictures and other paraphernalia that she had and in there I found a little newspaper clipping. The newspaper clipping said "born to C.K. and Mary Epp on May 11, a son". That was in our local newspaper way back in 1939. Members have no idea what a relief that gave to me. I was indeed my mom and dad's son. It was very important to me and the stigma was gone.

Today we know that stigma has, through societal changes, been substantially removed and today's bill will help to further that.

As my wife and I were raising our children and as I now look at our kids raising the next generation of four grandchildren, I look at it over and over and realize what a marvellous design it is that requires two people, a male and a female, to produce a child. It is a marvellous design because when I see our children raising their children it's a full time job.

I was on a bus in Ottawa not long ago and a young lady was there with a child. I did not inquire as to whether she was a single mom or what, but I felt genuinely sorry for her. Her child was totally out of control and she was so frustrated. I was thinking in my mind that the child needed a firm hand, as I did on occasion, of a father's grasp on the shoulder, the back of the neck or the leg which meant settle down. It is the team work that is needed. I would like to give some encouragement to everybody who happens to notice this. As adults let us make choices that are good for children. Let us make choices that give those children a stable home in which to grow up.

•(1815)

I grieve for the many children who go through life from broken homes because of divorce. Children suffer immensely in those situations. I do not think there is a law that we could pass that would change that. I would certainly encourage the ideal, the best situation, a mom and a dad with a lifetime commitment to each other who provide a stable, secure home for the children as they grow up.

I support this bill. It is a very important step in taking the stigma away from those children who had zero to do with the situation. It was not their choice. Let us do the very best we can for all children, regardless of their circumstances.

Mr. Mac Harb (Ottawa Centre, Lib.): I thank all of my colleagues on both sides of the House for their tremendous support and their very eloquent interventions as well as for the unanimity that this bill received from the House.

This is a victory for children across Canada, regardless of the circumstances under which they were born. It is a victory for the people of Canada because the Government of Canada will take a leadership role on this issue to clean up the remaining legislation on the books. The government will proactively work with its partners, the provinces, to clean up their acts. In excess of 22 different acts at the provincial level attach this terrible stigma to children, and to men and women, many of whom are in their late sixties and seventies. It is my hope the provincial governments will take note of this debate and the unanimity that exists here.

I thank the Minister of Justice and the member from Kitchener who spoke so eloquently when delivering the government's position on this matter. I take this to heart. I am confident this commitment will be fulfilled. I will be on the lookout.

While this item was not deemed to be votable by the committee that looks at private members' legislation, I can assure the House that with the unanimity here, it will be back on the floor of the Chamber in one way, shape or form should action not be taken as quickly as possible. However I am very confident that action will be taken.

•(1820)

[*Translation*]

The Acting Speaker (Ms. Bakopanos): As no other member is rising and as the motion has not been designated as a votable item, the time provided for the consideration of private members' business has now expired and the order is dropped from the order paper.

ADJOURNMENT PROCEEDINGS

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

[*English*]

AGRICULTURE

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Madam Speaker, it is my pleasure to follow up on a question I initially posed to the minister of agriculture in late October prior to the implementation of the December federal budget.

In quick summary, essentially the point I raised was that the government and the agriculture minister himself have become well known for stumbling from ad hoc program to ad hoc program with no long term vision. These ad hoc agriculture programs are consistently heavily weighted in bureaucracy. They are very complicated and eventually fail.

Adjournment Debate

I asked the minister to give some kind of assurance that there was a plan in place to move past the government's crisis management, ad hoc to ad hoc program style of agriculture policy and implement a long term, sustainable agricultural policy which farmers could rely on to do some planning. The minister's response, according to *Hansard*, was that the government did want to move beyond crisis management.

I suppose there was some room for hope that the federal budget would contain a long term sustainable policy vis-à-vis agriculture. Regrettably there was no plan for agriculture in the December budget. There was no new money in the budget, nothing at all.

Since that time we have been questioning the agriculture minister periodically.

Today at the agriculture committee the minister marched in with his deputy minister, assistant deputy minister and about a dozen other bureaucrats in tow and announced that he was unveiling his great new plan. He called it the new architecture for agriculture plan. He had a very fancy slide presentation. He said that the new architecture plan for agriculture includes five points: risk management, food safety and food quality, environment, renewal, and science and innovation. There was no substance nor specifics.

What are farmers supposed to do with this new architecture plan? Imagine a farmer walking into a bank and saying "Here is the new plan from the minister of agriculture. I want a loan so I can put my crop in this spring". Exactly how are farmers supposed to do any long term financial planning or crop planning if they do not know what programs are going to be there for them?

As I said there were no specifics on any of the five points of the plan, except to a slight degree with respect to risk management. The minister said that it would be a partnership of federal and provincial governments and farmers themselves. It is reminiscent of GRIP, a program which the Liberal government dismantled in 1995.

Since that time, as the minister himself said today in committee, the programs have been failures. We have been telling the minister that every year since 1995. These programs have failed. They do not work. We have to come up with a viable, sustainable agricultural policy. At least he finally is admitting that those policies did not work.

The U.S. farm bill is a comprehensive program of safety nets. It includes soil, water and wildlife conservation, a value added program, a drinking water program, rural development, research and trade subsidies. Why does Canada not come up with some kind of comprehensive agriculture policy like the Americans' plan and commit to it such as the Americans have so that our farmers can plan?

• (1825)

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would like to answer the member's question by talking about the fundamental policy changes we are currently working on for the agriculture and agri-food sector.

As the member may know, in Whitehorse in June last year the Minister of Agriculture and Agri-Food obtained agreement in

principle from his provincial and territorial colleagues on an action plan to develop a new architecture for agricultural policy in the 21st century. Of course the federal government must act in consultation with the provinces and with producers, as it is doing. It cannot simply act out of the blue without that kind of process. It is following a process. It is important to develop this policy.

This new architecture is designed to position the agri-food sector for success in the 21st century by branding Canada as the world leader in food safety and quality, innovation and environmentally responsible production. In the December 2001 budget the government committed to provide its share of the long term funding needed to support the development and implementation of a new integrated and financially sustainable architecture for agricultural policy in the 21st century.

We are now working with the provinces and territories on mapping out the road ahead to turn the action plan into reality. With our provincial and territorial counterparts we have reviewed farm safety net programs and are working on new directions to ensure improved risk management programming for farmers.

We are also looking at renewal programming so that farmers can upgrade their skills to take advantage of new opportunities. Food safety and environmental performance will also be improved to meet consumer and citizen expectations. We will work with industry to enhance on-farm food safety programs and strengthen safety and quality assurance systems across the food chain.

Our focus with respect to the environment will be on research and development, information sharing and tools for producers. Investment in science and innovation will form the basis for a new product and process development but also underlies progress in food safety and environmental practices.

The new architecture will provide for a consistent national approach in all of these critical areas. It will improve our agriculture and agri-food sector's ability to compete and succeed in the global marketplace in the 21st century. This in turn means more revenues for farmers through increased sales and new opportunities. It will also provide for a much greater return on the government investment in agriculture and will have positive benefits for both urban and rural Canadians.

Governments will be undertaking an extensive consultation process. This will be an opportunity for the industry and Canadians to give governments their ideas on how we can make the most of this opportunity to redefine Canadian agriculture. By working together, by working with all the stakeholders, I am convinced we can successfully move the sector beyond crisis management and toward a prosperous and successful future.

Mr. Jim Pankiw: Madam Speaker, I understand and agree with my hon. colleague that it is necessary to involve the provincial counterparts in order to formulate a long term sustainable agriculture policy. However, all I hear is rhetoric devoid of substance with more promises to consult. There is nothing substantive.

Adjournment Debate

I mentioned the U.S. farm bill as I was wrapping up my comments earlier. It is actually the farm security act which is now before the U. S. senate. The president of the United States himself said that the U. S. will support agriculture to whatever degree is necessary. We know what that means.

That bill has provisions. It is a comprehensive program that includes safety nets, soil, water and wildlife conservation plans, value added programs and drinking water programs for rural development, research and trade subsidies. It is a comprehensive program that delivers to farmers in the United States certainty and security in a sustainable long term policy. It is a program they can rely on. It is a program which they know the government will support. However it actually causes even more problems for our farmers. The competitive disadvantage that our farmers face against the subsidies of other nations is becoming further entrenched.

For seven years the government has been stumbling along from one ad hoc crisis management program heavily weighted in bureaucracy to the next. It is incumbent upon the government to look at the American model. Look at what the result is going to be for our farmers. Give our farmers something of substance like what the American farmers have, the farm security act.

However, I have no confidence that will happen because in committee today the minister said that he did not really understand the American program.

• (1830)

Mr. Geoff Regan: Madam Speaker, the government is interested in what is happening in the U.S. and around the world in agricultural policy. The Department of Agriculture and Agri-Food is always watching these developments with great interest. The member said there is no substance. Let us review what I said a few minutes ago.

The government is talking about ensuring improved risk management programming. That is substance; that is real for farmers. We talked about renewal programming so that farmers can upgrade their skills. That is important to farmers; they can take advantage of opportunities. We talked about improving food safety and environmental performance. That is an important, substantive thing for farmers. We are working with the industry to enhance farm food safety programs and to strengthen safety and quality assurance systems across the food chain.

There are a number of areas where the government is working on substantive policy changes, actions and commitments that would make a difference for farmers across the country. I do not agree with the member's view on this and I hope that he will reconsider his view.

The Acting Speaker (Ms. Bakopanos): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.31 p.m.)

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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

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