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OFFICIAL REPORT
(HANSARD)

Thursday, April 1, 2004

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, April 1, 2004

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1000)

[English]

INTERPARLIAMENTARY DELEGATIONS

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House a report from the Canadian branch of the Commonwealth Parliamentary Association concerning the 53rd parliamentary seminar held in London, England from March 2 to 13, 2004.

•(1005)

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canada-Japan interparliamentary group following the inaugural general meeting of interparliamentarians for social services held in Seoul, Korea in August 2003; the 12th annual meeting of the Asia Pacific parliamentary forum held in Beijing, China from January 12 to 14, 2004; and the co-chair's annual visit to Japan held in Tokyo, Japan from March 1 to 6.

* * *

COMMITTEES OF THE HOUSE

AGRICULTURE AND AGRI-FOOD

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I have the honour to present today, in both official languages, the second report on the Standing Committee on Agriculture and Agri-Food entitled "Canadian Livestock and Beef Pricing in the Aftermath of the BSE Crisis".

As all of us here know that the issue of May 19 last year created a crisis which we have never seen before in this country. The committee has spent a great deal of time in looking into the issue and investigating it.

I thank all committee members on all sides of the House for their diligence in attending meetings and making it possible for us to present this report here this morning.

HEALTH

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, I have the honour this morning to present, in both official languages, the first report of the Standing Committee on Health entitled "Opening the Medicine Cabinet First Report on Health Aspects of Prescription Drugs".

Pursuant to Standing Order 109 the committee requests that the government table a comprehensive response to this report.

PUBLIC ACCOUNTS

Mr. John Williams (St. Albert, CPC): Mr. Speaker, I have the honour today to present the third report of the Standing Committee on Public Accounts respecting the peer review report on the value for money practices of the Office of the Auditor General of Canada.

Speaking to the report, on March 11, 2004, the Auditor General of Canada, Mrs. Sheila Fraser, together with assistant auditor general, Mr. David Rattray, appeared before the Standing Committee on Public Accounts to present the results of the February 2004 peer review of the Office of the Auditor General and to table a copy of the review and the Auditor General's management action plan.

In February 2003 the Auditor General asked the members of the international audit community if they would be interested in participating in a review of the office's value for money audit practices. The purpose of the review was to assess the extent to which this practice was designed to reflect recognized standards of professional VFM audit practices and whether it was operating effectively to meet the office's goal of producing independent, objective and supportable information that Parliament could rely on to examine the government's performance and to hold it to account.

The peer review was formed in early 2003 to include members of the international audit community from the United Kingdom, Norway, the Netherlands and France. The general accounting office of the United States participated as an observer. The peer review was conducted between June and November 2003 and was completed in February 2004.

Mrs. Fraser was pleased to announce to the committee that the results of the peer review were very positive. The report concluded that the office's VFM audit practice was suitably designed and operating effectively to achieve the office's value for money objectives. The peer review also identified a number of good practices in the office of the VFM process and quality management framework.

Routine Proceedings

The peer review report also identified a number of opportunities for improvement in some of the office's value for money policies and practices, and suggested some possible areas of solution which the office should take into account to improve its VFM products.

Mrs. Fraser told the committee that her office would respond to these issues and table the office's management action plan for addressing the suggestions made by the peer review report.

The Speaker: The hon. member for St. Albert is aware of the rules. I do not know if he is reading the report or what, but he is supposed to give a very succinct explanation of the report, which is what the rules require, not the whole thing. I hope this is going to end very quickly because he has had quite a lot of liberty from the Chair on the matter already.

Mr. John Williams: Mr. Speaker, I thank you for your indulgence but the Office of the Auditor General, as you know, is our servant and our officer and this is the first time that this kind of report has ever been done. This is a summary of the full document that I am tabling with this report. I have about three more paragraphs, Mr. Speaker, with your indulgence.

Both the peer review report and the management action plan are available at the office's website. Mrs. Fraser believed that it may be possible for the public accounts committee to table the report in the House of Commons, which of course I am doing.

Mrs. Fraser suggested that if the committee members wished to have the opportunity to examine the results, that it could be combined with the hearing, which we have done.

I am pleased to table this report on behalf of the Office of the Auditor General and on behalf of the public accounts committee. I commend the Auditor General for the fine work that she does on behalf of this House and, indeed, all Canadians.

* * *

●(1010)

RAILWAY SAFETY ACT

Mr. Brian Pallister (Portage—Lisgar, CPC) moved for leave to introduce Bill C-511, an act to amend the Railway Safety Act (visibility of railway equipment).

He said: Mr. Speaker, it gives me pleasure to present my private member's bill today, though it is as a result of a tragedy in my riding that I do so.

Last November a car, in which a young man was a passenger, collided with the side of a freight train that was not equipped with proper retro reflective equipment and therefore was not visible to the driver of the car. As a result of that accident, I learned that less than one in five Canadian rail cars is so equipped.

Every working day in Canada there is a collision between a car and a train, every week someone is killed and every week a Canadian is seriously injured as a result.

What the bill would do, quite simply, is require that the companies apply the proper retro reflective equipment to the trains, that it be repaired and maintained regularly and replaced when it is damaged.

This is a common sense proposal, which I have discussed with members of each of the other parties in the House. I have consulted with the critics of each of the parties and they are in support of the motion. I have also consulted with the House leaders. I think you would find, Mr. Speaker, if you were to ask, that there would be unanimous consent for the bill to be deemed read a second time and forwarded to the committee for consideration.

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

The Speaker: Is there unanimous consent to proceed with second reading at this time?

Some hon. members: Agreed.

An hon. member: No.

* * *

DISSOLUTION OF PARLIAMENT ACT

Mr. Stephen Harper (Leader of the Opposition, CPC) moved for leave to introduce Bill C-512, an act to provide fixed dates for the election of members to the House of Commons and to amend the Constitution Act, 1867.

He said: Mr. Speaker, I am pleased to move first reading of this bill which would provide for fixed election dates for members of the House of Commons. The bill would effectively remove from a prime minister the right to call an election whenever and however he or she wanted. Instead, it would substitute a fixed date of every four years.

The bill obviously could not come at a more opportune time, with election speculation rife and the Prime Minister polling overnight and deciding at his personal whim whether and when Canadians have a right to exercise their most critical democratic rights.

It is not the way it should be. Elections should be held based on the interest of the Canadian people, not on the whims of a prime minister.

The current power of the Prime Minister stands at the heart of the democratic deficit. It has been criticized by Mr. Kent, the stalwart Liberal, and changed by a Liberal government in B.C.

Passage of the bill would fix this problem and go a long way to fixing the democratic deficit.

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

* * *

●(1015)

PETITIONS**HEALTH**

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36 it is my privilege to present to the House a petition signed by 260 concerned constituents of mine in my riding of Cambridge.

The petitioners underscore that complete information on the health risks of abortion should be provided to all women when considering this action. The petitioners hold that physicians who perform abortions without the informed consent by the mother or perform abortions that are not medically necessary should face penalties.

Therefore, the petitioners request that Parliament support legislation calling for a woman's right to know, and I agree with them.

The Speaker: I have chastised the hon. member before for this. If he persists, he will find he does not get recognized for presenting petitions and then he will really feel the pain.

MARRIAGE

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, I have eight petitions to present today calling upon Parliament to recognize the institution of marriage as the lifelong union of one man and one woman to the exclusion of all others.

This topic has been the number one issue in my riding this past year. Combined, there are over 700 signatures.

CHILD PORNOGRAPHY

Mr. Charlie Penson (Peace River, CPC): I have one further petition, Mr. Speaker, to present, with 28 signatures. The petitioners call upon Parliament to protect our children by taking all necessary steps to ensure that materials which promote or glorify pedophilia activities involving children are outlawed.

[Translation]

PAY EQUITY

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, I am proud to present a petition signed by civil servants from the Department of Human Resources and Skills Development concerning the complaint about the retroactive payments of pay equity adjustments in the public service.

After all the years it took to get a settlement on pay equity, it is totally unacceptable for interest to be charged on unpaid income tax.

[English]

MARRIAGE

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I have received a petition signed by 25,000 citizens of London, Ontario and the district of London, Ontario. I present the latest 1,500 such signatures that have been appropriately certified.

These Canadians call upon the Parliament of Canada to uphold the definition of marriage as the union of one man and one woman to the exclusion of all others. The petitioners note the importance of the institution of marriage to the country. They note that the definition of marriage as a man and a woman has been the definition acceptable to Canadians since Confederation.

The petitioners call upon the government to uphold that definition and to take all necessary steps to preserve the definition of marriage as the union of one man and one woman to the exclusion of all others.

Mr. Rex Barnes (Gander—Grand Falls, CPC): Mr. Speaker, I am presenting a petition which calls upon Parliament to take all necessary steps to preserve the definition of marriage as one man and one woman with the exclusion of all others. I hope the present government listens to it.

RAI INTERNATIONAL

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, I am pleased to rise today and have the honour to

Routine Proceedings

present to the House numerous petitions signed by close to 100,000 Canadians from not only my riding of Saint-Léonard—Saint-Michel but from across Canada.

The petitioners, myself and other Liberal members, are asking that the CRTC approve and grant a licence to RAI International, a 24 hour Italian language broadcaster, to the CRTC's digital eligible list.

On August 8, 2003, myself and other Canadian Italian community leaders deposited with the CRTC over 106,000 signatures, again a record number of signatures on a separate petition, along with more than 330 letters of support from Liberal members of Parliament and community leaders of Italian origin supporting the RAI International application.

With approximately 1.5 million Canadian citizens of Italian origin living in Canada, the CRTC cannot ignore this unprecedented level of support.

HOCKEY

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, I am proud to present four petitions from my constituents in the riding of Prince Albert. The first two petitions deal with Junior A hockey, and there are close to 1,000 signatures.

The petitioners request that Parliament ensure that Junior A hockey league players and teams be treated like other amateur athletics and Olympic sports programs, and that billeting costs and modest reasonable expenses and allowances not be treated as taxable income under the provisions of the applicable federal tax legislation.

• (1020)

CHILD PORNOGRAPHY

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, the other two petitions relate to the issue of child pornography, and, again, it is a fairly extensive list.

The petitioners call upon Parliament to protect children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sadistic activities involving children are outlawed.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I am proud to present today a petition from the fabulous citizens of beautiful Beaver Bank, Nova Scotia. The petitioners who ask that the House do everything in its power to prevent child pornography, involving materials that promote or glorify pedophilia and sado-masochistic activities with children, and outlaw those activities in terms of the visual reading screens.

They also indicate that the best way to do that is to support the private member's bill of the member of Sackville—Musquodoboit Valley—Eastern Shore on Internet pornography.

Points of Order

MARRIAGE

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, I would like to present two groups of petitions today. The first group is on an issue that has proven to be probably the most important in my constituency, and that is the issue of Parliament protecting the definition of marriage as the union of one man and one woman to the exclusion of all others. The petitioners also ask that the issue not be left to the courts, that it be left in the hands of their elected officials.

NATIONAL DEFENCE

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, the second petition is from people from across the country. The petitioners note that the Canadian Airborne Regiment was disbanded for political reasons, and it was a great source of pride for men and women serving in the army and across the forces generally. They ask Parliament to fully reinstate the Canadian Airborne Regiment, with the name.

MARRIAGE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I have two petitions. The first one asks that Parliament retain the definition of marriage as being between one man and one woman to the exclusion of all others. The petitioners intend to use the upcoming election as a referendum on the issue.

PROPERTY RIGHTS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, my second petition is from rural Canadians who are no longer able to use their property to earn a living. The petitioners call upon Parliament to include in the constitution the right to own and use private property.

MARRIAGE

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, this will probably be the last time that I will be able to present petitions on behalf of constituents, as I am retiring at the next election.

I want to add to the total of perhaps 3,000 people in my riding who have contacted me on this issue, 98% of them being in favour of the traditional definition of marriage. The petitioners ask that this be not left to the courts, but that Parliament take action on this and retain this very important definition of marriage that has been the foundation of our society for hundreds of years.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question Nos. 43 and 54 could be made orders for return, the returns would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 43—**Mr. Peter MacKay :**

With regard to the investigation and legal action involving the Business Development Bank (BDC), what is the complete list of all legal fees and disbursements: (a) billed to the BDC in relation to their lawsuit involving Mr.

Francois Beaudoin; and (b) billed to or incurred by the Justice Department in relation to this lawsuit?

(Return tabled.)

Question No. 54—**Mr. Svend Robinson:**

With regard to Canadian Food Inspection Agency (CFIA) survey tests of domestic and imported aquaculture fish: (a) what drugs, chemicals, contaminants and pesticides were included in these tests; (b) what are the tolerance levels for these compounds under current Canadian regulations; (c) when were these tolerance levels last updated; (d) what scientific research has been conducted on potential impacts from PCBs since these tolerance levels were first established; (e) what is the number of fish tested annually in CFIA surveys; (f) what is the percentage of imported fish tested in these surveys; (g) what percentage of Chilean farmed salmon imports is tested for malachite green; (h) what percentage of Chilean farmed salmon has tested positive for malachite green; (i) what is the percentage of fish tested in relation to the amount imported/exported; (j) what are the Canadian standards for allowable residues of malachite green; (k) what percentage of Canadian farmed salmon and trout is tested for malachite green; (l) what are the Canadian standards for antibiotic residues in farmed fish; (m) what percentage of Canadian farmed salmon is tested for antibiotic residues; (n) how many times has the CFIA recalled farmed fish because of elevated levels of antibiotic residues; (o) what are the Canadian standards for levels of the therapeutant emamectin benzoate in farmed fish; and (p) what percentage of Canadian farmed fish is tested for emamectin benzoate?

(Return tabled.)

[English]

Hon. Roger Gallaway: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

POINTS OF ORDER

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, the public accounts committee has been considering a motion to release the in camera proceedings of Chuck Guité. The advice of the Clerk has been sought, and he has concluded that it would be prudent for the committee to seek an order of the House. His conclusion is based on precedent.

I have two letters from the Clerk, one addressed to the member for Notre-Dame-de-Grâce—Lachine. I will not read that whole letter, but I will quote from the last paragraph, and I will ensure that the whole letter is available to you. He says to the member:

In view of the actions of the House in 1978 and in the absence of other precedents suggesting other options, it would appear to be prudent for the Standing Committee on Public Accounts to seek a House Order should it wish to make public *in camera* evidence from a previous session.

The Clerk also wrote to the chair of the Standing Committee on Public Accounts, and again I will just read the last paragraph that sums up his letter. He says:

—I have found nothing that would lead me to reconsider the advice contained in my letter of March 24.

The letter of March 24 was to the member for Notre-Dame-de-Grâce—Lachine.

Government Orders

I am raising this matter before the committee votes on its motion to release the testimony because if I wait until it is adopted, it will be too late and the damage will be done.

I ask the Speaker to consider intervening because it can be argued that the committee is going beyond its authority. If precedent has been established that it is the House that has the authority to release in camera testimony, as the Clerk has pointed out, then the committee is in breach of the rules by deciding the matter on its own.

On June 20, 1994 and November 7, 1996, the Speaker ruled:

—while it is a tradition of this House that committees are masters of their own proceedings, they cannot establish procedures which go beyond the powers conferred upon them by the House.

Powers conferred upon committees take a number of forms: the Standing Orders and the practices of the House. While there is no standing order to guide us, there is a clear precedent. Therefore, that would form part of the rules of this House, and if it is a rule that confers or restricts a committee, then a committee, while being the master of its own proceedings, cannot establish a procedure, or in this case release in camera testimony because it goes beyond this restriction established by a precedent of this House.

This debate is going on in the committee in a vacuum. We have the Clerk's opinion but we need a ruling from the Speaker. It is the Speaker who must rule because, as I pointed out, we are talking about a practice of the House, not a committee. I am concerned that the rules of the House will be broken, and the matter is too important to wait until after they are breached. It is not hypothetical because the motion is before the committee; the issue of whether or not the matter can be dealt with at a committee has come up. The question is out there but there has been no formal request from the Speaker to rule.

Already Mr. Speaker we have one member of the committee who leaked information from the in camera testimony. He said he did so because he was confident that the committee was going to pass the motion to release the information.

The other casualty in this matter is the chairman. The Prime Minister has lambasted him during question period, accusing him of blocking the release of the information. The chairman, Mr. Speaker, was only doing his job. He has interpreted the rules based on advice from the Clerk of our House. He wants to be cautious in this matter and rightfully so as the chairman of a very important committee of this House.

Despite his efforts, I do not think this matter can be dealt with at the committee level because it is a matter for this House to consider. If this House claims its authority to release that information, then the authority must be sought from this House.

That question needs to be answered before the committee releases that information. That is what the chairman is trying to determine. He is not the obstacle. It is the Liberals who refuse to follow the normal course to seek a House order. By attempting to circumvent the rules, they may be hampering their efforts and the efforts of everyone who wants to see this information released.

That is why they are in trouble with the sponsorship program. They did not follow the rules. Liberals feel that because they are the government, they can do whatever they want, whenever they want,

regardless of the rules and maybe above the law. This is particularly problematic at committee where the tyranny of the majority can overturn a ruling of the chair who is only trying to keep order and follow the procedures and practices of this House.

If you need time, Mr. Speaker, to deliberate on this matter, I ask that you request the committee put aside its motion until you have clarified this very important issue before this House.

• (1025)

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this is an extraordinary request put in the context of a political dynamic. I have heard the version from that side and I think it is unfortunate that on a matter of this importance this is being politicized in this place by such a speech.

Having said that, Mr. Speaker, I believe that the proper route on this matter is for the committee to report with respect to the motion. I am not aware of the motion, but I heard reference to it. When the committee reports to the House, you might then consider the matter brought by the member opposite.

The Speaker: Having heard the arguments of the hon. member for West Vancouver—Sunshine Coast and the parliamentary secretary to the government House leader, I will take the matter under advisement and get back to the House as soon as possible. I hope that will happen quite shortly. I will attempt to clarify the matter for all hon. members.

GOVERNMENT ORDERS

• (1030)

[English]

BUDGET IMPLEMENTATION ACT, 2004

Hon. Jim Peterson (for the Minister of Finance) moved that Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be read the second time and referred to a committee.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, it is my honour to lead off this debate. Before discussing Bill C-30, I want to briefly review the focus of the budget which was just presented.

As hon. colleagues know, the 2004 budget takes an integrated approach to social and economic policy while emphasizing the bedrock commitment to financial integrity.

The approach includes building blocks to promote the new agenda for achievement as set out in the Speech from the Throne. It is an agenda based on the principle of government living within its means by balancing its books, controlling spending, cutting debt and improving accountability through stronger financial controls.

Government Orders

May I say that as the minister and I went across the country, one of the points we heard over and over again was that the government must live within its means and it must balance its books, so I am pleased that we have in fact done that.

Equally important and central to Bill C-30 is an agenda that aims to give Canadians greater means to advance their well-being by taking important steps in key areas such as communities, learning, health care and innovation. In other words, it is an attempt to respond to those other legitimate concerns of Canadians while living within our means. If I may, I will turn to some of those measures shortly, but in any discussion of government spending we need to note the fiscally prudent spending as set out in budget 2004.

This will be the seventh budget in a row, the first time since Confederation, that the Government of Canada has run a surplus. We achieved that in spite of a whole series of economic shocks: SARS, BSE, the Ontario blackout, B.C. forest fires and hurricane Juan, all of which in their own ways hammered the Canadian economy and reduced growth in our domestic economy by some considerable billions of dollars.

This performance—and our continuing commitment to balanced budgets in the better years ahead—underscores why the budget plan maintains the yearly \$3 billion contingency reserve and rebuilds prudence in 2004-05 and 2005-06.

May I say that every one of these fiscal shocks ripples its way through the economy. Not only do they ripple in the fiscal year 2003-04, but they go into 2004-05. It is estimated that we in effect lost something in the order of \$25 billion worth of economic activity, and that is economic activity that has just disappeared, that will never be replaced.

The government sets its budget based upon a series of assumptions. It assumes that there will be a GDP growth rate of x or y . In the last budget, the previous finance minister anticipated, based upon private sector economists, that the growth rate would be something in the order of about 3.5% of GDP. With all of these shocks it turned out to be about 1.7% of GDP.

Members would be interested to know that every one point reduction in GDP reduces the government's revenues by something in the order of \$2.5 billion, so when we drop from 3.5% to 1.7% in the course of a year, members can do the math themselves and realize how much money that cost the government in terms of revenues that it anticipated and budgeted for but does not have.

Other assumptions are in the area of inflation. Just a simple drop of one point in inflation between what the minister sets the expectation at in the budget and what it actually turns out to be over the course of the year will cost the government something in the order of \$1.4 billion in revenue. A drop in interest of one point actually will save the government about \$800 million in costs.

• (1035)

These are all assumptions that are built into the budget. It is a fairly fluid set of assumptions and that is why the government retains the best and the brightest of private sector economists to give us advice in terms of what we can expect in the future.

Regardless of this, over the last number of years since running surpluses, the government has been able to pay down the national debt by \$52 billion. That in effect has delivered savings in the order of about \$3 billion on an annual basis, allowing this money to be freed up for use in communities and health care and other priority items of the government.

The government intends to continue down this path and run further surpluses, which will effectively reduce the debt to GDP ratio to 25% over the course of the next 10 years. We think this is a sustainable path, not only by virtue of our fiscal discipline but also by virtue of the anticipated growth in the economy.

In 10 years, the baby boom generation will obviously be 10 years older and the boomers will be at the front wave of collecting their pensions. Canada is the only nation, to my knowledge, that has a fiscally sound and sustainable public pension system. That will be a considerable relief for our children and our grandchildren.

There is another area which I do not think has been discussed very much in the House. If we do maintain this path of debt to GDP ratio going down to 25% over 10 years, the government's financial shape in 10 years will be arguably one of the best, if not the best, in the world.

I do not think that as a matter of principle we are wedded to the concept that we always have to run surpluses, but if we maintain this fiscal discipline over the next 10 years and realize that the front end of the baby boomers will be 65 and therefore contributing less to the economy, the government then will be in shape to provide those calls upon it for health care and other issues that this bulge in the baby boom demographic will create for government finances.

Thus, we are in a strong fiscal and financial position. As I hope I have pointed out in my remarks, that is simply not an end in itself. It is forward planning.

The budget also introduces measures that we will be debating today, measures designed specifically to ensure that we can meet the needs of tomorrow. As I have suggested, tomorrow is not just next year or the planning horizons of the political expediencies of the day. The planning horizons for this budget are upwards of 10 or 15 years.

One of the issues that came up over the course of our deliberations had to do with assistance to communities. For the vast majority of Canadians, communities are the nexus or the meeting place of personal, family and public life. That is where lot of people, certainly politically, get very involved: at the municipal level. It was clear that Canadians want affordable housing, good roads, public transit, safe neighbourhoods and abundant green spaces. If my constituency is any example, those are the concerns of Canadians. I expect other members' constituency offices reflect the same thing. That is why municipalities are facing increasing pressure to maintain and renew their infrastructure and ensure that the necessary social programs are available to residents.

Government Orders

Yet most of us recognize that there are real limits to the extent to which the property tax base, the single most important source of revenue for municipalities, can finance these spending pressures. Certainly Mayor Miller of Toronto and Mayor Murray of Winnipeg have made it abundantly clear to us that their own source revenues have their limitations. The federal government is starting to respond in a meaningful way to that.

● (1040)

We want to ensure that Canadian municipalities have reliable and predictable long term funding. We want to make sure that they can provide more effective program support for pressing infrastructure and social priorities in their communities, in other words, local solutions for local problems.

Prior to the budget, on February 1 the Government of Canada through the Prime Minister and the Minister of Finance announced the GST rebate. One hundred per cent of the goods and services tax and the federal component of the harmonized sales tax will be rebated to the municipalities.

In the city of Toronto that means to the budget chief something in the order of \$50 million to \$52 million that he was not anticipating as being available to him. I know he will be grateful. I know that the mayor will apply that to the most urgent needs of the people of Toronto. That story has been repeated over and over again throughout the municipalities across the nation.

To ensure transparency, the Minister of National Revenue will have authority to disclose the amount of the incremental rebate paid to individual municipalities. Over the next 10 years these municipal governments will receive an estimated \$7 billion in GST relief, or approximately \$580 million in the first year alone.

That was not the only response by the federal government. Again using Toronto as an example, members will recollect that this week the Prime Minister went to the 50th anniversary of the TTC. He joined with Premier McGuinty and Mayor Miller in announcing a further \$1 billion available to the TTC, which is easily the largest rapid transit system in our country.

The budget also recognizes the importance of communities, but it is also built on the foundation of creating opportunities for individuals. Hon. members know that the federal government, in partnership with the provinces and territories, plays a key role in supporting the Canadian health care system.

The CHST provides support for health, post-secondary education, social assistance, social services, et cetera. The CHST will be separated into two categories effectively today. One will be the Canada health transfer and the other will be the Canada social transfer.

The upcoming social transfer supports social assistance and social programs, including early childhood development, early learning and child care services. They are impacted by this bill. Ensuring that all children receive the best possible start in life is clearly a goal of the government.

Over the years the Government of Canada, in partnership with the provincial and territorial governments, has developed a strong agenda in support of Canada's children. Bill C-30 increases funding

to the provinces and territories under the Canada social transfer by \$150 million over the next two years, implementing the multilateral framework on early learning and child care.

The member for Don Valley West has worked very hard on this issue for many years. I am sure it is of considerable satisfaction to him and others in our caucus to see that work being recognized.

The framework was agreed to in March 2003 by federal, provincial and territorial ministers responsible for social services. The ministers committed to improve access to affordable, quality and provincially regulated early learning and child care programs.

For this year and next, there will be an increase of \$75 million per year over the previously committed funds. That would provide resources for up to 48,000 new child care spaces, or up to 70,000 fully subsidized spaces for children from low income families.

Members have heard much comment by the minister, the Prime Minister, members on this side and indeed members on the other side about the \$2 billion announcement for health care. The federal government will follow through with its commitment. I am sure that hon. members realize that this cannot be repeated often enough.

An hon. member: Or announced often enough.

Mr. John McKay: Because hon. members opposite have memory loss from time to time.

● (1045)

This will bring our commitment to health care renewal to \$36.8 billion. In the context of announcing that, the Prime Minister reiterated that he would like to meet with the provincial premiers in the summer to work out how health care will be sustainable over the short, medium and long term.

Clearly the government's commitments in health care are not sustainable. Of all our program spending, that money is going in at twice the rate of the growth in the economy. If the economy is growing at 4% and commitments are running at 8%, over the short, medium and long term that is not a sustainable position. I am hoping, as is the Minister of Finance, that the Prime Minister and the premiers will work out a sustainable path going forward.

In addition, the budget attempted to respond to the SARS outbreak, which showed some limitations in our public health care system. The budget takes this action by providing funding to improve Canada's readiness to deal with public health emergencies. It authorizes \$400 million in payments to a trust to be provided to the provinces and territories over three years.

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Of this amount, \$300 million is targeted for a national immunization strategy. In my community that has been particularly well received. We were one of the sites of SARS. It was a very major strain on our hospitals and the people who worked in our hospitals. The new funding will build on the \$45 million provided in the 2003 budget to improve the safety and effectiveness of vaccines, enhance coordination and efficiency in immunization procurement, and ensure better information on immunization coverage rates within Canada.

The \$300 million will support the introduction of new and recommended childhood and adolescent vaccines as proposed by the National Advisory Committee on Immunization. That advisory committee has recommended the introduction of the meningococcal conjugate vaccine, pneumococcal conjugate vaccine, varicella, which is the chicken pox vaccine, and acellular pertussis booster for all adolescents.

The other portion, \$100 million, will relieve stresses on provincial and territorial health care systems that were identified during the SARS outbreak. It will help the provinces and territories address their gaps in the public health capacities by supporting frontline activities, specific health protection and disease prevention programs.

The budget has measures to ensure that the public health system has the information technology systems needed to deal with future public health outbreaks or epidemics. Specifically, the bill authorizes the payment of \$100 million to Canada Health Infoway for its use to allow the provinces and territories to invest in software and hardware with the goal of assessing, developing and implementing a high quality, real time public health surveillance system.

When I did a tour of our local hospital the CEO pointed out that when an assessment was done on the \$3.5 million that ended up in our local hospital, one of the weaknesses was that one machine could not communicate with another machine, which could not communicate with another central machine. I hope that this money will assist doctors and nurses and all of the other health professionals to communicate in real time so that information is readily available wherever they go.

The equalization program is renewed for a further five years. It has a very complicated formula involving 30-odd collection points of tax information over 10 provinces and each province has its unique interest. It is a very difficult formula. It is renewed and the objective is to do five year renewals.

• (1050)

The key changes include tax base changes, including a fundamental redesign of the property tax base. There is the introduction of a smoothing mechanism. Also, given the transition to the new system, there are payments of \$150 million. The changes will mean an additional \$1.5 billion over five years.

I see that my time is up. In closing, I recommend to hon. members opposite that they support Bill C-30.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, I want to address an issue that is very near and dear to me. It is the equalization formula in the budget.

The province of Saskatchewan is receiving something in the order of \$7 million in equalization this year. Its sister province, Manitoba, is getting over \$1 billion. Statistics Canada indicates that the net average earning of a Saskatchewanian is \$1,000 less than a Manitoban. We are faced with a fiscal crisis in Saskatchewan that I have never seen in my home province. The formula absolutely shafts Saskatchewan. I have talked to folks in Nova Scotia and Newfoundland and they have the same view.

The formula has to be changed in a drastic way to a national formula, not a five province formula. Non-renewable resources have to be shifted or downsized in that formula. In all honesty, things like Manitoba Hydro and Quebec Hydro have to be brought into line on this thing as well to make that formula fair and equitable.

Saskatchewan does not have the fiscal capacity to meet its needs. The waiting list in Saskatchewan for MRIs is 22 months. The waiting list for surgery in that province is 29 weeks. There are problems all over the place.

The finance minister is from Saskatchewan. I thought that the finance minister would address this issue in the budget and we would get some real fairness in the formula. All we got in that formula was some tinkering and an answer from the Minister of Finance that it is too complicated.

It is a disastrous formula for the province of Saskatchewan. I ask the member, why did the Liberal government not address the serious inequities in that formula?

Hon. John McKay: Mr. Speaker, if the hon. member looked a little closer at the proposals on equalization, he would find that there is some redress to the concern that he expressed.

The first point I want to make on equalization is that it is not a panacea for everything. Equalization simply is an averaging of fiscal capacities among the provinces. It tries to reduce those disparities. As I said, there is something in the order of 33 tax sources that are considered in the formula so that there is a recognition of that across the country.

Every province has a unique interest. Some very bizarre anomalies occasionally are kicked up. The hon. member actually raised one of them, which was the way in which resources are treated and worked into the formula. I think the hon. member will recollect that the Minister of Finance, who is obviously from Saskatchewan and is very seized with this issue, did make an announcement of a one time cash payment to Saskatchewan which would address specifically the anomaly that the formula brought up for Saskatchewan.

The hon. member said we should change the formula. That is easier said than done. There is virtually a continuous meeting between federal officials and provincial officials on how the formula applies.

The big objection here is that Ontario had a lousy year last year. Because Ontario had a lousy year, the provinces that receive equalization came far closer to Ontario's fiscal capacity. That is the way the formula works. When the chief contributor to fiscal capacity in this country has a bad year, it reflects on the rest of the provinces as well.

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A couple of years ago we did not hear these complaints when Ontario had a really good year. There was a \$2 billion bonus that the provincial finance ministers were not counting on which came in the year 2000.

The formula goes up and the formula goes down. Unfortunately, we had a lousy year and the formula did not work as well as many other ministers had anticipated.

• (1055)

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, we notice that when the Liberal Party members talk about fiscal accountability and responsibility, they seem to forget the concerns and the fears regarding HRDC. They seem to forget the gun registry, Bill C-68, which cost well over \$1 billion. That is money that could have gone to transfer payments for provinces, money that could have gone into health care.

If Canadians and opposition members like ourselves do not believe the Liberals now, what makes them think that Canadians will believe them at the voting booth?

Hon. John McKay: Mr. Speaker, there might be a chance that we are going to find that out.

I am always amused that the opposition likes to major on minors. The first question following the implementation of the budget bill had absolutely nothing to do with the budget. The members opposite must think that the budget is so good that they have been reluctant to ask questions about it. So here we are. We are proposing spending something in the order of \$187 billion and the opposition is all fired up about things like the gun registry, sponsorship and things of that nature.

The Government of Canada has balanced its budget. It is the first time since Confederation that we have had seven balanced budgets. We are the only nation in the G-7 that has a balanced budget.

Where would they like to have their problems? The United States has a \$485 billion deficit and we are running a modest surplus. It has an unsustainable public health care system and public security system. Both of ours are sustainable. This is a pretty well run country.

Mr. Peter Goldring (Edmonton Centre-East, CPC): Mr. Speaker, in the budget it talks about homeless funding and certain amounts of money, but these amounts are really old funds from old budgets. There was \$753 million from the 1999 budget and \$405 million from the 2003 budget. These were for homeless initiatives for cities across Canada.

Yet last winter we saw the disgraceful examples, as in the City of Edmonton, my own city, where absolutely no extra shelter space was added with \$20 million of this funding. They had to open up a fire hall and move emergency vehicles out into the parking lot to make space for homeless people.

With no allowance of new money in the budget, and the spending and absolute mismanagement of the old money, what will we do this winter to provide that most basic element of human need, a few square feet of warm floor space, on a regular basis, for people who want it in an emergency?

Hon. John McKay: Mr. Speaker, I have been personally seized with this issue pretty well since I got here. It arises by virtue of the fact that in my riding we have 23 motel units, 11 of which are used by the City of Toronto to shelter families. It is a disgrace. It is awful that we have something like 1,400 homeless people in our riding on a nightly basis. I and the members in this caucus took that to heart. We did involve ourselves in the securing of the \$753 million that the hon. member opposite talked about, the \$680 million in the budget following that and things of that nature.

At this point, and I cannot speak for his community but I can speak for my own, that shelter system has actually shrunk. We are no longer using 11 motel units, we are down to 4. Instead of 1,400 people in the riding on an annual basis, we are down to something in the order of 300. Going up and down Morningside Avenue, for instance, in some of the lower rent apartments, there are actually signs out in front of the building saying that space is available and first month is free. There are deals for people on low incomes.

I put it to the hon. member that at least the money that has come into my riding and the money that has come into the City of Toronto and the GTA is in some measure working. I would not say this is at an end. I would not argue that for a minute. We will have to continue to work at that. However, the money that has been spent thus far has been well spent.

• (1100)

Miss Deborah Grey (Edmonton North, CPC): Mr. Speaker, we are looking at another budget here but probably the wrap up of another parliamentary term. Therefore, I would like to address the House and make some reflections on my 15 years here. In fact, this is my 16th budget. I will try to do that in 15 minutes, so wish me well.

I would like to encapsulate my remarks in thinking about not just a budget or about Parliament but about our lives in general. We are always walking through a series of doors. Life is always comprised of new chapters, whether in our family life, our community or here in Parliament. I guess every budget is a hallmark for that because there are new ideas and new spending initiatives for the government.

I would like to focus my remarks around the whole idea of always moving forward in life. Every door and every chapter presents an opportunity of hope, wonder, adventure, surprise and also apprehension. There are negatives to it as well and sometimes just raw terror.

However, it is incumbent upon all of us, not just as parliamentarians and legislators, but as individuals, family people, community people, to walk through those doors with a sense of confidence, opportunity and altruism that we would make our world a better place.

When I think about some of the doors that we walk through in our life, some them we get to choose and some of them we do not, but we make our choice an attitude. Even if we walk through a door that is difficult, sometimes we do not get to pick what door, for instance, what family we are born into.

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I was born into an alcoholic family in Vancouver, July 1, 1952. I did not get a choice about that. I am grateful for that, but I learned some very difficult lessons in my growing up years. I am glad to say this many years later, having grown up in a single parent family, which was certainly not as prevalent as it is today. I admire my mother so much for taking five kids by the scruff of the neck and raising us single-handedly.

I am happy to report many decades later that my father Mansell is sober. I have addressed the topic of drinking and driving painfully and emotionally in the House. I could tie that to budgetary figures about health care costs and how much the health care system is under this increasing burden of the results of drinking and driving. My dad Mansell is sober now and I am so grateful for that. We are able to work on this together; me from the parliamentary side and him out in public being involved with AA.

That door opened to me and I had to choose some lessons in my family situation. I made a realistic and practical decision. I walked through a door at age six, saying that I would never drink. I am grateful for that. Many people across the country know that I get into enough trouble dead sober, so I am very grateful to be an abstainer.

I then chose in my adult professional life to become a teacher. So I walked through that door of making an impact in young people's lives, but also turning all this legislative stuff into real life somehow, trying to help kids understand the way things are in Canada, how legislation affects them, and how budgets in fact affect them when we look at post-secondary education.

I was also a foster parent. That was another door that I chose to go through as a single parent. I recall some of these situations I had, again with reflections from federal budgets, regarding Indian affairs when I had native foster kids for many years from reserves, one of which I taught at and then some surrounding ones as well.

The whole idea of increasing funding, that is, throwing money at a situation is supposed to decrease problems. However, on a first hand basis, I realized that throwing money at the dreadful circumstances which many people face on reserves—this many years later as well, and I fostered almost 20 years ago—would not decrease the corresponding problems.

●(1105)

I am sad to say that in that area, with budgetary increases year after year, the problems have been increasing with the quality of life on reserves. Somehow we need to grapple with that on a human level rather than just give money and hope that it works, because it clearly does not. I think that members on all sides of the House would agree with that.

I walked through that door and then had a neighbour dare me to walk through the door of running for the Reform Party back in 1988. I took that dare and made Canadian history. It was a bit of a surprise to me. On March 13, 1989, I found myself going from my classroom in Dewberry, Alberta, to the House of Commons, my new classroom. That was an interesting door to walk through, to be sure.

I was sworn in on April 3, 1989, and some will remember the deep, dark history as that was the year of the budget leak. I do not know how many people here even remember that. Probably not many; everyone looks like kids around here.

In April 1989, Doug Small, who worked with Global TV, got a copy of the budget before it was released by the Mulroney Conservatives. Of course, the Conservatives were in power then. There was a great hoopla that the markets were going to react to this because they had advance notice. I wonder what Martha Stewart was doing about then, but anyway, when I think about what happened then, I was amazed, not amused, at the behaviour of the Liberals and the NDP members who were sitting here in opposition. They got greatly exorcised about this and they all walked out of the House.

So, for budget 1989, here I was, the kid from Beaver River sitting in my little place back over by the curtains, the only Independent in the House at the time. I was a Reformer but we did not have 12 members. I listened to the finance minister, Michael Wilson, present the budget to me. It was just an amazing experience for me.

The annual budget deficits in those years, the amount of money that was spent more than was brought in, racked up to a total of \$42 billion. That is more money out of one's allowance being spent than being taken in. It does not work. I am not good at math. I am an English teacher, but I know that does not work.

So I was interested, because the Liberals always blamed the Conservatives by saying that they got their mess. The Conservatives always said that they got the Liberals' mess. I am going to say two things on this. If we trace the roots, it was one finance minister in the early seventies by the name of Jean Chrétien who started deficit financing in this country. I say shame. Then the Liberals came into office and said that they inherited this terrible deficit from the terrible Conservatives, and all they were trying to do is just save the day.

If I go back to my teaching career, I used to say this to my grade eight students, "I do not care who threw that spitball on the ceiling, I just do not want to see another spitball".

So, let us quit the blame, quit the accusations that the Conservatives did it or the Liberals did it. Who cares? Canadians do not give a sweet fig. They want to see that a government can live within its means, as their families have to live within their means, and as their communities need to live within their means as well.

An hon. member: That is exactly what we are doing.

Miss Deborah Grey: A member says that is exactly what they are doing. Well, that fact has slipped past some of us actually.

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The budget needed to be balanced. I do not think anybody would question that. If someone asked me, "Well Deb, what did you accomplish in 15 years on the Hill?" I am not going to take credit for this single-handedly for sure, but I will say this. The words "budget balancing" and "Liberals" did not fit in the same lexicon. I am glad to see that at least Liberals now are talking about budget balances and zero deficit spending.

An hon. member: We have done it seven years in a row.

Miss Deborah Grey: He says they have done it seven years in a row and I say hear, hear for part one. However, the way they have done it, part two says "Whoa, let us increase spending and just bring in the cash". It is awfully easy to balance a budget when they just rake in more cash. If I had any discrepancy with my Liberal pals or any criticism to make of my Liberal pals, it would be that it is pretty easy to drag in the cash and then say, "Well look at us. Are we not heroes?"

•(1110)

They talk about social programs. Oh my have I been attacked about social programs over the years. The worst attack on social programs is spending an enormous chunk out of every tax dollar just to pay interest on the debt. That is what attacks social programs. The biggest single ticket item is interest on the debt. Hundreds of billions of dollars simply go toward paying interest on our debt.

Anyone out there who charges too much on their Mastercard knows exactly what I am talking about. If people cannot pay the full bill when it comes due, the interest on that sucker compounds the next month and it gets bigger and bigger.

I served my first term under the Mulroney Conservatives and then the Liberals came in in 1993. The present Prime Minister wrote the red book. As members know, I lost my copy of the red book some years later. It landed out front here somewhere. However I was amazed and rather amused that the Prime Minister, as a backbencher at the time sitting with me in the back row a decade and a half ago, wrote the red book. When the Governor General was handing out literary prizes the other day I was thinking that the Prime Minister should have received an award for the red book for best fiction, or something like that. I think the Governor General would have been very impressed by that.

Yes, I will give the Liberals a tick mark for having balanced budgets and for cutting a little spending, but it was at the expense of health care. If Canadians want government to spend money on anything it is on health care. The government is responsible for cutting \$20 billion out of health care over the years. It is unbelievable.

How about government being involved in business? Maybe that is something it should have thought about. How about when the government blasted defence and virtually stripped our defence department of so much; the front lines, soldiers, equipment, manpower. These were the items that were cut but there are many areas that could have been looked after as well.

Instead of the Liberals saying that they would look after this by changing their attitude toward spending and instituting measures that would prioritize and control federal spending, the kind of stuff that we know we could change, they missed the opportunity to walk

through the door of responsibility by saying that they were holding the money in trust. They just raked in more cash and missed the opportunity to get things under long term control.

I appreciate that they have had a balanced budget for seven years running, as they say, and that there is a surplus, but I cannot help but think of the human cost because health care has been absolutely ripped to shreds under the Liberals.

I heard the member from Toronto say that public dollars into health care were not sustainable and that the Prime Minister and the premiers needed to work out a sustainable path. Sure. However any time any province even hopes to address its health care crisis, those people jump all over them and say that, no, they cannot do it that way. Somehow we need to come up with an answer for this.

Again, it is just the premiers going after the Prime Minister and the federal government, and the federal government going after the premiers. It is like the spitball thing again. I do not care whose responsible. If my mother is sick, I do not care who is responsible, I just want to make sure that she receives good health care. It is about as simple as that. I think every citizen feels that way. Canadians do not care what level of government is providing that service. They just want care. If they need an MRI, a hip replacement or whatever, they need to know that that health care will be there for them no matter what and not 25 months later, or something like that.

This budget, and here we go again, is an announcement of the reannouncement of the announcement of \$2 billion back into health care and into homelessness that my colleague just spoke about. They are long term promises.

Over the next 10 years the federal government will give Canadians, what? How could the government say that? When I married my husband, Lewis, I made a commitment to him that I would be with him on the long term. It was not up to the voters to decide whether I would stay with my husband or not. That is a long term commitment I made.

•(1115)

For the government to promise to give Canadians something in 10 years but to also say that it is conditional upon Canadians re-electing it, is transparent. Sure we need long term commitments, but we not need a government saying that the 10 years is conditional on whether it is re-elected. That is clandestine and unbelievably self-serving. It is foolish, to boot, as the Liberals are getting ready to go to another election after a little over three years, I might add.

We all know that doors are always open but sometimes we have to pull kind of hard on the latch to open them. I have made a decision, voluntarily, I might add, to leave this place, which is a nice way to go out. I am ready to move on to a new chapter but I have absolutely no idea what that will be. However, as I mentioned at the beginning of my speech, like opening any other door there is apprehension, adventure, opportunity and stark terror, to be sure, but if we are to keep growing and keep moving we must be grateful for the doorways.

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I am very grateful for the 15 years that I have spent here in Parliament but I feel I am ready to move on. One of the greatest philosophers of all time, Kenny Rogers, put it this way, “You’ve got to know when to hold ‘em, know when to fold ‘em, Know when to walk away, know when to run”. And know when not to run. I have made the personal decision not to run again.

I came to this place as the first Reformer 15 years ago. I am pleased to see now, 15 years later, that the cycle is complete in the Conservative movement in this country. I am glad to see that the new Conservative Party is a united force, not just as an effective opposition but that it is offering Canadians a true, clear alternative. Canadians will make their decision. We cannot make it for them.

I have let go of one trapeze and I am ready to reach out to the next one. I do not know what that will be yet. I actually feel like I am in free fall right now. However I know God has looked after me to this point in my life and he will not throw me to the wolves now.

I would like to thank my family who have been tremendously supportive over my career and my entire life. My mother, Joyce, who has been an incredible role model and mentor to me, summed it up best when somebody was doing a publication on my life last fall. Michelle Lavoie from CPAC phoned my mother in Victoria and said “I’ll bet you are really proud of your daughter”. My mother said “Yes, but which one?” She has four daughters. I am one of four girls. If that does not sum up character, then I do not know what does. I therefore would like to pay public tribute to my mother and all my family.

I want to tell my husband, Lewis, to whom I have been married for ten and a half years, that I will be moving home full time now. In fact, we are so fond of each other that we will move in together now. I am looking forward to that.

I also want to pay tribute to the people of Beaver River in Edmonton North and my colleagues across the way. I have appreciated them over the years.

I think all of us, whether we are leaving, coming, going, or whatever, need to have a personal mission statement, and this is mine: a truth teller, an advocate, an encourager who loves to see people grow into their potential as human beings. If, in any way, I have been an encouragement or an advocate for anybody, a constituent or any other Canadian, I am grateful for that opportunity.

I am grateful for having served four terms here in the House of Commons. My prayer is that in some small way I have been able to do that in this chapter through this door. As I leave here voluntarily and open a new door into a new chapter of my life, whatever that will be, I pray that I will be able to use the resources and the learning experiences that I have had here.

I thank everyone. I have had a great run. God bless you all. Amen.

• (1120)

The Acting Speaker (Mr. Bélair): I would like to thank the hon. member for Edmonton North personally for her contribution to the House of Commons.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I too want to add my compliments to the hon. member.

I acknowledge that on this side of the House her contributions were not always appreciated. There may have been a bit of muttering under one’s breath. However the hon. member has added to the political discourse over the years that she has been here in a unique and sometimes humorous style. She certainly has a well honed capacity for skewering on questions.

I compliment her and wish her well in her future endeavours. I am sure another door will open and that the Lord has a very interesting door as well.

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, I too would like to pay tribute to the member for Edmonton North. She has brought to the House of Commons, ever since its very humble beginnings in 1867, a whole new way of communicating in this House. I know she is penning a book of her life experiences which we will have the opportunity of seeing sometime later this year. I can imagine there will be some very colourful chapters. I imagine there will be some new words. Words like sweet fig and potlickers are actually now permanent members in the parliamentary debates and I am sure they are being used by the entire Commonwealth.

The member is one of the most principled members I know. She has fought tirelessly for her constituents and Canadians to the very best of her ability. I was not here in 1993, but after speaking with some of the members who were here then, when she was joined by 51 other of her colleagues she led and guided them. It is going to be a great loss, not only for myself and members on this side but for every member of the House of Commons to lose such a talented member of Parliament. We will remember her fondly.

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, I too want to join with the two other members who paid tribute to Deb.

I remember when she first came here as the only member of her party. She knew every bill that was going through the House. She studied every one of them and she developed the policy of that party from the way that she responded to those bills.

She has been unique as a member of Parliament. No one will ever forget her, least of all I. I have not heard more moving words in this House than her tribute to her mother and her mission statement, something which touches all of us. She is indelibly imprinted on our memory and all I can say to her, as she selects the next path in her life, is that we would love to have her over here.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, having served 18 years as a customer service agent in the airline industry in Watson Lake, Yukon and at the Halifax airport, and having always been a political junkie, when the hon. member came to this House I looked at her and said, “Wow, now someone is in trouble”. I have to admit that even though we may have disagreed on political fronts, I never disagreed with her loyalty to her family, to her party and to Canada.

On behalf of our party, the federal NDP and our provincial counterparts, and all Canadians who know her on a personal level as well as through the media, I wish her all the very best and God bless her.

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•(1125)

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I have had the pleasure to work with the hon. member in this House for over ten years now and I would like to take this opportunity to join with my colleagues in wishing her all the best in her future endeavours.

I met the hon. member for the first in 1990. I was part of a group of parliamentary interns from the National Assembly on a visit to Ottawa, and we met with representatives of all the various political parties. At the time, she was the sole spokesperson for reform in Ottawa, since she was the only member of the Reform Party elected to the House.

Right from the beginning, I could tell this was a strong-willed, very articulate and brilliant woman. I thought she would wreak havoc on this House, and she did during her first years here, even though she was the sole member of her party. Of course, she continued afterwards. I found her to be an experienced and very efficient parliamentarian during her stint in the House of Commons.

I want to pay special tribute to her today and, once again, to wish her all the best in her future endeavours.

[*English*]

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, CPC): Mr. Speaker, my spontaneous response to the member for Edmonton North is that I want to thank her for her leadership by example, her humour and her personal strength, and I want to thank her for being such a role model.

From the time of Agnes Macphail, the first woman here, a bust of whom we pass every day, the member for Edmonton North has certainly lived up to this. She broken down barriers.

We must say that we hope for much more to come. She has been a vanguard of change and reform and has really made the House a better place. I wish to extend a big thanks and I say God bless her.

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, both the hon. member and I will be retiring at the same time. I think both of us are well aware, as many members of the House are, I am sure, that in the final analysis we are not accountable to our electors. We are accountable to God. I want to thank the member for the way she has been accountable to her faith. She has done that through many trying times and perhaps when it was not the easiest thing to do.

On behalf of the Christian community in Canada, I wish to thank her for her witness, for her faith and for her stalwart perseverance.

Hon. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, the hon. member for Edmonton North may not appreciate it this the same way I am going to say it, but I want to thank her for actually giving women parliamentarians a good name. She was alone for a long time and showed a lot of the qualities of leadership that it is necessary to show. We all know that the challenges for women parliamentarians are a lot greater—in my opinion after having been here for 10 years—than they are for some of our male colleagues, without any prejudice to any of my male colleagues.

I also want to thank the member because I think she is a role model in very many ways. I hope that other women will follow in her footsteps because they are very good footsteps to follow. I wish to thank her very much.

Miss Deborah Grey: Mr. Speaker, I had no idea this was coming, that is for sure, but I am grateful. I want to thank my colleagues for talking about being skewered; I will continue to do that, maybe not from within these walls, but my colleagues know that I am an equal opportunity heckler. I heckle my own guys as much as I do anybody else. They understand that.

On my tribute to my mother, let me say thanks to the hon. member for Willowdale. She is deluxe and I appreciate her and my whole family. My colleague from the Island talked about 1867. I know I have been here a while, but in fact the only thing I share with our actual Confederation is that I was born on July 1. Although some days I feel like I have been here since 1867, in fact I share that anniversary with it.

I wish to thank my colleagues from the NDP and the Bloc so much. It has been just a great run.

Agnes Macphail was mentioned. She is one of my all-time heroes. Colleagues will know this and every now and again pages ask me about this. Every time I walk into the chamber through the foyer, I see that bust of Agnes Macphail there and I give it two pats on the head just to say thanks for what a wonderful job she did as the first ever woman in this place.

She was here in the 1920s when there were not the wonderful sound systems we have now. One of my favourite lines from my mentor, Agnes Macphail, is that some fellow, a parliamentarian, came up and asked her, “Well, Agnes, have you ever been mistaken for a man?” She said, “No, have you?” I will tell members there is a great way to get things across, is there not?

Mr. Speaker, let me just wind down because I know we have gone way too long, but I think what is important for us in life is to reproduce ourselves in other people, some physically; I have never given birth to children, although I may have grandkids some day through my stepchildren, Kari and Lane. I think it is important that we have the ability, whether it is in the House of Commons, physically, emotionally or spiritually, to reproduce ourselves. When I was first elected, Doug Campbell came to a banquet. He was one of the original Reformers, and a Progressive as well, and went on later to become the premier of Manitoba. Let me finish by saying for everyone who hears this that they should fancy themselves a reproducer of themselves in other people. This poem is called *The Bridge Builder*:

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An old man, going a lone highway,
Came at the evening, cold and gray,
To a chasm, vast and deep and wide,
Through which was flowing a sullen tide.
The old man crossed in the twilight dim;
That sullen stream had no fears for him;
But he turned, when he reached the other side,
And built a bridge to span the tide.

"Old man," said a fellow pilgrim near,
"You are wasting your strength in building here.
Your journey will end with the ending day;
You never again must pass this way.
You have crossed the chasm, deep and wide,
Why build you the bridge at the eventide?"

The builder lifted his old gray head.
"Good friend, in the path I have come," he said,
"There followeth after me today
A youth whose feet must pass this way.
This chasm that has been naught to me
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim;
Good friend, I am building the bridge for *him*."

•(1130)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, first, I would also like to join in congratulating the hon. member for Edmonton North. I do not know her very well, because I am from the class of 2000, but I think that everyone who meets her knows she has extraordinary energy and I am convinced that, as her life continues, she will have an opportunity to use it very productively for Canada and for her community.

Twenty minutes to talk about the scandal of this budget and Bill C-30 is not a long time. Bill C-30, the bill to implement certain provisions of the Finance Minister's budget, is actually the bill to institutionalize the fiscal imbalance. It is a bill that institutionalizes the state of affairs denounced by everyone in Quebec, whether federalist or sovereignist.

In my speech on the budget, I indicated that we had been victimized twice by the sponsorship scandal twice. The first time, obviously, we were the victims of the sponsorship scandal because public funds were used for purposes that were questionable to say the least.

The amount of \$250 million was used to unduly increase the visibility of Canada—to sing the praises of Canadian federalism. At the same time, this federal government visibility campaign was accompanied by commissions paid to advertising agencies of about \$100 million, or 40% of the total cost. With respect to that, I would say that the public reaction, particularly in Quebec but all over Canada as well, has been at least what this scandal deserves.

Yesterday, I was at the nomination of the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, who is the candidate for the Bloc Québécois in Rivière-du-Loup—Montmagny. It was quite interesting watching the people in attendance try to figure out what the three letters PLC meant. Of course, all of us here know they stand for Parti Libéral du Canada, the Liberal Party of Canada. But the imagination exercised by people at that nomination meeting was quite interesting. For example, someone suggested to me that PLC could mean "parti du libre

copinage", or party of liberal cronyism. We know what they are talking about.

In light of Jean Chrétien's remarks this week, with his barely veiled criticism of the Prime Minister, another person proposed that PLC might stand for "parti des longs couteaux", or party of the long knives. And finally, the classic "parti libéral pour les commandites", or Liberal sponsorship party, comes up constantly at our meetings across Quebec.

So, the first time we were the victims of the sponsorship scandal is well known. The judgment passed by the public is very harsh. Indeed, a survey published this morning in *La Presse* showed that 61% of Quebeckers are dissatisfied with the current government, the federal Liberal government, which is rather extraordinary only four months after the new Prime Minister came into office.

That was the first time we were victimized by the sponsorship scandal. The second time was when the budget was brought down. The budget was designed by the Minister of Finance and the Prime Minister in reaction to the sponsorship scandal. They wanted to project the image of a prudent and rigorous government. However, this image was fashioned at the expense of our fellow citizens, in Canada and in Quebec, especially the most vulnerable members of our society.

In reality this budget is not rigorous. It is irresponsible towards those who need health care, young people who need education, the elderly who need adequate income security, working families who need support, and the regions which also need to have the means to ensure their development.

This budget is irresponsible because there is nothing in it to meet the concerns of Quebeckers, and I believe the same is true of the rest of Canada.

This budget is not prudent either, because it fudges the numbers and does not give a true picture of the federal public finances. Once again, the surpluses have been underestimated. I know, it is sad to have to denounce that fact for the seventh or eighth time, but we do not have a choice. When we are made to believe that, for the current fiscal year, starting today, 2004-05, the surplus will be \$4 billion, we are being taken for fools.

•(1135)

Last year, despite SARS and mad cow, the blackout in Ontario and forest fires in western Canada, and the 20% rise in the Canadian dollar, in other words, despite numerous factors influencing economic growth, the surplus was still \$5.4 billion. It will probably be more like \$7 billion once all the figures are known.

They would have us believe that although the economy is improving, next year, the surplus will be lower than it was this year. This makes no sense. It is truly scandalous. It is even more scandalous, as I said earlier, since this cover-up, this attempt by the federal government to hide the surplus comes at the expense of the most vulnerable members of our society, particularly those needing support and financial assistance, be they seniors or individuals unfortunately experiencing financial hardship or living in poverty, as well as young families and students.

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We are paying a second time for the sponsorship scandal. Not only through the taxes we pay, but now as a result of this government's irresponsibility.

Obviously, the sponsorship scandal is the backdrop. But, this scandal must not make us forget all the other scandals during the overly long reign of the federal Liberal Party.

The employment insurance scandal resurfaces in Bill C-30. The government is once again institutionalizing the theft from the employment insurance fund: \$45 billion was misappropriated for something other than employment insurance. In other words, \$45 billion in contributions was not allocated as benefits.

We must not forget that, with the reform implemented by the Liberals, only four out of ten people contributing will have access to benefits, since eligibility requirements have been severely restricted, particularly for young people, women and new entrants to the labour force.

In addition to \$45 billion having been stolen—I am forced to use this word—or misappropriated from the employment insurance fund, most of which was used to pay down the debt, the contribution rate is being held at \$1.98 this year when, according to the actuary, it should be \$1.80 to meet the needs of the system. Consequently, once again this year, there will be a nearly \$3 billion surplus in the employment insurance fund, which will be used for other purposes.

The government could have improved the system, but it did not, nor does it want to. This was proven yesterday when the member for Charlevoix, who will soon be the member for Manicouagan, proposed fixing the situation for seasonal workers—workers in seasonal industries who are currently going through the spring gap.

People from Charlevoix and the North Shore—my brother lives there—call me and say, “Do something. This makes no sense. Year after year we slip further and further into poverty”.

This situation has to be rectified. The member for Charlevoix made a proposal to fix the gap situation and the vast majority of Liberal MPs, particularly those from Quebec, voted against his motion. That said, during the election they will try to tell us, “Trust the federal Liberals. Once we win the election, we will come back to the House and correct the situation”.

We will not have a repeat of what happened in 2000, when the President of the Treasury Board went to Chicoutimi and promised aluminum plant workers, in particular, and construction workers that they would see a change in employment insurance. The President did not follow through on his promise. It is absolutely scandalous. Some \$45 billion is owed to employment insurance fund contributors and claimants and this should be corrected as soon as possible.

Nonetheless, that is not what Bill C-30 will achieve. It institutionalizes the fact that it is the government that unilaterally sets the contribution rates. This year the rate is being held at \$1.98, which will generate a surplus. Moreover, the government is giving itself the power to set the rate for 2005.

I remind hon. members that in 2001, on the eve of the election, the government gave itself the temporary right for two years to set the contribution rate in order to review the mechanism for determining employment insurance contribution rates. That was in 2002-03. In

2004, the government set the rate. The former finance minister set the rate. He promised that for 2005, the budget would include an announcement of a new rate setting mechanism.

It did not happen. Bill C-30 is telling us that for two more years, the government will take it upon itself to unilaterally determine the contribution rate. Even in 2004, this practice is questionable. How could the government set the contribution rate despite its own commitment and despite the fact the legislation allowed this just for 2002-03?

• (1140)

That is unacceptable. The contribution rate should depend primarily on the type of coverage we want from the EI fund.

We expect from the EI plan better coverage for workers who are temporarily out of a job by raising the number of benefit weeks and improving accessibility. Bill C-30 and the vote against the motion of the hon. member for Charlevoix by Liberals yesterday are not taking us in that direction. Voters from the North Shore area and all of Quebec and all of Canada, I hope, will remember this and will have the Liberals pay the price of the EI scandal.

Tax havens are another scandal. We would have thought that, at least in this budget, the finance minister would make an announcement about tax havens. We have been told a process was underway. Probably a process similar to the one for the sponsorship scandal. So, we have tax havens, particularly Barbados, which is the tax haven designated by the Canadian government for Canadians.

As a result of the tax convention between Canada and Barbados, Barbados has become the third ranking destination, after the United States—understandably—and Great Britain, for direct Canadian investment. If I remember correctly, the amount going to Barbados is around \$25 billion or \$30 billion.

Might I know what the Canadians who send those \$25 billion or \$30 billion to Barbados do with it? Is that small island capable of supporting such large investments in terms of manufactured goods or services? Certainly not. We are not fools, and neither is the general public.

This is money diverted from the income tax these people should be responsible for paying in Canada. They have been provided with a loophole. It has been made legal. This Prime Minister is the one who legalized it when in finance, and he has personally benefited from it. That is common knowledge.

The Prime Minister had at least 13 companies in tax havens, Barbados and Bermuda in particular. They no longer belong to him, but to his sons. We have traced one of these companies, Canada Steamship Lines Inc., headquartered in Barbados, and have been able to calculate that, in recent years, it was saved from having to pay \$100 million in tax dollars to the Canadian government and the provincial governments concerned. This has never been denied by either the Prime Minister or Canada Steamship Lines.

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This is absolutely scandalous, and there is absolutely nothing in the budget to close this tax loophole. The public will remember that as well. Most of us, most of the voters in Quebec—and this goes for Canada as well—have to pay their income tax. They have no such loopholes. They do not have the means to send their money to Barbados in order to avoid their responsibilities as citizens.

If everyone did, we would not be able to have the public services to which we are entitled. As well, you and I are paying more taxes as a result. When the federal government needs money, it taxes those I call the captive taxpayers, those unable to take advantage of such loopholes.

So, one would have expected the budget to close this loophole, and particularly to terminate the tax convention with Barbados.

There is another scandal, the one that involves the guaranteed income supplement. I know that the hon. member for Champlain will talk about it later on, so I will not get into details. However, depriving people of \$6,000 by not properly informing them of their rights is a very serious matter. Here again, the government targeted the poor.

Jean Lapierre, the Prime Minister's lieutenant in Quebec, reportedly boasted about sampling wines that cost \$3,000 per bottle. So, the price of two of those bottles of wine is equivalent to the guaranteed income supplement that a significant number of seniors did not get, because they were not informed of their rights. And Mr. Lapierre has the nerve to brag about drinking two bottles of wine, or more, with Lafleur, who was the president of Lafleur Communications, one of the companies involved in the sponsorship scandal. So, there is also this scandal, but I will not elaborate any further, because I am sure that the hon. member for Champlain will address the issue.

Then there is the scandal of those Quebec families that do not enjoy the much needed federal support that they should be getting under two programs. There is the parental leave program, which Quebec wants to set up and on which there is a consensus. Indeed, all the parties in the National Assembly support this initiative. This is a more generous program than the one that exists under the federal employment insurance program; is also broader and more accessible since workers, particularly self-employed workers, are covered by it.

• (1145)

Nevertheless, the federal government refuses to transfer the \$700 million to which Quebec is entitled. This amount also includes the compassionate leave, which is very poorly thought out in Ottawa at present. The taxpayers of Quebec are paying this amount and they ought to be getting it back, but the federal government stubbornly refuses to transfer it, even though it lost in court.

The Government of Quebec went to court, and the court found that it was within Quebec's jurisdiction and therefore the federal government had no business getting involved in that field. Consequently, it was obliged to transfer the money to Quebec.

But there are worse things in this budget. Day care is now at \$7 because the federal government is not transferring the money Quebec needs, to provide the range of services that we want to have available. The \$7 a day child care program loses \$250 million a year for Quebec's families and taxpayers. Since it is partially publicly

funded, the federal government does not allow the deduction, the total tax credit, for child care expenses.

The federal government is saving \$250 million in tax refunds. Since the program has been operating, there has been a clear shortfall of \$1 billion for families and all taxpayers in Quebec. We have been asking for a long time to have this situation corrected, to transfer this money back to Quebec, but the federal government says no; it will not listen.

In the budget, we were told they will invest \$150 million all across Canada. Where does this amount—which is inadequate—come from? It comes from the \$250 million of which taxpayers and families in Quebec have been deprived. The government will send back a few crumbs to Quebec—some \$30 or \$35 million—and it would want us to say thank you. We have \$250 million stolen and get \$35 million back, and we should be saying thank you? We will not say thank you. We will make our voice heard and demand a correction. The scandal of families, therefore, is another scandal for the Liberal government.

Let us talk about the gun registry scandal. This project was supposed to cost \$2 million, but it has cost close to \$2 billion. What I have noticed, and the Auditor General has shown this again this week, is that the federal government wants to encroach on every provincial jurisdiction. It wants to tell the provinces what to do and it always knows better than everyone else when it comes to health and education.

Just starting up the Canadian Learning Institute cost \$100 million. That money could have been used for many other things. When we look at health, they want to set standards, and so on, and it just keeps adding up. Nonetheless, in their own jurisdictions, it is nothing but incompetence, inefficiency and waste.

For instance, we know that the \$7 billion allocated for security after the tragic events of September 11, when the Prime Minister was finance minister, was spent in a completely inefficient and inconsistent manner. Border security, which is a federal government responsibility, is inadequate in Canada. It is porous.

This morning, all the newspapers in Quebec are talking about it in their editorials. It is a joke. It is a porous border. The means are not there. Where did the money go? Some have benefited from this \$7 billion. Perhaps it was cronyism, perhaps some totally useless procurements were made but benefited friends of the government. I do not know, but I find it strange that this money did not produce the desired results.

An amount of \$7 billion is not peanuts. It could be used to build 35,000 social or affordable housing units in Canada and in Quebec, since there is a shortage of such units. The lack of housing policies is another flaw in the budget.

So, the federal government is totally ineffective in its own jurisdictions. It gets a big zero in terms of effectiveness.

I will conclude by talking about equalization. The government would have us believe, with Bill C-30, that the equalization program is generous. In fact, it does not at all meet Quebec's expectations, as Minister Séguin said last week.

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I will quote a few figures on Quebec's expectations. This is from a document entitled "Correcting Fiscal Imbalance" in relation to Mr. Séguin's 2004-05 budget.

For this year, that is 2004-05, Quebec was hoping that the federal government's contribution to health would represent \$471 million. Quebec wanted the \$2 billion to be a recurrent amount. Ottawa's response is zero dollars.

• (1150)

As for equalization, Quebec was hoping to get \$2.872 billion. The federal government's response is \$70 million, which is almost nothing. Next year, the Quebec government would like to get \$814 million for health. The federal government's response is zero. As regards equalization, Quebec was hoping to get \$3.009 billion. The federal response is \$70 million, which is peanuts.

For all these reasons, we cannot support Bill C-30. Not only can we not support it, but we must strongly condemn it and tell voters that, very soon, they will have the opportunity to do some spring cleaning.

[*English*]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I would like to give my hon. colleague from the Bloc the opportunity to explain a bit more the Bloc's position on the abuse and the use of the EI fund.

As he knows, EI is paid for not by the government but by businesses and employees. For years now the government has been balancing its books and reducing the debt using employment insurance money for those things, meanwhile bragging about the surpluses and how fiscally responsible it is. The reality is that the government did it on the backs of the workers and businesses in this country.

I would like to give the hon. member the opportunity to explain the position of members of the Bloc. I would like to hear what they would do in terms of the EI fund for further training, better upgrades for workers, giving them more time, maternity leave benefits, examples of that nature.

• (1155)

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I thank the member for his question. I think that his party and ours are on the same wavelength with regard to the employment insurance fund.

We must be very clear, the federal government has not put a nickel into the employment insurance fund since 1990, almost 15 years now; employers and the workers' representatives should therefore be the ones managing this fund. We want it to be completely separate from the overall management of public funds by the government, since the former are the ones contributing to this fund.

We think that the government should negotiate an acceptable rate of coverage for workers. The employment insurance fund is not worthy of its name if only four out of ten people who pay premiums have access to benefits. This average must be improved to seven out of ten individuals, seven out of ten workers, who pay premiums and who, if they lose their job, can receive employment insurance

benefits. That is a minimum. That was the way it worked before the Axworthy reform.

So, accessibility must be improved. We must also ensure that there is coverage during the period affecting seasonal workers. This means that the number of hours of employment needed to be eligible for benefits must be drastically reduced for most of the regions. This applies in particular to new entrants who must work 910 hours currently, when everyone else has to work just 400 hours. The number of benefit weeks must also be increased to 55 from 45. There should also be an older worker adjustment program, as in the past, a program that the current Prime Minister abolished when he was finance minister.

So, that is how coverage should be determined. The premium rate should ensure such coverage and provide a reasonable reserve. However, for the time being, a reserve is not even necessary. The federal government owes \$45 billion to the employment insurance fund, and the actuary said that a reserve fund of about \$15 billion was needed.

Consequently, the federal government needs to start paying back this money one day. In addition to its repayments, it needs to establish not only a reserve fund but also improve the system. It is totally unacceptable that this \$45 billion be used for any other purpose than EI, especially since employment insurance premiums are a regressive tax, meaning that those earning the least are the most penalized.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, first, I want to congratulate my hon. colleague from Joliette, an economist who helps maintain the reputation of the Bloc Québécois with his fair and serious analysis of the situation, especially of the surpluses the Liberal government has been raking in for years. I commend him for his incredible expertise and knowledge about these issues.

My question deals with equalization. As you know, it gives me no pleasure to stand here and demand that Quebec gets its due in terms of equalization. The purpose of equalization is to share the wealth, and Quebec is considered a poor province based on some complicated calculations that the member will surely explain to us all.

One fact remains. Raw materials, like aluminum and magnesium, are produced in Quebec and then taken to Ontario to be processed. It happened in the region of Laurentides-Lanaudière and led to the GM plant in Boisbriand being shut down.

I would much rather see Quebeckers get jobs and our province be considered a rich province, pay more taxes and share our wealth with others than receive help from provinces who take away our raw materials in order to process them elsewhere—which is exactly what Ontario is doing in the auto industry for instance.

I would like to hear what my hon. colleague has to say about this.

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Mr. Pierre Paquette: Mr. Speaker, the hon. member for Argenteuil—Papineau—Mirabel is absolutely right. I will give a figure that illustrates the situation very well. If Quebec had received its fair share of R and D expenditures over the years, we would be in a position to do secondary and tertiary resource processing. Quebec is known for its very rich natural resources. Here is that one figure: public expenditures in R and D in Ontario are 80% federally funded, while in Quebec the percentage is 39%.

This is a very revealing figure. If the public funding of R and D in Quebec were at Ontario's 80% level, we would be far more able to develop technologies and methods for processing our natural resources, particularly in the regions.

Such is the history of Canadian federalism. It is, moreover, also the reason why increasing numbers of Quebecers have chosen the path of Quebec sovereignty. Through it we will be able to repatriate all of our means and all of our tax money so as to be able to have positive investments. Equalization payments are a lesser evil, but I would remind hon. members that equalization is included in the Canadian Constitution. I will read you the excerpt, and will close with that. It states that the provincial governments should have sufficient revenues

to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

That is what is written in the Canadian Constitution, but it is not what the federal government, the Liberal government, is doing.

The equalization formula therefore needs to be reviewed in light of what is stated in the Constitution. As long as Quebec remains within Canada—and we hope that is not for long—the federal government will have to respect its commitments. This is not the case with either Bill C-30 or the budget. I can assure you that the people of Quebec will make this government pay for its ineffectiveness, and then some.

• (1200)

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, my colleague from Joliette spoke, among others, about the plunder of the EI fund. Together we toured the Haute-Mauricie to talk about the softwood lumber issue. I know he made suggestions that were welcomed by workers there. I would like him to tell us what the government should have done to help my area and other areas in Quebec that have been hurt by the softwood lumber dispute, instead of using the EI fund to pay back its debts, since that money belongs to the workers.

Mr. Pierre Paquette: Mr. Speaker, I believe the question is very relevant as the softwood lumber issue is one that was completely overlooked in the budget.

You will recall that a first aid package was announced by the then natural resources minister, and we were promised there would be a phase 2. Phase 2 was to comprise an assistance plan for workers, using the EI fund of course and other programs, and also assistance to companies to help them survive this crisis. Even if we win before international tribunals, be it the WTO or NAFTA, if our companies have gone bankrupt in the meantime, all we will be left with is winners without a job.

What we wanted to do was use the EI fund to help some of those workers find temporary work in other areas in their own region so they would not have to leave, which is often the case. Failing that, they should at least have received enhanced EI benefits taking into account the situation in their community. Help should have been provided through programs such as loan guarantees, for instance, so that companies could survive the crisis.

That is what was promised, but we got nothing. There is nothing in the budget. The softwood lumber dispute no longer registers on the Liberal Party's or the federal government's radar screen. The areas affected by the crisis will remember that at the polls.

[English]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, if I may be offered a little latitude before I get into my budget speech, I would like to compliment a very fine woman who will soon be leaving the House of Commons, the hon. member for Saint John.

One of the greatest memories I have is when we were in the defence committee and she had to catch an airplane. She wanted to have my speaking time so she could catch that airplane. I said that there would have to be a little trade off and she gave me an autographed book which she had in her purse. I think I got the better of that deal.

On a personal note, my parents were liberated by the Canadian military in 1945 in the liberation of Holland. It was her brothers and thousands and thousands of other Canadians who did that liberation. I personally want to thank her on behalf of the veterans of my riding for her tough stand, her courageous defence of veterans throughout the country and especially for merchant mariners. I just wish to say, Elsie, God bless you very much.

In terms of the budget let us go through what the government has done. On health care, does anyone honestly believe that the Liberal Party wishes to sustain public health care? We simply do not believe it. What the Liberals have done in this regard leaves the door wide open for privatization.

The New Democratic Party has said for many years what will have to happen if the government does not reach its goal of 25%, the Romanow gap as we call it. Let us not forget that its share was 50%. In the 1960s when the deal was reached with the provinces, the federal government's share of health care was 50¢ and the provinces' was 50¢.

The federal contribution to health care in the public system is probably around 16% on average. Mr. Romanow said that has to be brought up to 25% to offer some stability to the provinces. By not doing that, by ignoring the Romanow gap and continually saying there is \$2 billion as a one shot deal only, all the provinces are now suffering under terrific financial strain. The NDP government in Saskatchewan, the Liberals in Ontario, the Conservatives in Newfoundland and Labrador and the Conservatives in Nova Scotia are all suffering under a terrific strain because the federal government absolutely refuses to listen.

Mr. Speaker, may I seek unanimous consent to split my time with the hon. member for Winnipeg North Centre?

● (1205)

The Deputy Speaker: In terms of process, because we are in the first round, we have to seek consent of the House to split the time on the first round.

Does the House give its consent for the hon. member for Sackville—Musquodoboit Valley—Eastern Shore to split his time?

Some hon. members: Agreed.

Mr. Peter Stoffer: Mr. Speaker, let us go on to child care. Who could ever forget the fictitious novel of 1993, called the Liberal red book, in which child care was going to be a top priority for the government. Eleven years later there is absolutely nothing. Families, especially their children, are suffering because of that.

What greater tool can we offer society, besides being physically fit and healthy, than to offer them the chance and opportunities that an education can give them. There is not one province in the country that is not suffering under the huge costs of education, not only primary and secondary but post-secondary as well.

It is unbelievable that Liberals continue to say that is a provincial responsibility. The reality is students and their families do not agree with that argument. What they want is to have high quality education that is affordable. In turn they can invest their skills in the country, and not only become great citizens but also become productive members of our society.

Let us go back to pensions for moment. This is the same government that ripped billions of dollars out of the superannuation fund from retired public servants. Those retired public servants are retired police officers, judges and the very brave men and women of the armed forces. These veterans fought for our country and they will retire soon. These days many of them die in Afghanistan and Bosnia.

The surplus in the pension fund was taken and put into general revenues without the consent or authorization of the people who were supposed to benefit from that pension fund. Superannuates across the country and those people who have retired from the public service have approached all of us and said that has to change. That money did not belong to the government. It belonged to retirees. Some of that money easily could have gone into the VIP program.

As my colleague from Saint John and many others have said many times, a widow of a veteran is a widow of a veteran. It does not matter when that veteran passed on. They are entitled to that VIP program. They do not want to hear that there is no money. The fact is the government took the pension money, put it into general revenues. It also did other things with that money.

It is a sin when we hear the concerns of elderly men and women. They are asking for a little assistance, a little help. What happens? They are told no. They are told that the door is closed and that they should go somewhere else. The provinces and municipalities are blamed. The government does not want these people to bother it.

Years and years ago when I was a little kid I thought the word liberal meant social conscience. Boy, was I ever fooled. I have been so fooled since I was sent here in 1997. It is very obvious for what

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the government stands. It talks about reducing the debt. It is absolutely right. The debt must go down, but it must go down in a balanced approach.

People do not put every penny they have on their mortgage. If they have a leaky roof and need \$2,000 to fix it, they have a choice. They can fix the roof or they can put the \$2,000 on the mortgage. What the government has done is put the money on the mortgage. Now that roof has a big hole. It has created a lot of damage to the house. Now it has a \$25,000 repair to the household, and the government says that it does not have the money to fix it.

We are asking for a balanced approach. Yes, we have to be fiscally responsible, but as just as important we have to be fiscally accountable. It cannot take money from the EI fund, which is from businesses and employees, and put it into something that gives tax breaks to multinational corporations. We simply cannot do that.

The NDP for example has been asking for a tax break on sport fees for people and their families who wish to become more physically active. If people sign up for a dance club, a hockey club or a gym and pay x number of dollars for the fee, they should be able to claim that as a tax deduction similar to a charity donation. What did the Liberals and Conservatives say yesterday? No, they could not do that. Yet a corporation can reserve a box at a big hockey arena like in Montreal or Toronto and it gets to write that off as a business expense.

● (1210)

It is very clear where the Liberals have gone. They are now focusing on one sector of society, a sector which is already extremely well off. Yet families, provinces and municipalities are left behind. They talk about a \$7 billion investment of the GST into the provinces, not right now but over 10 years, which gives the facade that only if people elect the Liberals for the next 10 years, will they get this deduction. The arrogance the government displays to the Canadian people is absolutely unbelievable. Galling is what it is.

I hope that when we leave this great House on Friday, the Liberals have the courage to call the election. Do not hold it off, but call the election. We in the federal NDP are going to make a very clear choice. Under our leader, Jack Layton, we will tell Canadians that they have a clear choice. They can vote for the Conservative Party on the right side of the political spectrum, they can vote for the Liberal Party which is on the same right side of the political spectrum or they can vote for the federal NDP that stands up for today's families.

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, I am trying to figure out the NDP's approach on fiscal numbers and how his leader came up with \$222 billion, taking into account \$3 billion of contingency debt relief times 10, which is \$30 billion, or \$40 billion, or perhaps even up to \$50 billion if one wants to be generous.

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The member opposite speaks about fiscal balance, prudence, opportunity, fixing leaky roofs and paying down a mortgage once in a while. Since the NDP's numbers rarely add up properly, can the member enlighten me, the House and Canadians on how the NDP calculates \$3 billion times 10 to equal \$222 billion.

Mr. Peter Stoffer: Mr. Speaker, there is a phrase in the House that "you never lead with your chin" and the hon. member, who I have great respect for, just did that. He talks about numbers. Have we ever once seen projections from the government on budgetary surpluses that were correct? Never.

To answer the question on where that figure comes from, if we calculate what the government is asking for, 25% of GDP, that is a \$200 million drop from what it is now over 10 years. That is a fact. However, reality is that when it comes to numbers and fudging the budgets, the government is an expert at it.

• (1215)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I just listened to that answer and I still do not understand it. I suspect it is really a non-answer.

I heard the hon. member talk about balance. I am looking at where tax dollars went in 2002-03. What would the hon. member cut? Major transfers to persons is about \$40.2 billion. That is the EI money and elderly benefits. Would he cut that back to change the balance there?

There are major transfers to provinces and territories. That is about \$30 billion, which is about 17% of the government's revenues. Would he cut there?

Would he cut direct program spending, which is about 35% of the money to be spent by the government, which frankly is about the only discretionary money any finance minister has? Would he not pay the mortgage payments, which he is so fond of not paying because he thinks the roof leaks? If the roof leaks, that is the major transfers. If the kids are not going to school, that is the major transfers to persons. However, people still have to pay their mortgages even if the roof is leaking. This last year we spent \$37 billion on mortgage payments, plus we paid a bit of principal of \$7 billion.

In the hon. member's reorganizing of our balance, just what parts he would cut? Would he cut out EI benefits? Would he cut out the elderly? Would he cut out the military? Would he cut out the transfers for health care?

Mr. Peter Stoffer: Mr. Speaker, I would not cut them out because they have already been cut.

The member talks about the NDP not wanting to pay down the mortgage. Not once has anyone in the NDP said that we would not pay down the mortgage. We will. Like our households, a mortgage payment comes due and we pay it. The question is if we have extra money, should we put that extra money on the mortgage? That is the point of the debate.

The member talks about cuts. If he wants to know what program I would cut if I were Prime Minister right now, it would be Bill C-68, the gun legislation, a billion dollar boondoggle that wasted taxpayer

money and did not provide any security for the people of this country. If I wanted to cut something, I would cut that in a heartbeat.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am very pleased to participate in the debate on the budget implementation act and to follow the very wise comments of my colleague, the member for Sackville—Musquodoboit Valley—Eastern Shore.

New Democrats in the House are taking the matter very seriously. We will give the bill very serious scrutiny and consideration, as we have done throughout the whole budget process, despite the fact that the government is already out across the country attempting to trivialize its importance in the eyes of Canadians.

I guess we had all thought that this might have been an election budget filled with goodies, which has been the tradition of the Liberals. They bring in a budget just before an election filled with all kinds of surprises and goodies for Canadians, only then to see those promises broken after the election and the spending on those goodies cut back drastically.

It is interesting, the Liberals did not try it this time. The tight-fistedness of this government certainly has continued through the budget, but this time around the strategy is certainly different. I suppose it pretty well had to be, given the \$100 million sponsorship scandal and the multitude of other Liberal disasters now surfacing almost daily.

While the Liberals have openly admitted that this budget is about demonstrating their credibility, the reality is this budget is about saving face for the Prime Minister and the Liberal Party. Canadians are being told to put their budget priorities on hold so the Prime Minister can repair his scandal tarnished image.

What do Canadians really need right now? They need Romanow and they need Kyoto. They also need roads, affordable housing, lower student tuition, pay equity and safe water. They need all that, whether the Liberals are re-elected or not.

What are we offered instead? What is the great vision in the budget? What is the road map? We are offered accelerated debt reduction. Accelerated is what we are talking about, not whether we should not continue paying down the debt. Of course we should, and the members opposite are absolutely silly to suggest that the NDP is saying something otherwise. We are talking about the ludicrousness of the government coming forward with one national project. It is not like the old days with the national railway, or old age security or medicare. What do we get from this government? What is the legacy the new Prime Minister wants to leave this country? It is accelerated debt reduction.

We are going into the golden age of accounting. As I said in previous debates, that is good for the bankers, but it sure is not good for Canadians. We have children living in poverty, students in debt, families without affordable homes, all suffering budget whiplash as the Liberals put the accelerator to the floor on debt reduction. Urgent needs are being needlessly neglected today that will bear heavy costs in future years, both in dollar terms and in human terms.

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Economists drafted another approach: the balanced people-centred alternative federal budget. Those economists point out that a better way of reducing the debt to GDP ratio is to strengthen the economy with targeted spending in the public interest by investing in infrastructure projects, health renewal, green energy production thereby generating jobs and other economic pluses.

• (1220)

I am glad the Liberals across the way think they are excellent ideas, but they have to make better choices. They cannot take all the surplus money and put it into a contingency fund or a prudence fund and then let it slip into paying off the debt on an accelerated basis. They cannot have it both ways. They have to have a balanced approach and that is what we do not have from the government.

As my colleague from Nova Scotia just said, New Democrats absolutely support responsible debt reduction, but we do not support ideological debt reduction. We do not support the fetish that the Prime Minister and his colleagues have with this accelerated debt reduction plan because it means sacrificing the needs of Canadians who are crying out today for the government's support and assistance.

This is the perfect budget for the conservative Prime Minister. Is it an ambitious budget to support the ambitious agenda the Prime Minister keeps talking about? Of course not, not by any stretch of the imagination.

It calls for another year on previous tax cuts with the only concrete new commitments made to setting up future privatization partnerships with Liberal corporate cronies. Program spending for the rest of us remains at 1950 levels, around 11% of GDP. The cynicism of the government does not just end there. It is true there is no imagination in a budget whose vision is limited to debt reduction. The imagination comes afterward as the Liberals try to sell Canadians on the fantasy of their election promises.

Three days after the budget was delivered, before the ink was even dry on the government's economic blueprint for the coming year, the Prime Minister was out giving speeches offering up a very different picture. He told an audience in Winnipeg "There will be more money for health care. The federal government will increase its share of funding. Roy Romanow was right". Then why did he not deliver in the budget?

There was not a single mention of Romanow in the budget, just like the throne speech before it. There is no new money to bring the federal share of health funding up to 25% from its current level of below 17%. The Canadian Medical Association, the health care association and other health care advocates pointed with disappointment and despair to the budget's failure to dramatically improve medicare's sustainability.

The Prime Minister went on to talk about a new relationship with the provinces and territories, yet the government had met with the premiers and knew very well what they wanted to see in the budget. What has the government done to further health funding stability since December? It has played a cat and mouse guessing game about whether it would even deliver on its promised one time \$2 billion from the surplus.

The same pre-election sleight of hand is going on in other areas where there was no concrete budget commitment. There are areas like employment insurance where the Liberals are announcing study groups, promising changes that were not seen in the budget or any other Liberal budget in the past 10 years. Here we are, only one week after the budget, another the Liberals will get to it later budget, waiting for an election call and this year's version of the Liberal red book with a new batch of promises.

The national child care program still has not been delivered after being promised in 1993. It is just like sustainable health care funding; like clean air and accessible education; like surplus spending equality between tax cuts and debt reductions on the one hand and program spending on the other. Unlike the Liberals' election promises, the budget tells a different story. It tells a story of 10 years of Liberal government, 10 years of Liberal neglect, largely under the financial guidance of the Prime Minister.

The lower 40% of Canadian families have less after tax income while the top 20% have seen their income rise by 16%. Unemployment consistently has been above 6% the whole time. Some 38% of the unemployed have been unable to collect benefits. There is a wider gender gap for full time, full year work and women's earnings are only 72% of men's. There are skyrocketing tuition fees. Child poverty levels are virtually unchanged. Single mothers and elderly women are more likely to be trapped below poverty. Canada's aboriginal people are still living in third world conditions.

• (1225)

Yes, it is no wonder that the Liberal government wants to move quickly past its conservative budget. It wants desperately to move on out of the reality of its budget failure to the glowing promises to be realized by taking a bite of the Liberal election apple. The Liberals are already well on their way trying to ride Canadians' unfulfilled hopes and dreams to another Liberal election victory.

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I am just wondering if the hon. member for Winnipeg North Centre could clarify the ideas of her party. To me they sound like ideas from the former eastern European bloc countries, the communist ideas that they would do this and that, and there would not be any unemployment at all because everybody would have to work. Look at what happened to the nations that formed the eastern bloc countries in Europe.

I am just wondering, with all those great promises that she would implement, where would she get the money? The NDP cannot just talk and mislead the nation with empty promises without any fiscal responsibility.

Ms. Judy Wasylcia-Leis: Mr. Speaker, let me try to respond to that very simplistic view and certainly inaccurate representation of our position.

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If members read very carefully the speeches that I and others in our caucus have made, they would know that mainly we are talking about Liberal promises. We are talking about broken Liberal promises. We are trying to get the government to live up to its promises and to move on its promises to Canadians.

For example the national child care program is the longest running broken political promise in the history of this country. Affordable accessible housing has been denied to many Canadians because the government chose to leave the field. It vacated this important public policy area because it just was not important enough in terms of the overall mandate of the federal government. And what about the Kyoto accord which the government signed?

What about the promise to ensure sustainable health care and preserve medicare? The government pretends it is in support of that even though every time we turn around it seems to be more interested in privatization and for profit enterprise in the health care field than in standing up for universally accessible, non-profit publically administered health care. I could go on and on with the numerous broken promises of the Liberals.

When we talk about how we would do this on a fiscally responsible basis, may we also remind the Liberals of their promise to do it by taking the surplus and dividing it equally among program spending, tax cuts and debt reduction. If we even had that much from the Liberals today, students, farmers and workers would not be facing the serious situation that they are facing right across this country. The government could have lived up to that promise instead of putting 90% to tax cuts and debt reduction and 10% to program spending.

That is the imbalance we are talking about. Is that a balanced approach? No. All the New Democrats want is a balanced approach. How do we get there? We are not suggesting cutbacks in any of those valuable areas that have been listed. We are talking about using the surplus dollars.

Talk about tomfoolery going on, it is the government that has underestimated the surplus for all these years, leaving over \$80 billion in unestimated surplus and it has gone automatically against the debt. Is that fair? Is that reasonable while students are facing huge tuition increases, while young people cannot even think about their education, while patients line up in emergency wards? Does that make sense? No.

We suggest that the government take a good chunk of that surplus which it keeps lowballing, the contingency fund and the prudence fund, and start looking at the fact that there are contingencies that have to be met today. It is raining in Canada and Canadians ought to have the support they deserve. After taking the hit and helping out the government for 10 years, they ought to be given a break today. They ought to be the first priority of the government.

● (1230)

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, it gives me great pleasure to speak about the budget.

In Trinity—Spadina there are people from all economic backgrounds. As a member of Parliament for the last 10 years I have tried to add extra value, whatever I could muster, to work toward creating opportunities. It has been a balanced approach that will give the

people of Trinity—Spadina the tools to allow them to achieve their dreams.

Ten years ago when I first came to the House there was a \$42 billion deficit, \$42 billion in interest payments year after year. That was money that could have been used to benefit the many social programs that we believe in to ensure that Canadians have the standard of living to which they aspire.

The budget is a continuation of that. It is a balanced approach. It deals with the fiscal concerns. It ensures that when Wall Street speaks about third world nations, it will only look at itself. Canada is a symbol of what Canadians have done. They have sacrificed together to achieve the goals and have worked in a way that does not leave anyone behind in our society.

In the last 10 years there have been many programs that we have worked toward to ensure that side of the equation. When we lead the OECD in economic growth, in the debt to GDP ratio, we are going in the right direction. We also want to ensure that we use Canadians' money for programs that in the future will help us go forward in this new millennium with great hope and aspirations.

In Trinity—Spadina we have many things to be thankful for and many opportunities that we have to work toward to ensure that no one is left behind. We have a vibrant cultural community in Trinity—Spadina. That can be seen today in Trinity—Spadina. Cultural institutions are being refurbished and expanded to improve tourism and to add to the kinds of things that we value, our soul. The arts community and cultural community adds that to a nation. In Trinity—Spadina expansion and growth is taking place, whether it be the Royal Ontario Museum, the Art Gallery of Ontario, Roy Thomson Hall, the Gardiner Museum, I could go on and on. The Opera House and Harbourfront Centre add so much to our community down at the waterfront.

This has been possible because 10 years ago the government came up with a process of investing in a cooperative fashion with other levels of government in an infrastructure program. It allowed us to continue to help municipalities and communities invest their money, as they would have done anyway, and to contribute along with the provincial governments. In this way it increased the number up to \$12 billion of spending that might not otherwise have taken place. That has helped provide opportunities for employment, aside from tourism and many other things that make up the fabric of our communities.

There are many other things that make us proud in Trinity—Spadina. On University Avenue there is the University of Toronto and the hospitals. There is research and development. The government saw fit in 1993 to work at becoming the fourth instead of the 13th nation in the OECD group of communities. The government has increased its spending on research and development.

There are all the various programs we have put in place, the Canada Foundation for Innovation, the graduates program, the programs in terms of research and development with the NRC, medical research, the CIHR, the Canadian Institutes of Health Research. Bright intelligent Canadians who had gone abroad to do earth shattering research now feel comfortable about coming back to Canada.

• (1235)

Canadians can come back to Canada because the government has reinvested tremendous amounts of money. This has created critical mass on University Avenue. We are still trying to get the disease control centre in Toronto because of all the talent that exists on University Avenue with the university, the hospitals and the biotechnology centre.

The MaRS program at University and College will be for the commercialization of talent that brings on basic research all the way through to venture capital. This will ensure that there is commercialization with good and innovative technologies and ideas, thus allowing Canada to continue to be in the forefront of the new economy which is the economy of brains and opportunity, especially on the medical side of the equation. There is a buzz in Toronto, and in Canada as a whole, because of that.

There are many places from coast to coast to coast, whether it be Edmonton, Montreal, Vancouver, or Halifax, where greatness is occurring, whether it be Genome Canada or opportunities on the Internet. The University of Toronto is working with England, Australia, and throughout Canada, to piece out research money that it has received from the government so it can look for opportunities to break through some of the challenges in medical science. The university is working in a cooperative manner. Many talented individuals are working together to achieve greatness.

That greatness will benefit all Canadians. They will benefit from the breakthroughs in medical opportunities so people will live longer and healthier lives. Business opportunities will be available. Canadian businesses will be able to expand, and export their goods and services. I am very proud of the work we have done in terms of research and development.

Without a post-secondary education, people will not have the opportunity to participate in the standard of living that we are talking about. Most jobs require a post-secondary education, whether they are jobs on cranes where everything is computerized or whether they are jobs in the high tech field. Everything in between requires added intelligence that comes through post-secondary education, aside from those who continue to learn through their daily experiences and do not have the opportunity to attend post-secondary institutions.

We have done a lot to ensure that low income Canadians have the opportunity to continue their learning so that economics will not constrain them to the point of not allowing them to continue to aspire to greatness.

The government has provided a learning bond in the budget for low income families. Some people will say that it is not available today, but tomorrow has to start today. The learning bond will help low income families and their children born after 2003. The

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government has also increased Canada student loans by providing \$3,000 to low income Canadians.

There are many other things in the budget to ensure that low income Canadians will have the opportunity to get a post-secondary education, whether they have disabilities, or whether they come from a family that is not in a great position economically.

Let me speak now about communities. The Prime Minister and many of my colleagues in the provincial and municipal government, in a cooperative fashion, announced on Tuesday \$1 billion for public transit. That is what the government is all about. We work in a cooperative fashion with other levels of government to ensure that \$1 works 10 times over. Creativity is something we have to work toward. Entrepreneurship thinks about solving problems with the least amount of money and the least amount of work, and will in the end give Canadians the best they can possibly have.

• (1240)

We see a new spirit of cooperation in Ontario and throughout Canada. The government has put forward many things. The GST rebate for municipalities will allow them to use this money for other important aspects in their city living. Infrastructure projects will speed up as the money becomes available from four years to three years.

We at the federal level continue to work in our communities, in places that people often do not see, to ensure that the fabric of our society continues to work together in a way that the web is not seen.

Community centres, often with federal support, have access programs that allow those who are not able to have computers or Internet in their homes to go to local community organizations, whether they be the libraries, schools or community centres, and access whatever it is that they require or need.

We are working toward summer career placements in a way that allows those community centres to hire students in the summer in order to offer summer programs.

I could go on and on in terms of how the budget has helped sustain some of this because we continue getting calls, whether it be from St. Christopher house, University Settlement Recreation Centre, or St. Stephen's. Basically, it is about the federal government and crime prevention programs or seniors with the new horizons program. That has been put forward so that in effect communities can access some money to ensure that there is active living with seniors.

That brings me to the pleasure and privilege that I have to work for the Prime Minister on a task force for seniors to ensure we come out with a report that will ensure that low income seniors have more tools available for them so that they can live with dignity taking into account all the work that they have done to make this country as great as it is today.

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There are many more things I can speak about in terms of what the government has done with this and previous budgets. Years ago I was fortunate enough to be on the mayor's task force on homelessness and we pushed, as a caucus and as a government, to find a way to create an opportunity so that the federal government would help communities, from the bottom up, find ways of alleviating homelessness.

We have a responsibility to work with other levels of government to help people who cannot help themselves, for whatever reason. Anyone of us here today can be in that situation of becoming homeless with a bit of bad luck.

We have to continue giving dignity to the people who are on our streets and who may not have the opportunities that we have here today. With the \$753 million we have created many opportunities in my riding of Trinity—Spadina whether it is Eva's Phoenix or 25 Leonard. It is housing people who are homeless in terms of transitional housing and allows them to have a home and dignity, and the opportunity to work.

The other day I went to the Parkdale area. We were doing an announcement on crime prevention. The person serving at that establishment, which was a not for profit organization, said he lived in my riding at 25 Leonard.

I said, "Great. How long have you been there, is it working, how are you feeling?" He thanked me for all the work the federal government had done in helping create the SCPI program so in effect we were building many fabrics of our society within that community.

That gives me a great deal of pride, to know that in effect we are using our dollars to help real people so that they can have the kind of life that we all want for our own families.

There is lots more to be done and it is not going to be possible all in one budget. It is important that we lay foundations and that we put down payments in the direction we want to go because spending \$42 billion today might cost us billions in interest payments alone and that is a shame.

● (1245)

We must continue working those interest payments down, so that every time we get \$5 billion or \$6 billion more we can put it into programs that count. That is the reason we stand here in the House of Commons and in front of Canadians, to make a difference in their lives. Without us actually trying to do that and working on their behalf, this place will not work.

I know that, regardless of which party, people come here to do their best, to give of themselves, of their families, so that we can make a little bit of a difference. We all have different approaches to this. Some of us want things faster and some of us want things slower.

In the end, we are trying our best to ensure that we take a balanced approach. We want to go toward what we are trying to achieve in the end, which is to help Canadians so that they can help themselves. The budget is continuing on that foundation and with the change of course that we have brought to this Parliament and to this country in the past 10 years.

If Canadians in the end believe that we are going in the right direction, even though there are errors along the way, I think we will come back and continue working on their behalf.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I will try to be nice to start off. I know the hon. gentleman is sincere when he speaks. I think he is a pretty decent fellow.

However, the government is still in charge. The Liberals are the government and they have been the government for 11 years. When they took power, student debt was roughly around \$5,000 to \$7,000 per student. It could be a little more or a little less, depending on which school the student was at and what courses were being taken.

After 11 years, tuition fees have literally doubled or tripled in some circumstances. Debt to students has gone incredibly high, to the point where many of them feel very restricted with this huge monkey on their back. It was the Liberal government that brought in legislation that would not allow a student, in extenuating circumstances, to claim bankruptcy on that debt. I believe there is a 10 year freeze or moratorium on students declaring bankruptcy.

Businesses do not have that. If a business goes bankrupt, it is bankrupt. However, students carrying a debt cannot do anything for 10 years, even if they become severely injured or disabled.

Students are facing a great difficulty. I would ask the member to address the students of this nation and answer, why are they under such heavy financial burden? Why are tuition fees so high? I would give the member the opportunity to explain in a positive way, what would he do right now to correct those problems?

● (1250)

Mr. Tony Ianno: I thank the hon. member for his compliments. In terms of tuition fees, just to deal with it from my perspective, in Ontario they went up, because as we know, tuition fees are a provincial jurisdiction. Even though we give provinces transfer payments, they decide how much they want to give to their universities and how much they decide to allow the universities to raise their tuition fees by. Unfortunately, even in the 1990s when there was an NDP government, tuition fees almost doubled, which created a great burden on the students. Many of them were not able to afford the tuition fees and they unfortunately were left with big debts because of that.

If I had my way, I would have zero tuition fees, if the member wants to know the truth, because I believe that in the end higher learning is a right, an opportunity for students to go to university, to learn and to continue to improve the standard of living for all of us in the future.

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Unfortunately we have to deal with jurisdictions and provincial governments and we have to compete for dollars in this process. What we have done is created the framework in such a way as to at least allow low income Canadians to have a better opportunity in the future. With the tools available to them, they will be able to learn. That is why we have reduced their interest payments and have given them a longer time to pay. Less will be incumbent on the parents to give, so that students would still be eligible for Canada student loans. We will continue to work toward that to ensure that any student who wants to learn has that right and that opportunity. Cooperatively with other levels of government, we will work toward that because unfortunately tuition fees are set by the universities which are directly responsible to the provincial governments.

We have to continue to work toward this so that we relieve these problems. One way to do this has been that in our jurisdiction in post-secondary education we have increased our funding in research and development through the foundations, the graduate programs and the millennium scholarship fund. All of these things have been geared toward ensuring that there is more money available in the university system to continue allowing students to be paid while they are going through their graduate studies. In effect, they will be able to continue with and complete their post-secondary degrees. There is a great deal of work still to be done but together I think we can achieve it.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, CPC): Mr. Speaker, I listened carefully and I think that was perhaps the most self-delusional speech I have heard in a long time, and I think the member actually believes it. This country labours under the burden of a bad government. We just heard the member. He is proud of it. He used the words boastful and proud. Really, I think it is delusional.

I will give him an opportunity to redeem himself out of this phoney balanced theme he mentioned. He used the word balanced a number of times. I will ask him simply and give him an opportunity to redeem himself now. What is his explanation of and commitment to the reduction of the national debt? What is his vision for paying for past excesses of living off the national credit card with high interest? What is his explanation to deal with the national debt? I will be listening.

•(1255)

Mr. Tony Ianno: Mr. Speaker, I am very happy to have a question from the hon. gentleman. First, I am very proud of Canada, of where we are and of what we still have to do in order to make it even greater.

Of course the member opposite, now from the Conservative Party, would know that when Brian Mulroney, his leader, took over in 1984, the debt was \$100 billion or so.

An hon. member: It was \$180 billion.

Mr. Tony Ianno: It was \$180 billion then and of course when we took over it was about \$560 billion. Of course, one could say that for nine years they had to deal with whatever they wanted to deal with, but in the end they gave us a balloon of a big debt. What we have done is pay down the debt. The NDP member who spoke earlier said it was \$80 billion we paid toward the debt, but it was only \$52

billion. However, it is \$52 billion less that we have to make interest payments on.

Let me also explain this from an economic perspective for the hon. gentleman. Out of the \$500 billion debt that is there now, \$130 billion is the superannuation, the employees' pensions. The market debt is at the \$370 billion to \$380 billion mark. If we take as a line item the \$130 billion and just pay the \$5 billion that we have to pay extra from the employees and the government on that basis and put it on a line item, we will see that our market debt is only \$370 billion.

When we look at our debt to GDP, it is the best anywhere. Of course, on that process, the OECD, all the other nations in the world, except for one or two others, do not use the employee superannuation debt on their overall debt. We are the only ones. We are boy scouts—or girl scouts. What we do is put everything together and then say our debt is \$500 billion. If everyone else did the same, their debts would be so much more. In fact, the finance department sent me a letter saying I was right, that it was going to speak to the OECD and make sure that we are comparing apples to apples.

When we take it all into account and take the growth in GDP, as we are going to work toward, why will that happen? It is very simple. When we took over the government in 1993, there were 12.8 million Canadians working. How many are working today? There are 15.9 million Canadians working. That is three million more. Twenty-five per cent of the workforce has expanded in the last 10 years. Why? It is very simple. We have worked toward getting our economic house in order. We have made sure that the interest rates were lowered by letting everyone know that they should have confidence in Canada.

On that basis, what took place is that Canadians, whether they own their own home or whether they are renting, the money they are saving on the mortgage rates is after tax dollars that they can spend on their families, on education or on anything that is valuable to them.

I am very proud of what this government has accomplished and will continue to accomplish, because when we continue putting our hearts and minds together with all Canadians, we will achieve. Canada has a special place and the people of Canada are actually low key, hard workers who know how to sacrifice. That is why we have achieved this, not because of the government alone. It is because of the people of Canada who have worked with this government. They chose this government time after time.

I hope and believe that the next time it will also be a Liberal government because Canadians trust us. Yes, there have been a few errors along the way. There is no doubt about that, but overall they know our hearts are in the right place. Canadians know that we care about them. We will not leave behind the person who is disabled or hurt and only go for survival of the fittest. That is not what we are about, although the members across may be, I am not sure. I know that some of them are not.

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We in this party believe, as most Canadians believe, that we work as a community. We work together and we share. Together, working with small and medium sized businesses, which have created 85% of those new jobs, we will continue to achieve. When we deal with the environmental technologies and the new technologies of R and D, we can see that the future is very, very bright and I know that Canadians will continue to support this vision.

• (1300)

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, CPC): Mr. Speaker, perhaps the member did almost redeem himself.

Much has been said about the budget and the ways and means motion, but I want to take a quick recount of the 2004 budget at a glance. I will give some statements and responses.

It is the seventh consecutive balanced budget with a projected surplus of \$1.9 billion for 2003-04, which must go to the \$510 billion debt. The problem is that there is no long term plan for national debt reduction; it is just what happens to be left over. That is a very inadequate signal to the foreign investor market.

Second, program spending jumps by 7.6% from last year to a record \$143.4 billion and jumps by another \$12.7 billion over the next two years. It is up a massive \$41.1 billion or 40% over the last seven years. The government is taking too much out of the economy into the public sector, which puts a drag on job creation and overall economic development for the future.

Third is a promise to improve accountability and integrity in government spending in wake of the sponsorship scandal, and no deficits. That is an admission that ministerial accountability and oversight up to this point have been completely inadequate and that Parliament has not been sufficiently informed.

Then the budget stated that the Liberals would re-establish a comptroller general to oversee all government spending. That is an admission that unqualified employees approve and sign cheques and comptrollership accounting is sadly lacking. The Liberals cannot manage.

Next, government is to identify \$3 billion in annual savings within four years. That is an admission that the Liberals' financial planning cycles contain much waste and imprecision and they must be continually corrected after the fact.

Mr. Speaker, I should say that I am splitting my time with the member for Dewdney—Alouette.

Next, the budget says that the Liberals will reduce the debt to GDP ratio to 25% within 10 years. That is a laudable goal, but it is an unambitious goal in view of the possibilities. It is a plan of a missed opportunity for debt reduction when it is possible, for it may not always be possible in the future. Despite some payments, the debt is still \$23.1 billion higher than when the Prime Minister first became the finance minister.

There is \$7 billion over 10 years for cities by rebating the GST. That is a helpful but small benefit. It is also an admission that this should never have been collected in the first place through taxing a lower level of government, through one government taxing another government.

Then there is the promised \$4 billion over 10 years to clean up contaminated sites across Canada. That is a very helpful gesture to a very old and neglected problem. I remember visiting the Sydney tar ponds and embarrassing the minister to get him there so that he would at least look at it for a change. That is a re-announcement of a promise made many times before.

Then there is the \$1 billion for cash strapped farmers, with about \$680 million targeted to cattle producers hurt by the mad cow crisis. The \$80 per cow is only a partial but helpful and welcome benefit. It is too little and far too late for many farmers already bankrupt and gone from the sector, even though government was repeatedly warned.

Next is \$665 million over two years for public health, including \$165 million to establish a national public health agency. It is a needed adjunct for public health safety but no help for the basic underfunding to meet national health care standards. There is just a promise to talk in the summer after the election.

There is \$605 million over five years for intelligence, border protection, marine and cyber security, threat assessment and emergency response. Certainly we should have a concern with the effectiveness as these large bureaucracies increase in size.

There is \$270 million to provide venture capital for start-up technology companies and to help get private sector financing for leading edge technologies. Here we find out that the government is trying to pick winners instead of concentrating on lowering the cost for all in a level playing field.

There is also \$250 million to cover Canadian Forces missions in Afghanistan and efforts to prevent terrorism. Unfortunately, that is an unavoidable expense for the basics without any real equipment enhancements. It is just the basic cost of being there.

There is another \$240 million more for international assistance in 2005-06. It is an opportunity for much waste if it is not well managed.

• (1305)

Then there is the Canada learning bond to provide up to \$2,000 for children born after 2003 in lower income families and a grant up to \$3,000 for first year post-secondary dependent students from such families. It could be more vote buying posturing than actually helping many students as only small numbers will be able to qualify for this provision.

It will reduce the air traveller's security charge for domestic and international air travel. It is long overdue and still too high for the actual service delivered.

There will be faster spending of \$1 billion in funding to cities and towns to repair roads and sewers, including \$350 million for Toronto transit. Again, there is no realistic national plan for transportation infrastructure in partnership with the provinces.

Government Orders

There will be reinstatement of a \$1 billion prudence reserve on top of the regular \$3 billion rainy day fund to ensure the country's books stay balanced. That is a cosmetic gesture as revenues are always grossly underestimated. It is also an admission that budget plans are not very accurate or reliable.

There will be tax act changes to allow bigger write-offs on computers, heavy machinery and other capital investments. The government is disturbing the marketplace by playing favourites rather than improving write-down schedules for all equipment upgrades equally for all sectors on a predictable internationally competitive basis so markets decide rather than government bureaucrats just guessing.

Petro-Canada promised to sell the government's 19% stake in the company in the next fiscal year. The current market value of this ownership is close to \$3 billion. About \$1 billion will go to fund environmental technology development and commercialization. The proceeds will no longer have to apply to the national debt.

The Liberals repealed the Debt Servicing and Reduction Account Act that required proceeds from such asset sales to be used to pay off the debt. The Prime Minister has promised to put part of the funds into a green technology foundation, adding to the nearly \$9 billion doled out to foundations under the finance minister. It was criticized by the Auditor General in the past.

Then there was the promised employment insurance. The budget announced the EI surplus would swell to \$48.1 billion from \$43.8 billion last year, and the premium rate is frozen at \$1.98 for 2005. The EI rate setting provisions of the Employment Insurance Act have been suspended once again. Rate setting provisions have been suspended since 2001 to keep the premiums artificially high while the Liberals slowly consider changes to the rate setting mechanism. The Auditor General has concluded that, since 2001 rate setting did not observe the intent of the EI act, they are basically balancing the books on workers. "High EI rates is a tax on jobs", is a quote from the current Prime Minister when he was in opposition.

In the budget the Liberals are promising targeted spending and a plan to clean up government if they are re-elected. Can we trust the Liberals? Just look at the track record. The Liberals have done an awful job and Canadians are not getting value for dollar. Canadians are sending more and more to Ottawa, but hospital waiting lists are getting longer, students go deeper in debt and our soldiers are spread as thinly as ever.

Meanwhile, the tax dollars flow like cheap wine for Liberal friends and bureaucratic sinkholes like the long gun registry, corporate welfare, Challenger jets, grants to special interest groups, the Governor General's spending, friendly advertising agencies and so on. These tax dollars would be far more productive for the multiplier effect to be involved if they were left in the pockets of workers, investors, business persons, homemakers, farmers, fishermen and students rather than in the hands of a government bureaucrat.

It is a contrast of visions: the Liberal old world view, the old bad habits, or the confident march to the future. Canadians demand better and they deserve no less.

Mr. Grant McNally (Dewdney—Alouette, CPC): Mr. Speaker, I would like to take this opportunity to make a few remarks at the opening of my speech, if you would indulge me, in light of the impending election. I will not be seeking re-election, and I want to thank some special people who have been very helpful and encouraging to me during these past several years.

First and foremost, I would like to thank my family: my wife Wendy and my four children, Jordana, Reanna, Kaelin and Graedon. As my colleagues know, our families sacrifice a great deal in order for us to be here in the House of Commons. Our families know the stress and demands this job puts on our personal lives, and I want to thank my family for enduring my frequent absences during these past seven years.

I want to thank the constituents of Dewdney—Alouette living in the communities of Pitt Meadows, Maple Ridge, Mission, Agassiz and Harrison Hot Springs for bestowing upon me the great honour as serving as their member of Parliament. It has been a privilege and a great opportunity to bring their issues and concerns to the House of Commons. I will remain forever grateful for the time I have spent here on their behalf and for all the special people that I have met as a result of doing this job.

I want to thank my friends and supporters for their help and encouragement throughout the years as well. I would never have been here without their help, especially my good friend Mark Bogdanovich for his help over the years, and all those who served on the Reform Party board, the Canadian Alliance board, and the new Conservative Party board for their help through both good and bad times.

To those who have worked with me over the years, all my staff, Tara Bingham and Mark Strahl, they are more than employees. They are loyal and hard-working and they have helped me in so many ways. They have become my confidants and my good friends, and I thank them.

I am happy to predict that the man who has been with me from day one, the man who has run my constituency office for seven years and who knows the issues and concerns of Dewdney—Alouette will soon come here to carry the torch on behalf of the new Conservative Party of Canada. My executive assistant Randy Kamp has won the nomination and is ready to go. I thank Randy for all his help, his advice and his friendship. I am quite confident that the people of Dewdney—Alouette will choose him as their next MP and I know he will do an excellent job on their behalf.

Speaker's Ruling

To my colleagues in the House of Commons, to Mr. Speaker, and to all my friends, it has been a pleasure and an honour to work with them and to get to know them. I share one regret with my former colleague, Preston Manning, in that I did not get to know more of them better. I often tell people that we have more in common with each other, regardless of our party affiliation, than anyone else in the country. Regardless of which party we belong to, we are all here to do what we believe is in the best interests of our country and our constituents. I have made some special friendships which I am sure will endure long after we have all left this place.

On a personal note, which is usually a note we do not share in this place, I want to thank my colleagues, family, friends and constituents for their words of encouragement and prayers during the past four years as our son has battled cancer. They have been kind and thoughtful, and we really appreciate the support they have offered to us in so many ways. I am afraid my allergies are flaring up a bit, but I am sure I will fight through it. I do want to tell the House that Graedon is now seven, doing really well in remission, and I thank everyone again for all their help.

In regard to the budget—

• (1310)

The Deputy Speaker: I always hesitate to interrupt members, but the member for Dewdney—Alouette has given me an opportunity to just interrupt briefly so that the Speaker might bring a ruling to the House that I know is of significance to members here. We then will get right back to the matter before the House.

* * *

POINTS OF ORDER

STANDING COMMITTEE ON PUBLIC ACCOUNTS—SPEAKER'S RULING

The Speaker: I thank the hon. member for Dewdney—Alouette for allowing me to interrupt his very moving remarks.

I am now prepared to rule on a point of order raised by the hon. opposition House leader earlier today concerning proceedings in the Standing Committee on Public Accounts.

[*Translation*]

I would like to thank the hon. opposition House leader for presenting this issue to the House, as well as the hon. parliamentary secretary to the government House leader for his comments.

[*English*]

The opposition House leader stated that the public accounts committee had before it a motion concerning the making public of in camera testimony delivered before the public accounts committee in the first session of this Parliament. He pointed out that the past practice with respect to in camera testimony indicated that it had only been made public by order of the House, and he relied on a precedent I believe cited to him concerning the year 1978, as I recall. He argued that the proper course for the committee would be to seek such an order and that, in acting on its own initiative in this matter, the committee would be exceeding the power delegated to it by the House. In support of his position, the opposition House leader cited a letter from the Clerk of the House to the hon. member for Notre-Dame-de-Grâce—Lachine, in which the Clerk indicated that it would be prudent for the committee to seek such a House order.

The opposition House leader also stressed that, if no preventative action were to be taken to prevent the committee from making the in camera testimony public, the harm done would be irreversible and that it was therefore necessary for the Speaker to rule as soon as possible in order to forestall that eventuality.

The Parliamentary Secretary to the Government House Leader in his intervention, stated that it was contrary to our practice to intervene while a matter was before a committee. He indicated that the proper course procedurally would be to wait until the committee reports to the House. At that time, any potential procedural irregularities that had occurred could be raised and the Speaker could deliver an appropriate ruling.

I would like first to indicate the extent to which the Chair views this as a question of the utmost importance. The Standing Orders accord to committees considerable powers in order that they may carry out their work. Committees are also accorded extensive freedom to organize their inquiries as they see fit and to control their own proceedings.

At the same time, they remain creatures of the House. They are bound by the applicable provisions of the Standing Orders and may not exceed the powers they are given or conduct themselves in a manner that is contrary to the practices and traditions of this place.

It is, however, precisely on that basis that, in the first instance, it is the public accounts committee that must take responsibility for its actions. I certainly agree with the opposition House leader that there are important procedural questions at issue here. It is evident, by their seeking advice from the Clerk of the House, that the members of the committee are aware of those issues.

The Speaker is however not empowered to substitute his judgment for that of the committee prior to any decision being taken by it. The members of the committee will, mindful of the rules of the House and the precedents in matters of this sort, decide on what they consider to be the proper course of action. The Speaker has no power to anticipate such a decision, nor to intervene in the internal deliberations of the committee. I have stated that on many occasions.

While I appreciate that the subject matter before the committee is of considerable interest both to members of the House and indeed to all Canadians, that does not change either the Speaker's role or his obligation to refrain from intervening in the committee's business. If members feel that the committee requires some direction in this matter, beyond the advice that has already been provided, they may wish to consider having the House provide an instruction to the committee.

Once again, I would like to thank the hon. opposition House leader for having raised this matter. I am sure that we can rely on his continued vigilance with respect to proceedings in the committee and to any issues raised by its reports to the House. That is my ruling on the matter today.

Government Orders

•(1315)

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, I have full respect for your ruling. I would ask you, based on what the government's parliamentary secretary said, will this committee have to report to the House before this document is released to the public? My great concern is that the committee could do something that is against the rules of the House before we have a chance to rule on it.

Could I get some understanding as to whether it could release a document of this effect, based on the comments made by the Clerk that this would be improper?

Yes, I agree that committees have the power to do what they want to do. However, if the committee is going to do something that will embarrass the House of Commons, what can we do or what assurances can we have that they cannot just go and throw something to the wind and then the rest of us have to take the blame for that?

The Speaker: The hon. member for West Vancouver—Sunshine Coast knows that we are unable to cite any rule that prevents committees from making decisions to release this kind of information. That is not in the standing orders. We have had the clerk explain the past practice. The committee is free, as I have indicated, to make its own decision in respect of this matter.

If the House wishes to give directions to the committee, by either changing the rules or by issuing a specific order by way of a motion to the committee, that is fine, but it seems to me that the committee is master of its own proceedings. If, for example, something happens that is clearly wrong in a committee and it takes place there, it is a little late for the House then to take action to stop the action from taking place.

These things are raised in the House from time to time, as hon. members know. Sometimes members have raised complaints about what a committee did and asked the Speaker to fix it. The Speaker, as I have indicated, is not in a position to interfere in the workings of a committee. The committee is master of its own proceedings. The House can issue directions, but if the directions are not followed explicitly, what does the House do, is always an interesting question.

Perhaps it is for that reason that the House does not often issue instructions to committees except for directing them to go and study something, but it does not usually tell them exactly how the study will take place. The committee is master of its own procedures and makes its own decisions in that respect.

I think if the hon. member reviews the words of my ruling he will see that is exactly what I said in the ruling I gave, perhaps not in exactly the same language, but very close.

* * *

•(1320)

BUDGET IMPLEMENTATION ACT

The House resumed consideration of the motion that Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be read the second time and referred to a committee.

Mr. Grant McNally (Dewdney—Alouette, CPC): Mr. Speaker, I will close by perhaps mentioning the budget in one small regard. On behalf of those of us who will be leaving the House, I would ask those who remain and those who will soon come to this place that they manage the funds wisely. They are not government funds. They are hard earned dollars and Canadians will be trusting them. I ask everyone to be wise, to be prudent and to provide peace, order and good governance because Canada is counting on them.

In conclusion, and I have waited a while to say this, I am coming home.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the House of Commons and Parliament as a whole has been a better place because of the member for Dewdney—Alouette. He has many friends in this place. I know he is a member who has taken his work responsibly and I know that he has earned a great deal of respect. I know the member also is aware that we all share his burden with his family and pray for the best outcome possible for his son.

That is an example of the pressures and real circumstances that many members of Parliament face during their tenure here. Canadians should know that our best friends in this place have nothing to do with political parties. It has to do with the common bond of association that we have. This member has been a friend to all and has earned our respect and our best wishes in the days to come.

On behalf of all hon. members, I believe, I want to thank him for helping Parliament to be a better place.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I too, on behalf of my party and the many friends that the hon. member for Dewdney—Alouette has, wish him and his family the very best of luck in the future.

I originally came from British Columbia and I know the area he represents very well. I still have friends in the riding and they speak very highly of him.

In a non-partisan way, I know he truly is a very decent, caring human being who has always put his family first and his job second, which is exactly how it should be.

I for one will probably miss him more than anyone else in the House. We have the annual soccer game of members of Parliament versus the pages. He has been to many of those games. What I would like to tell his son and his friends is that he is a terrific team player and a very good soccer player. I am giving him an open invitation. He is an honorary member of our soccer team and any time he wishes to come back he can play against the future pages this House will entertain.

On behalf of my family, I say God bless him.

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, I want to take a couple of minutes to congratulate the member for Dewdney—Alouette for his great career here, as the former leader of the party and house leader in British Columbia, and also as House leader of our party here. He has been a great friend and a great member of our caucus.

Government Orders

We all know he has had some real trying times in the last few years and we appreciated his strength during that period of time. We are happy that he will be going home, but I would not be surprised to see him back here some day. He will go home and spend a bit of time with his family and let them grow up again. Some of us will have to retire sooner or later so we will be needing some good, young guys to come back to this place and fill in for us.

I thank him for the great job that he has done for not only our great province of British Columbia, but for all of Canada. We wish him well in the next few years.

• (1325)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I too want to add my words of best wishes to the hon. member. I know him through the weekly prayer breakfast and the national prayer breakfast. I have appreciated his contributions to both of those entities.

As members know, the work in this place is pretty stressful and, contrary to opinions, largely held by many members of the public, this is not an easy job, and it is a particularly difficult job for those members who come from out west.

I, relatively speaking, have it easy because I come from Toronto, but for members from out west who frequently have to travel on a Sunday afternoon or evening to get here for a Monday morning, it must be very difficult. I can only imagine how the burden of traveling, along with the worry for his child and the regular stress and strain of the job, have been almost overwhelming for him at times. However I think his faith, in some respects, has seen him through.

I wish my colleague all the best and thank him for his contributions over the years.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I also would like to take a few moments to pay tribute, personally and on behalf of my colleagues in the Bloc Québécois, to our colleague, the hon. member for Dewdney—Alouette, who will soon be leaving us.

Obviously, neither you nor I, nor he, knows exactly when the next election will be called. But it could be sooner rather than later. Consequently, this could be one of the last times we sit together in this House.

I am sad to see him leave, because I had the pleasure of rubbing shoulders with my colleague from Dewdney—Alouette when I was the chief whip of my party and he was my counterpart. During that time, I found he was a man of great integrity and great diplomacy, in short, a gentleman.

I salute him warmly and I wish him the best of luck in whatever the future holds. I know that he has made this decision for reasons we all agree are worthwhile. With sadness we see him go, as I said, but I think we understand that, under the circumstances, he has got his priorities straight.

I would like to congratulate him on that and thank him for the inestimable contribution he has made to this House over the years.

[*English*]

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, I too sincerely congratulate the member for Dewdney—Alouette. We go back to when we were elected in 1997. We began our time here in Ottawa as seatmates, sitting very close to where we are right now.

An hon. member: Boomerangs.

Mr. Gary Lunn: Yes, exactly. We are right back where we started. I am pretty happy to have him as a seatmate.

I go back to Preston Manning who said that the most important thing he learned after he left this place was the relationships and friendships that he developed. Many other members have spoken so eloquently. No one could meet a better guy who has worked so hard. No one could possibly imagine the tough times he has gone through with his son Graedon but he has always found the time to speak to us and to take our calls. I do not know if there are words that can express the deep bond and friendship that has developed.

I wish him every bit of success in the future. I know his wife Wendy is looking forward to having him at home with his four beautiful children. We will miss him terribly but we also know that he is going on to bigger and better things. The great part is that I have made a great friend for life.

• (1330)

The Deputy Speaker: I am going to take advantage of the opportunity given to me because it is a rare occasion in our institution when we allow ourselves and, maybe more important, Canadians, to see a side of us that is very seldom in evidence. It truly makes me proud on a day like today to be a member of the House of Commons.

I am going to do something that I never let anyone else get away with and say that people like Grant McNally give politics a good name. The House of Commons' loss, our loss, will be his wife's and his family's gain. We are happy for him and wish him the very best.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I am pleased to speak to Bill C-30, which implements the last Liberal government budget. This budget was passed on Tuesday, March 23.

This week saw the tabling of a budget in Quebec and several provinces, and budgets will be brought down in other Canadian provinces in the coming weeks. Obviously, it is not always easy for the public to make the distinction between the provincial budget and the federal budget. However, there is one thing the public must understand and that is that Canada generates a surplus and the provinces are having a great deal of difficulty achieving balanced budgets.

When a government presents a budget like the federal Liberal government did, with a surplus of nearly \$7 billion, one would expect to see some sort of attempt to help each other out in this budget, in this fiscal federation, or what is left of it. The problem with the federation has become a fiscal problem.

Government Orders

Of the 57% of taxes that go to the federal government, 43% come back to the provinces for jurisdictions that are divided in the Constitution, yet shared fiscally. It is not uncommon to see the federal government getting directly involved in provincial jurisdictions. We saw this in the budget.

What is worse, this budget is strangling Quebec and the provinces, the sick, students, the unemployed and seniors.

I will conclude by talking about what might happen to the riding that I represent, to the constituents who have put their trust in me in Argenteuil—Papineau—Mirabel.

Why are we talking about strangulation? Because the federal government has a monumental surplus. Let us not forget that it has raked in \$7 billion. What has it decided to do with this money? It has decided to keep it and pay down its debt. It does not care if the provinces go into debt. It does care if citizens, seniors, young people or families go into debt, as long as it can pay down its debt. That is called fiscal imbalance.

That is why I am saying that the budget tabled on March 23 is strangling Quebec. I will give a few examples, because it is not easy to talk about so many numbers in a concrete way. The one image that people remember is the infamous equalization condemned by Quebec's finance minister and premier. All the parties, including the Parti Québécois and the Liberal Party, have spoken out for many years now about the distribution of wealth.

Equalization payments from the federal government to the provinces are a way to redistribute the wealth among the have and have-not provinces. It pains me to say this, but Quebec is considered a have-not, in this redistribution, although this seems hard to believe. The economic reality is that, in real life, Quebec's primary resources, such as aluminum and magnesium, are processed in other provinces, especially Ontario.

This was a harsh reality in the Laurentians and Lower Laurentians region, with the closing of the GM plant in Boisbriand. Quebec is one of the largest producers of aluminum and magnesium in the world, and these primary resources are processed in another province, Ontario, which provides better-paying jobs. Obviously, this generates wealth in Ontario and poverty in Quebec.

When it comes time to give us a share of this wealth, Quebec is told it is getting a gift. Equalization payments are made, and Quebec is supposed to quit complaining. These payments are made according to a formula which, once again, was condemned by both the Quebec Liberal Party and the Parti Québécois, when it was in power in Quebec. The distribution of wealth is not equitable.

The government decided this in a unilateral fashion. It decided to unilaterally amend the most recent equalization formula, which expired yesterday, March 31. Clearly, the government did not fully listen to Quebec.

• (1335)

With the new formula, even though decisions were made on the basis of provisions previously put forward over a year ago by representatives of the Government of Quebec—regardless of political party—the federal government decided to take a chunk. I am using a metaphor.

Moreover, compared to the amount Quebec was expecting for next year, there will once again be a shortfall of close to \$400 million for the equalization formula alone. The problem is that this formula was adopted unilaterally for five years.

Why did the government not want to sit down and negotiate the formula? Because this would have cost it more money. It is as simple as that. So, this is a unilateral decision that hurts Quebec and that will strangle our province for the next fiscal year. We saw the immediate impact of this with the difficulties encountered by the Quebec government in making its own budget which—as those who have been following this issue know—will end up with a deficit, which means that the debt will increase over the coming year.

The March 23 budget is also about strangling, metaphorically of course. But the sick will suffer because, once again, despite its anticipated surplus of \$7 billion, the federal government did not invest in health the required amount, which the provinces were counting on.

The federal government promised \$2 billion. That commitment was made under Jean Chrétien. It was repeated twice by the current Prime Minister. But it is the same \$2 billion that the federal government is giving to the provinces, the \$2 billion that was announced in February and was included in the budget in March, but that is not a recurrent amount.

For the benefit of those who are listening to us, this means that this amount will not be paid from year to year. What can a health minister do with funding that is not recurrent? He cannot invest in personnel. He cannot hire more public servants. He cannot give salary increases to doctors and nurses. He buys equipment. This is what the government will do in Quebec. It will buy equipment.

Even if \$2 billion have gone to the provinces, the provincial advertisement points out that the federal level is paying only 16% of the costs. That was the figure calculated for fiscal year 2003-04. With the \$2 billion anticipated because of the Prime Minister's promise in February, when we get to the 2004-05 budget for each province, and the approximate 7% increase in health budgets in each province, that percentage will be only 14.5%.

That is why we are saying that the sick are being strangled once again. There was more funding, but for a single year, and in comparison with the total costs of health care in all provinces of Canada, and in Quebec, there will be a drop in the percentage the provinces receive from the federal, from 16% to 14.5% .

Before next year's federal budget, we will be seeing new provincial ads saying that only 14.5% of health care costs are paid by the federal level whereas, when the system was created in the 1960s, the provincial-federal split was 50-50.

Government Orders

Students are also being strangled. It is true that bursaries are being increased, as are loans, or at least their weekly amount. Caution is needed, however. Rather than injecting money directly into the educational system so that fees will not be raised, the money is going to the students. As a result, student fees will go up in every province. That is where we are headed: a hike in tuition fees.

Rather than transfer money directly to the provinces in order to pay its fair share of the educational system, the federal government has decided to send the money directly to the students. I have no problem with that.

Where I do have a problem is that the students will be faced with fee hikes as a result. So this is no way to strike a balance in an area under direct provincial jurisdiction, that is education, where once again the federal government, whose only contribution is financial, is as we speak paying only 12% of the cost of education in Quebec. That is the reality, as it is in all the provinces.

As for the unemployed—

• (1340)

The Deputy Speaker: I am sorry to interrupt the hon. member for Argenteuil—Papineau—Mirabel, but before he moves on to another subject, the Chair would like to know if the hon. member intends to share his speaking time.

Mr. Mario Laframboise: No, Mr. Speaker.

The Deputy Speaker: There appeared to have been some indication of that. I just wanted to make sure.

Therefore, the hon. member for Argenteuil—Papineau—Mirabel.

Mr. Mario Laframboise: Mr. Speaker, I will be using the 20 minutes available to me.

When we talk about strangling the unemployed, I think of what my learned colleagues have done during the three and a half years I have been in the House. I know that the Bloc Québécois has been leading the fight against the federal government's grab of the funds invested by employers and employees in the employment insurance program.

Sometimes, it is difficult for the audience to understand that a government collects money from outside entities and keeps it for itself. That is the truth. In 1996, under a Liberal government, with this Prime Minister who was finance minister at the time, the federal government decided to withdraw from involvement in the employment insurance fund.

Since 1996, the federal government has not put one more cent into the employment insurance fund. It has reduced the number of weeks of benefits and increased the premiums paid by employers and employees. The result is that it has accumulated a surplus of over \$45 billion. The federal government has received more money than it has paid out. Then it took that money to invest in its day-to-day operations. That is why we say, once again, that for the year just ended, out of the \$7 billion surplus, \$3 million comes from the overpayment of premiums by employees and employers into the EI fund.

Once again, what is the federal government going to do? It is going to pay down its debt with that money. Rather than helping

families pay their debts or helping provinces whose debts are growing, it will decide to reduce its debt with the money that does not belong to it.

Many terms have been used in this House, but there is only one reality: the federal government has not contributed anything to the employment insurance fund since 1996. That was a decision by the then finance minister, the current Prime Minister. The number of weeks of benefits was reduced. Weekly, monthly or other contributions by employees and employers were increased. A huge fund was created with more than \$45 billion in profit, which the federal government has appropriated. That is the hard reality.

All the Bloc Québécois is asking for is improvements to the employment insurance program for seasonal workers. It is not their fault. It is not the workers who are seasonal, but the work that is seasonal. We are asking that people who work 20 weeks be able to receive 30 weeks of benefits, or if they work 16 weeks they be able to receive 34 weeks of benefits. This adds up to 50 weeks because there is always a two-week penalty. It is probably the only insurance system that people pay into and get penalized when they need it. Nonetheless, employment insurance takes away two weeks in penalty.

Obviously, the system has been improved in the past few years. Transitional measures were used. This year, these measures were abolished. Now, when someone works 20 weeks, they receive only 24 weeks of benefits.

What makes this so difficult right now? Seasonal work is often available in the summer. In our beautiful regions, we have four seasons. It is more in the summer that seasonal work is done in agriculture, forestry, tourism and, obviously, fishing.

When people have worked during the summer, they face a gap in the spring because they did not contribute enough or work enough. They receive only 30 or 24 weeks of benefits for working 16 weeks. There are between 6 and 12 weeks during which they receive no income and it is during this time of year.

We would have thought that because this money belongs to employees and employers, the government would have been able to do as the Bloc Québécois and other parties in this House were asking and create an independent employment insurance fund. That way, workers would be able to set their own standards and ensure that when they work in a seasonal industry, they have enough income for the entire year.

People working between 16 and 20 weeks could be guaranteed between 30 and 34 weeks of benefits, so as to have an income for their families. This is not yet the case. That is why the Sans-chemise came this week, following an amendment by our colleague from Charlevoix calling for a review of this system to allow seasonal workers to obtain income for a full year.

• (1345)

Obviously, the government voted against this motion. It was clear in the budget, and it is even clearer after the vote on the motion by my colleague from Charlevoix.

Government Orders

Next, with regard to seniors, this budget should have increased old age security. Seniors have seen an astronomical increase in their housing, medication and service costs.

The government is swimming in a \$7 billion surplus, not to mention the hundreds of millions lost in the sponsorship scandal, the firearms registry scandal and the HRDC scandal. I am not counting that money. I am talking only about the \$7 billion surplus generated by the federal government in the fiscal year that just ended on March 31.

It did not decide to give seniors a decent income to prevent them from sinking below the poverty line. That is the harsh reality. Many of our seniors live below the poverty line. The government is swimming in billions of dollars in surplus funds and our seniors are being strangled to death. That is unacceptable.

My final remarks will be on the riding of Argenteuil—Papineau—Mirabel. When Quebecers hear the name Mirabel, they think of the huge sums invested in Mirabel airport. Once again, the Liberal government has allowed its administration, Aéroport de Montréal, to make one mistake after another: a five-star hotel was closed down and a terminal will be closed to all passenger service in November. Mirabel airport has ten times the area of Dorval airport. It initially was the largest airport complex in the world, yet Mirabel airport will be closed down this November.

While most industrialized countries are building airports and terminals outside urban centres, believe it or not, we in Quebec, at the direction of the Liberal government of Canada, will be closing down an airport that is in an extremely safe location, in order to focus all our air traffic on a totally built-up area in the midst of a city. This is anything but intelligent.

Once again, and far from the first time, a Liberal Party mistake. Why do I mention the Liberal Party? Because it has governed this country for 29 of the past 42 years. The worst possible mistake Canadians could have made was to give them the mandate to govern for so many years. We can see the repercussions of this, and they are major ones.

We might have expected the Prime Minister to announce a duty-free zone in order to give a boost to the air freight sector that will remain at Mirabel. This would have enabled industries to develop, particularly the all-cargo industry, and the airport facilities would therefore have been saved. All transport ministers, including the latest appointee, have told us that if Dorval were to close some day, Mirabel would take over again. They said that we will end up having to go back to Mirabel for safety reasons, so it must be preserved. They want to preserve it, with a useless hotel and a closed air terminal.

This budget does not include any decision to encourage industrial development around the airport, to allow maximum use of all cargo air services, and thus preserve and protect the facilities in preparation for anything that might happen in future.

Nor is there anything for Highway 50, or Highway 13. In any case, since I have been here, there is at least one thing of which the Liberals have succeeded in convincing me: that they never intended to finish the 50 and the 13. Their goal was to close Mirabel and

concentrate everything on the West Island of Montreal. That is the hard reality.

Now that it has been done—now that there will be no more passenger traffic—I would like the Liberal government to understand that in order to promote development of the biggest land area belonging to the federal government within Quebec's borders, it must promote its industrial development by completing Highways 13 and 50. That is the only way. Without the highways, there can be no industrial park development.

● (1350)

As a former mayor and former president of the Union des municipalités du Québec, I can tell the House that it is impossible to do industrial planning without highways. That is a choice the Liberal party made—not to develop Highways 13 and 50. Now it has achieved its goal, closing Mirabel. There is no more passenger traffic there.

However, would it be possible—not in this budget, because after close examination it appears that there is no money for Highways 13 and 50—but perhaps in the future, in order to be able to promote the development of Mirabel? One day, air traffic must return to Mirabel and follow the pattern of all the other industrialized countries, that is, concentrating airport operations outside major urban centres. It is becoming increasingly dangerous to have airport facilities in major urban centres.

In Quebec, we are lucky to have this magnificent airport just 45 kilometres from the urban core of Montreal. We must be able to protect it, with all the investments that are necessary, including completion of Highways 13 and 50, so as to promote its development and, of course, we must provide rail access.

I was stunned by the latest proposal by Aéroports de Montréal to add an industrial component to Mirabel airport, taking advantage of the proximity of the rail system, a system that is a full seven kilometres away. That is truly mind-boggling.

Can the railroad at least be extended to the airport so that the whole industrial zone can be developed? There is not much potential in an industrial park without road or rail access. Yet, this is how the federal government develops its facilities.

The response to a question I asked in the House on February 6, 2004, is truly mind-boggling. I will reread both the question and the answer:

Mr. Speaker, Air Transat's recent decision to move its operations to Dorval means that Mirabel will lose at least 500 jobs. This announcement follows on the heels of the hotel closing and a series of bad news that continues to hit the region since the federal Liberals decided to abandon airport management to ADM.

Instead of hiding behind the disastrous decisions of ADM, which spent tens of millions of taxpayer dollars to get Air Transat to move, this government should show transparency and tell the residents of the Mirabel region that, ultimately, its goal is to turn the airport into an empty shell so that it can be later closed. Should it not?

The President of the Queen's Privy Council for Canada gave us the following answer:

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Mr. Speaker, I will answer on behalf of the Minister of Transport. My colleague is well aware that we have great respect for the agencies in place. ADM makes its own decisions. That is how this government wants to operate: to be respectful above all.

The government does not, above all, want to influence the decisions for which ADM, an independent authority, has been made responsible. The only problem is that it is the one appointing the members of ADM's board of directors, about which we were told today, "No matter what decisions are made, whether the hotel is closed, all the passenger flights transferred and Mirabel closed one day, we will never interfere, because independent authorities have been made responsible for airport management in Canada".

I know that the Auditor General is currently scrutinizing the activities of all airport authorities throughout Canada. I mention this because this is going to be the next scandal uncovered by the Auditor General. Billions of dollars have been spent by airport authorities on behalf of the taxpayers, us, and as a result, such an important, beautiful and safe airport as Mirabel will be closed in November.

• (1355)

[*English*]

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, I thank the member for Argenteuil—Papineau—Mirabel for his thoughtful comments on a number of issues.

As the Conservative Party's critic on employment insurance, I was particularly interested in his comments in respect of the federal government's practice of repeatedly overcharging Canadian workers and Canadian small business people on their premiums to the tune of, I believe he said \$45 billion. There are a couple of aspects of that which are profoundly negative to the country as a whole. I would like his thoughts on them.

The first aspect would be the approximately \$6,000 that the government has taken, under false pretences by the way, out of each and every Canadian household in extra EI premiums. It has used that for other things entirely besides EI. What impact has that had on the people of his constituency and his province?

There is a second aspect of the EI overcharge I would like him to comment on. A considerable amount of employment insurance premiums are gathered up by the federal government from provincial governments and municipal governments as well. When the overcharge is to the tune of billions of dollars, that money is taken by way of what I would consider to be an illegal and unconstitutional transfer from the provincial and local governments. It is put in the coffers of the federal government which uses it for steamship subsidies and things like that, failed boondoggle gun registry programs and wasteful mechanisms that Liberals seem to be constantly developing.

I am curious as to what the member thinks about these aspects of the EI overcharge. I would like his thoughts.

[*Translation*]

Mr. Mario Laframboise: Mr. Speaker, I had started my speech by saying that with the last budget the government is strangling the unemployed. You are right. I see that my colleague worked it out for each household. It is therefore \$6,000 that would be lost by each household. That is the reality.

There is an overcharge with respect to the contributions by employees and employers. Since 1996, the federal government has not paid a dime and has taken this money and put it into the federal government's consolidated revenue fund. Today we are paying Canada's debt rather than paying the debts of families, or allowing families to do something else with this \$6,000.

The Deputy Speaker: I wish to inform the House that after oral question period, we will resume debate with another hon. member. If questions and comments seemed brief, the speech was a little longer and it all amounts to the same.

STATEMENTS BY MEMBERS

[*English*]

SOCIAL PROGRAMS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I was pleased that the throne speech and the Prime Minister committed the government to a strong social economy agenda and appointed a parliamentary secretary with special responsibility for it.

In Canada thousands of non-profit societies and co-ops are working to address poverty, and social and economic disadvantages. They are engaged in building the social economy and creating economic opportunity while at the same time addressing the social needs of people in communities.

Their focus is on increasing economic self-sufficiency, and full economic and social participation for disadvantaged groups. These organizations welcome the social economy agenda. Their priorities are laid out on the CCED website. I recommend this site to all members.

I urge the government and the Prime Minister to move promptly on the social economy agenda. Canada needs a strong social economy.

* * *

LIBERAL PARTY OF CANADA

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, once again the Prime Minister has made a mockery of democracy by hand picking and appointing three Liberal candidates in British Columbia.

Let me quote the Prime Minister. This is what he said during his first news conference as Liberal leader last November, "I really do believe that open nomination meetings are the best way to go".

What has changed since last November? What is the Prime Minister's word worth? Why do his advisors in their ivory towers in Ottawa know better than the people of British Columbia?

There are a few instances where he actually does believe open nominations are the way to go. That is a way to get rid of those who did not support him during his leadership campaign, like the member for Hamilton East and the member for Davenport, the dean of the House, one of the most principled people.

The Prime Minister promised to respect and listen to British Columbians. How can he justify appointing his choices for Liberal candidates? We have the same old government doing things the same old way.

* * *

• (1400)

[Translation]

CATTLE INDUSTRY

Mr. Gilbert Barrette (Témiscamingue, Lib.): Mr. Speaker, I want to congratulate the Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec for recognizing that applied research at the Université du Québec en Abitibi-Témiscamingue is important.

This university has received a grant to develop a new kind of high quality veal not currently available on the market.

Given the numerous consequences of the mad cow crisis, our cattle producers need our support. I am proud to support the Boeuf eN'OR project, which will help develop a new market and assist our cattle industry.

The government's contribution to university research will allow the entire agricultural industry and the country to take advantage of technological advancements and remain on the cutting edge in this field.

* * *

MINING INDUSTRY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, on behalf of the local population and the miners, the mayor of Matagami, Robert Labelle, and the municipal council have made representations to the Noranda group with regard to the Bell Allard mine shutdown and the loss of over 200 jobs set for October 2004.

Matagami has requested the following: that Noranda commit, at the very least, to maintaining the same tax effort during the shutdown as it has in 2004; that Noranda commit to maintaining tax peace during the duration of the current and next three-year assessment; that Noranda commit, as of now, to undertaking aggressive exploration in the Matagami sector and that Noranda contribute \$200,000 per year to a development fund during the shutdown.

The aim of these requests is to reduce the impact from the closure of the Bell Allard mine and the delay in the Persévérance project in Matagami.

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[English]

TAXATION

Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, the \$100 billion five year tax reduction plan introduced in the 2000-01 fiscal year is the single largest tax cut in our history.

Three-quarters of this benefit flows to individuals, with most of the tax relief going to low and modest income Canadians. By the end of the 2004-05 fiscal year, the plan will have reduced federal personal income taxes by 21% on average and 27% for families with children.

Budget 2003 was built on the plan to provide additional support for families with children. Budget 2004 provides additional tax relief for persons with disabilities, caregivers and Canadians pursuing lifelong learning. It also builds on prior actions for families with children by helping them accumulate savings for their children's post-secondary education.

The actions taken since 2000 have removed about one million low income Canadians from the tax roles and this is great news.

* * *

GOVERNMENT OF CANADA

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, every day without fail new stories are uncovered that display the Liberal culture of corruption.

Despite the Prime Minister's claim, Canadians are no closer to knowing where the money went or who knew. All that we have is inconsistent testimony, missing hundreds of millions of dollars of public funds, and the financial mismanagement of our hard earned tax dollars. There is no new story here.

This is the same Liberal face that has plundered the trust of the Canadian people over the past decade.

What do I tell my constituents when they call about the neglected infrastructure in their national parks, the long hospital waits or the softwood lumber jobs? What do I say to the cattle industry and the hard working farm families or the small communities struggling with crystal meth and the message that the government continues to go soft on drugs? Again, there is no new story here.

Canadians have lost their faith in the ability of the Liberals to clean up their own mess. More importantly, the Liberals have violated the trust of Canadians and for that they will be judged.

* * *

HUMAN RIGHTS

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, like most Canadians of goodwill I am appalled by the recent hateful expressions of anti-Muslim and anti-Jewish sentiment by a misguided handful of people here in Canada.

Recently, several mosques and synagogues have been desecrated with hateful symbols and slogans. Sadly the phrase "Jesus Rules" has even been employed.

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It is indeed upsetting for true Christians who understand the teachings of Jesus to see his holy name misused as a put down of Canadians who are members of any other faith, be it Islam or Judaism.

Since 9/11 Canadian Arabs, especially Muslims, have found themselves unfairly subjected to questionable treatment even by some Canadian authorities. While I applaud the efforts to fight terrorism, it is important to guard against overreacting to the point that we unjustly and unnecessarily trample on the civil liberties of peace loving Canadians simply because of their race or religion.

* * *

● (1405)

[Translation]

ESPACE DRAR

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I would like to congratulate a firm from my riding, Espace Drar, which recently won a national award from the Canadian Society of Landscape Architects in the National Citation group for its project entitled “À propos du Blanc”.

These awards are given to professionals who have demonstrated excellence in the landscape architecture profession, and the National Citation is given in recognition of certain outstanding features of a submission.

Despite a limited budget, the “À propos du Blanc” project was notable for its innovative, ephemeral, and spontaneous nature which, in an artistic and architectural way, tells the story of the Matapédia.

I should also mention that the project was designed in collaboration with Les Jardins de Métis, a world renowned site.

This award demonstrates that the Lower St. Lawrence region has an architectural wealth that cannot be denied.

I congratulate Espace Drar for its award and for its contribution to the discovery of our region.

* * *

[English]

NUNAVUT

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, today is a special day for Nunavummiut because it is the fifth anniversary of the birth of Canada's newest and youngest territory. It is a day when Nunavut celebrates the achievement, the culture and the language.

As we are all aware it took many years to negotiate the Nunavut land claims agreement. It took a lot of hard work by determined people to reach this goal. I am very proud of all the people involved.

I am encouraged too by the optimism of the young people. We are still a young territory and going through the learning curve. We need the assistance of the federal government, and the rest of Canada to meet our challenges and fully implement the agreement.

There is so much potential in the north and the people need to benefit fully from these resources. Let us all celebrate this momentous day in our Canadian history.

VETERANS AFFAIRS

Mrs. Elsie Wayne (Saint John, CPC): Mr. Speaker, in reply to my question last week, the Minister of Veterans Affairs indicated that there were “other groups in society who could benefit from the VIP”. In fact, he even said that his department was looking into other groups which might wish to have access to this program.

The VIP was designed to help aging veterans and their wives. Yet at the present time, widows of veterans who died prior to September 1990 have been excluded from the program.

Why would the minister extend VIP benefits to other groups before the grieving widows of fallen veterans? Does he not understand that these widows are struggling to remain in their homes as we speak? How could the government even consider expanding the program to other groups while at the same time denying the benefits to the widows who need them most? Just who exactly are those other groups?

This is one of the great injustices I have seen in my 10 years in Parliament. I demand that the minister fix it before it is too late.

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[Translation]

NEW HOMES MONTH

Hon. Serge Marcell (Beauharnois—Salaberry, Lib.): Mr. Speaker, I am pleased to inform the House that April is New Homes Month. This is an annual event sponsored by the Canadian Home Builders' Association in order to introduce experts in the construction industry and the products and services they offer.

New Homes Month is also an opportunity to give consumers the facts they need to make informed housing choices.

As the national agency responsible for housing, Canada Mortgage and Housing Corporation helps a broad spectrum of Canadians gain access to quality, affordable housing. CMHC is also Canada's most reliable and objective source of information and knowledge about housing.

CMHC offers Canadian households a mine of information that will help them make choices and decisions concerning the purchase, renovation and maintenance of their homes.

CMHC works in a number of ways to enhance the quality of life for Canadians and create—

● (1410)

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

* * *

[English]

VISUALLY IMPAIRED

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, since 1918 the Canadian National Institute for the Blind has been helping visually impaired and deaf blind people throughout this country.

It would like to bring to the attention of the House two major recommendations. First, is the fact that only 5% of reading materials in this country are available in the other format to help visually impaired people. It is asking the government to initiate a fund, and work with libraries throughout the country and the provinces to have more reading materials available for those who are visually impaired.

Second, the CNIB hopes to have the government form a task force to help those people, who are visually impaired, with assisted devices such as canes and magnifying glasses so they too can participate and lead active lives.

The CNIB is a wonderful and great organization. The government should be doing more to help it help the most needy in our society.

* * *

[Translation]

PROMENADE DE LA MER

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, the Canadian Society of Landscape Architects has just awarded Pluram Urbatique from Rimouski the National Merit award 2004 for its scenic parkway project called the Promenade de la mer.

This three-kilometre parkway evokes the maritime tradition of Rimouski, particularly with respect to marine sciences and technology. Inaugurated in 2003, the parkway finally gives the people of Rimouski a view of the river and Île Saint-Barnabé that a parapet had obscured.

I am pleased with the well-deserved recognition the designers received for this development, which showcases Rimouski and provides a magnificent lookout over the St. Lawrence estuary. You will find it easily if you go to Rimouski. If you are unable to see it in person, you can see it on the Internet.

* * *

[English]

JUSTICE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, in January 2002 the federal government announced that former Quebec Court of Appeal Judge Fred Kaufman would review the Steven Truscott case.

Based on circumstantial evidence, Truscott was convicted of killing 12 year old Lynn Harper in June 1959 near the Clinton air force base. His death sentence was commuted to life in prison and in 1969 he was paroled.

Many people feel that Steven Truscott was wrongfully accused, citing shoddy police work, flawed pathology and evidence never brought to light. All but 14 years of his life have been spent under the dark cloud of a murder conviction.

Judge Kaufman's report was expected in January and has yet to be released. I would hope that this report will be issued as soon as possible so that real justice to Steven Truscott can be done.

S. O. 31

FRED LAYS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, it is an honour to rise in the House and share another Pictou County success story with my colleagues.

Fred Lays of Eureka, Pictou County, Nova Scotia, is making Canadian musical history at the Grand Ol' Opry in Nashville, Tennessee.

Known by his stage name, George Canyon, this young, talented country music singer/songwriter is one of eight finalists performing in the first 2004 national star competition aired on USA Network and CMT.

After weeks of live performances on the national stage, George Canyon is still capturing the musical imaginations of Americans. Not only is he one of eight finalists still holding his own in this popular country music contest, he is the only Canadian to have earned a spot on the show.

I feel fortunate to represent the community of Central Nova where such talented dedicated artists are making a name for themselves and bringing hometown pride and joy every step of the way.

I congratulate Fred, his wife Jennifer, their children Kale and Madison for this massive achievement and our best wishes to Fred as he faces the April 4 competition and continues to sing his way into country music fame.

* * *

PRINCESS JULIANA

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, last week when her Royal Highness Princess Juliana of the Netherlands died, and later this week during her funeral, the people of the Netherlands were joined by many Canadians, and in particular the people of Ottawa, in mourning her passing.

During World War II, Princess Juliana and her family lived among us. Her daughter, Princess Margriet, was born here at the Ottawa Civic Hospital, in an area of the hospital that was dedicated as soil of the Dutch people. The Woods family members were displaced from their home so that the royal family could have suitable accommodation in which to live.

We have lived with the memory and with a souvenir of that time ever since. In the fall of 1945, Princess Juliana presented Ottawa with 100,000 tulip bulbs. Every year since, those tulip bulbs have kept arriving and now over one million tulips bloom in Ottawa every spring in memory of her time among us.

We join the people of the Netherlands in mourning her passing.

*Oral Questions***ORAL QUESTION PERIOD**

•(1415)

*[English]***THE PRIME MINISTER**

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister keeps breaking his promise to end the democratic deficit. In his first press conference as Liberal leader, he said, "I really do believe that open nomination meetings are the best way to go". Apparently that is only if his enemies within the party can be defeated, because today he is in British Columbia appointing candidates, appointing friends as Liberal candidates, abandoning the democratic process, and taking away a democratic vote.

Why is the Prime Minister in British Columbia today adding to the country's democratic deficit?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, number one, we are very proud of his choices. Number two, it is not business of government and therefore his question is not admissible.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the House leader has just made my point for me. They are obviously not interested in ending the democratic deficit.

[Translation]

The Prime Minister said he was in favour of open nominations, but apparently, only when his enemies can be defeated. In Quebec, he even refused the candidacy of Jean Chretien's former deputy press secretary.

Why is the Prime Minister breaking the promises he made in the Speech from the Throne to put an end to the democratic deficit?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I only have one question for the leader of the official opposition. What is he afraid of?

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I would have a comeback to that if I understood what it meant.

Some hon. members: Oh, oh.

The Speaker: Order, please. Perhaps we could go to the questions and answers instead of conversations. The hon. Leader of the Opposition has the floor.

Mr. Stephen Harper: Mr. Speaker, yesterday the Prime Minister could not name one single meaningful democratic reform that he had implemented.

Let us take Senate reform. The Prime Minister admits that the Senate is "undemocratic as hell", but he has rejected any reform proposal. He will not even put Alberta's elected senators into the Senate.

Is the Prime Minister planning to avoid this issue as well by calling an election without filling Alberta's Senate vacancies?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, it seems to me that coherence should prevail in this House. When these people are talking about democratic reform, they are not even responding to the invitation that we on this side have made to them to rise above party politics and to deal with reform of Parliament. They refuse.

We have applied free votes here. They have refused. We want to reinforce committees. They have refused. They talk out of both sides of their mouths. It is just not credible.

* * *

NATIONAL SECURITY

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): That is just incoherent in the face of the facts, Mr. Speaker.

A recent all party Senate report has laid to rest any doubt about Canada's readiness to deal with national emergencies. The 200 page, two year study found Canada's security sadly wanting, chiding the Liberal government for lacking a credible plan to deal with attacks. Despite government efforts at damage control in the wake of the damning Auditor General's report and this scathing Senate report, Canadians remain at risk.

My question is for the minister. When will the government stop playing politics with Canadians' lives and work with our closest friends and allies, the United States, in establishing a North American security perimeter?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, let me quote from one of the highest ranking officials in the Department of Homeland Security. Asa Hutchinson, undersecretary for border and transportation security, when asked, said that Canadian officials have offered their neighbours "extraordinary" commitment on the anti-terror front. He said:

Every time we've asked for something, the response has been there and not just in terms of rhetoric, but in terms of investment, and we're very grateful for that.

•(1420)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, commitments are one thing and actions are another from this government.

I am surprised that the hon. member would quote some source other than going to her own Senate report and the Auditor General. This government decimated ports police. This government cut funding to the Coast Guard. It cancelled the Sea King program. It purchased faulty submarines and it has done little to enhance our border. Twenty five thousand Canadian passports are lost and over 36,000 immigrants are illegally at large in Canada.

How can the minister even pretend that security is a priority for her government in face of those facts?

Oral Questions

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, not only is security a priority, we have actually taken the actions to back this up, starting immediately after September 11 with \$7.7 billion worth of new investments to help enhance national security and safety.

What else has happened? On December 12, the Prime Minister created a new Department of Public Safety and Emergency Preparedness, for the first time a national security adviser, and the Prime Minister has asked me to prepare, for the first time in the history of our country, a national security policy. All of this speaks to the government's commitment to Canadians' safety and security.

* * *

[Translation]

HEALTH

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister is using an advertising blitz to try to make people forget the last budget, with its total lack of any new federal transfers to improve patient care in 2004-05. The Prime Minister is telling Quebecers, "There was nothing in the budget, but not to worry, there will eventually be increased transfer payments for health".

Instead of making promises for later, as an election looms, why did the Prime Minister, since he has the means, not deliver the goods on health in last week's budget?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, first, our government did invest \$665 million in public health, which is a very high priority for a large number of people across the country.

We have confirmed an additional \$2 billion for the provinces, bringing the Canadian government's total contribution to \$36.8 billion.

But the Prime Minister and the Minister of Finance have already acknowledged that we had sufficient leeway to be able, during the coming year, to continue to work with the provinces and find long-term solutions based on a plan. This is what we want to do in the weeks and months to come.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, clearly, there is not one cent more in federal transfer payments for health services, and I quote the Quebec Minister of Finance, a Liberal minister, who said, "Despite the needs of the people of Quebec, the recent federal budget has announced no new money for health". Those are the words of Yves Séguin.

Will the Prime Minister admit that his ad campaign is proof that he is prepared to play with people's health to win votes?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, that same minister to whom the leader of the Bloc has referred also said that the health system of Canada and Quebec depended on more than money. It takes money, yes, but Minister Séguin himself acknowledged that a number of reforms were also necessary. It is on the basis of those reforms that

our government wishes to commit, in partnership with the provinces, to ensuring that funding and reform to go hand in hand.

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the Prime Minister is running an ad campaign in which he would have us believe he listens to everyone.

How can the Prime Minister promise to listen to everyone when, in reality, he has not listened to the ministers of health or the premiers of Quebec and the provinces, who keep telling him that the health care system is on the verge of collapse? Why pretend to listen in the ad campaign when in reality he listens to no one?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, on the contrary, I can assure hon. members that the Prime Minister is very much aware that health is a priority. He made a personal commitment to the provincial premiers on January 30, when he met with them at a federal-provincial conference. He has already promised that there will be another federal-provincial conference on health and the health care system in the long term.

However, we are fully aware that it will take more than just money. Mr. Séguin acknowledged this yesterday in his own budget in Quebec. We must find long-term solutions based on a plan in partnership—

• (1425)

The Speaker: The hon. member for Longueuil.

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the Quebec Minister of Finance, Mr. Yves Séguin, said, "It is obvious that the federal contribution to health care funding is clearly insufficient. We also know that Ottawa imposes more restrictions on Quebec today than it did when it was paying a larger share of the bill". That is the reality.

How can the Prime Minister claim in his ad campaign that he will do something about health after the election, when he has had the means to do something about it now, but has not?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, \$665 million for public health, including \$400 million to create a fund that the provinces can use to enhance immunization across the country, that is quite significant. We have implemented a very specific plan involving not only finance ministers and health ministers, but the premiers as well, and we are putting a lot of effort into this right now.

Some \$36.8 billion is being transferred until 2007-08. I can say one thing: the members on this side know that we are going to work with the provinces for the good of the patients, if these people can—

The Speaker: The hon. member for Winnipeg Centre.

Oral Questions

[English]

WHISTLEBLOWER PROTECTION

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I watched the Prime Minister's latest ad scam on TV last night where he had the gall to tell Canadians that whistleblowers are now protected by legislation. Nothing could be further from the truth. If anything, Bill C-25 should be called an act to protect ministers from whistleblowers.

Will the government come clean and admit that its feckless idea of whistleblowing legislation is more about plugging leaks than about protecting honest civil servants?

Hon. Brenda Chamberlain (Parliamentary Secretary to the President of the Queen's Privy Council for Canada, Lib.): Mr. Speaker, the hon. member sits on the committee. As he well knows, this piece of legislation is going to committee next week with the minister. Any amendments will happen there. The member will have ample opportunity for all kinds of input.

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POST-SECONDARY EDUCATION

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the word Liberal was not the only thing left out of the Prime Minister's take on education in his latest ad scam; so was credibility.

My question is for the Liberal finance minister whose budget had nothing on tuition. There was nothing on student debt, except to help students carry more of it, and a grant program that will not help anyone until 2022 and even then not by much.

How will this help a student going to school this year? The only thing in the budget for that person is a budget that helps them go further into debt. How is that possible?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, students have different views with respect to the Canada student loans program. The vast majority of students that were consulted during the prebudget consultations recommended exactly that the weekly loan limits ought to be increased, that computers ought to be factored into the calculation, that we should reduce the dependence on parental income and that we should improve the debt relief measures at the end of a student loan.

We have done all four of those things. We have also created the learning bond so low income families can plan and prepare. We have created a new grant of \$3,000 for low income students, plus \$2,000—

The Speaker: The hon. member for Calgary—Nose Hill.

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SPONSORSHIP PROGRAM

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the Liberals are bulldozing through anything that stands in their way to hatch up a hasty report on the sponsorship scandal so they can call an election. The Liberals on the parliamentary committee repeatedly abuse their majority control to force through motions over the protests of every other party.

The Liberal plan is to use stale-dated testimony from Chuck Guité for a slick and shallow report to whitewash the scandal and pretend

they have kept their word. Do the Liberals really believe that Canadians will not see through such a trick?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, there is a democratic deficit, but unfortunately it rests with the opposition members at the public accounts committee. In fact government members of that committee want to hear from Mr. Guité. We know how important Mr. Guité's testimony will be in getting to the bottom of this matter. I wonder why opposition members filibustered all morning in that committee to try to prevent Mr. Guité's in camera testimony being provided for all Canadians to hear.

● (1430)

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the Liberals want to hear from Guité so badly they have put off his appearance until the end of April.

The Prime Minister played the violin about the democratic deficit and acted like he cared. Today he is out anointing Liberal candidates without the inconvenience of a pesky decision by members.

On the sponsorship investigation his Liberal henchmen abuse their majority control to block key evidence and to force a whitewash report before central witnesses are heard.

How can Liberals who lack respect for democracy be trusted to restore democracy?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the only whitewash is the hon. member's comments.

This morning in committee it was government members who in fact ensured that a motion was passed so that Canadians would be in receipt of the evidence of Mr. Guité's in camera testimony that was provided by Mr. Guité.

It was government members of the committee that ensured that Mr. Guité would appear before the committee on April 22. I can assure everyone in the House that we are very satisfied that Mr. Guité will appear on April 22.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, is he going to appear as a Liberal candidate in the election? That is what the Liberals have done. They have punted his testimony until after the Prime Minister drops the writ. Government members voted against the motion from the opposition to release his in camera testimony when he appears before the committee so he can tell the truth, the whole truth and nothing but the truth.

Why are the Liberals trying to hide the truth? Why did they shut down access to the Gagliano papers? Why are they wresting control of the committee? Why does the public inquiry not start until September? Why are they now trying to hijack the public accounts inquiry?

Oral Questions

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, it is time somebody asked the opposition members on the public accounts committee why they are trying to hide Mr. Guité's in camera testimony from Canadians.

As I said earlier, Mr. Guité will appear before the committee on April 22. We on this side of the House are very satisfied that he will appear and that Canadians will hear firsthand what he has to say about the sponsorship program.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, the Liberals are very satisfied that the PMO is going to draft a whitewash report that will be jammed through by the Liberal majority that has wrested control of that committee, without hearing from Mr. Guité which will not happen before an election is called.

With the public inquiry not happening for six months, why is it that the government is effectively shutting down the only inquiry in town that is trying to get to the bottom of Liberal corruption?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the only thing that is being shut down here is the opposition trying to make sure that Canadians do not have the opportunity to hear Mr. Guité's in camera testimony. That is why government members passed a motion this morning to ensure that Canadians will have access to that testimony. In addition, we on this side of the House are looking forward to hearing from Mr. Guité on April 22.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, following one of the promises made by the Prime Minister in the sponsorship scandal, the Prime Minister's Quebec lieutenant, Jean Lapierre, promised that the tainted sponsorship money—to use his words—would not be used in the coming election campaign.

So far, all we have heard is the statement of an intention. How can we be certain that this tainted money will not be used to pay for the Prime Minister's current advertising campaign, an \$850,000 campaign?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the money the Liberal Party will be campaigning with is just as clean as the money the Bloc Québécois used when the Parti Québécois gave it money to finance the 1997 campaign.

The Bloc has absolutely no right to cast aspersions on the integrity of our party, the integrity of this money and the integrity of the campaign we are going to run—no right at all.

• (1435)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, what we understand is that, when the Prime Minister of Canada promised not to campaign with the tainted sponsorship money, in the words of Jean Lapierre, perhaps it was true, but he did not tell us he was planning to use it before the campaign.

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I think that the double standard for integrity in that party is absolutely shocking. They did not raise their voices at all when the Parti Québécois, under Mr. Parizeau, during or prior to

the referendum, planned to steal \$18,000 from every family in Quebec to preserve the sovereignty they did not want. Let us have no lessons in morality from those people—none at all.

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THE BUDGET

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, Quebec and the provinces are having trouble balancing their budgets and several are in a deficit position. There is even reference to being at the breaking point, so perilous is their financial situation. According to some reports, the provinces are reduced to providing essential services, nothing more.

Does the Prime Minister realize that he has not invested a single cent of new money, particularly as far as health services in Quebec are concerned, although he had the means of doing so, and if he continues this way, the provinces are at risk of budgetary disaster and a return to deficits?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, for a variety of measures, the budget transferred \$2.5 billion to the provinces. In addition to that, I am pleased to note specifically with respect to Quebec that its budgetary documents acknowledged federal assistance and flexibility in managing a number of its equalization issues, and that at the bottom line, Quebec has been able to increase its spending, cut its taxes and declare 2003-04 in balance.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the Quebec Minister of Finance has been forced to sell \$880 million worth of assets to balance his budget. Oddly enough, the federal government has a \$5 billion surplus, while the provinces' deficits also happen to total \$5 billion. The federal government confirms this in its own documents.

Does the Prime Minister realize that, unwittingly, he is offering an excellent illustration of fiscal imbalance: \$5 billion over in Ottawa and \$5 billion under in the provinces?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, in fact the federal surplus at the end of the last fiscal year, 2003-04, was \$1.9 billion, which is exactly a margin of error of 1%.

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SPONSORSHIP PROGRAM

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I just want to clarify the answers of the Deputy Prime Minister on the public accounts committee. Is the government guaranteeing to the House that Chuck Guité will be heard and examined in public, full testimony, before a federal election is called?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I think I have been absolutely clear. We on this side of the House look forward to Mr. Guité's testimony on April 22.

Oral Questions

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, we all look forward to Mr. Guité's testimony. The question is whether we will ever get a chance to hear it. Let us be absolutely clear. Is the government guaranteeing to us there will not be an election call, and has said that we will be here and the press and the public will hear in person the testimony of Mr. Guité before a federal election is called? Yes or no?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I understand, based on a motion by government members this morning at committee, that Mr. Guité will appear before the public accounts committee on April 22. Unlike those members, we on this side of the House look forward to hearing Mr. Guité's testimony.

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LIBERAL PARTY OF CANADA

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, Canadians are wondering about the Prime Minister's commitment to democracy. In a frantic search to find sacrificial lambs in British Columbia, the Prime Minister has decided today to appoint five candidates in British Columbia.

Does the Liberal Party not trust British Columbians to select their own candidates? Do you not trust British Columbians?

The Speaker: First of all, the hon. member for Port Moody—Coquitlam—Port Coquitlam needs no lessons from the Chair in that he must address the Chair and, of course, the Chair trusts all Canadians, since he asked me. But I do not know what relevance this question has to the administration of the Government of Canada so perhaps he could move on to the next question which I have no doubt will.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, in the Speech from the Throne the Prime Minister said, "We must re-engage Canadians in our political life in order to end the democratic deficit".

Democracy requires consistent rules. Canadians are wondering, how is it on the one hand that the Prime Minister can appoint a former NDP premier and then on the other hand give the boots to Sheila Copps?

● (1440)

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Well, Mr. Speaker—

Some hon. members: Sheila, Sheila.

The Speaker: Order. The hon. member knows that referring to hon. members by name is out of order also. I think he was referring to the hon. member for Hamilton East.

In any event, the Deputy Prime Minister wishes to give her reply and we will hear her.

Hon. Anne McLellan: Mr. Speaker, I find it passing strange that the opposition is so interested in the internal workings of our party, which of course has nothing to do with the running of the Government of Canada.

If we want to play this game, do I remember correctly the name of Grant Devine? Do I remember a decision by the national executive of the Conservative Party of Canada, where, if I remember correctly, the Conservative Party reached the conclusion that Grant Devine should not be allowed to run for the nomination of a riding in Saskatchewan?

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HEALTH

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, the hon. member for Scarborough East's Bill C-260 on fire safe cigarettes has passed. Could the Minister of Health tell us, now that the bill has passed third reading in the Senate, how is the government going to move forward to ensure that fewer lives are lost, fewer injuries are suffered and less property damage ensues as a result of careless smoking?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, I would like to congratulate the hon. member for Scarborough East for his leadership in bringing the issue forward. Because of the efforts of the member, I have asked Health Canada to draft regulations in the Tobacco Act proposing a reduced recognition propensity standard for all cigarettes in Canada, and I expect it to be ready by April.

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LIBERAL PARTY OF CANADA

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the word Liberal was not the only thing missing in the Prime Minister's ads to Canadians yesterday. Credibility was also missing in the Liberal ad scam. There was not a word about the flawed HIV-AIDS drugs for Africa bogged down in the Liberal dominated committee. There was not a word about the Liberal slashing of overseas development assistance seven years in a row. There was not a word about Bush's missile defence, nor about Canada's inaction on meeting our Kyoto commitments.

Why would Canadians buy this false advertising about Canada's place in the world?

Hon. David Pratt (Minister of National Defence, Lib.): Mr. Speaker, the government has initiated a major international policy review, which is really rather unprecedented in Canadian history in terms of its scope, with respect to trade, aid, defence and diplomacy. It really bodes well for the future of Canadian foreign policy.

I would ask the hon. member, her party and the rest of the opposition to participate in this international policy review, which will provide us with a road map for Canadian engagement in the world.

*Oral Questions***HEALTH**

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the word Liberal was not the only thing left out of the Prime Minister's ads on health care released yesterday. Where is credibility, or is this the latest Liberal ad scam?

After 11 years of Liberal promises on health care, we have no home care program, no pharmacare program, privatization is on the rise, and the provinces are struggling to survive.

When will the Liberal government stop putting image over substance and give Canadians the real health care system for which they have been asking? After 11 years of broken promises, how can the Liberals say health care is a priority?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, there are \$37 billion for health care, and more yet to come.

Speaking of misleading advertising, let us talk about Jack Layton on budget day when he misstated the debt figure by 700%. The NDP debt scenario would only come true if there were no growth in Canada for 10 years, and that would only happen if there were an NDP government.

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• (1445)

NATIONAL SECURITY

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, despite the government's expenditure of \$7.7 billion, the Senate committee on national security confirmed that the federal government lacks any credible plan to deal with a terrorist attack, both before and after 9/11. The official opposition repeatedly raised the very same concerns and criticized the government for its complacency.

How does the Prime Minister expect Canadians to sleep at night when even the frontline responders in our country say that Canada is not prepared for a terrorist attack?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, it would be useful if the official opposition members, instead of scaring Canadians, actually bothered to inform themselves about what is happening in relation to issues like emergency preparedness.

As I have indicated, since September 11, like all other countries around the world, we are preparing ourselves for terrorist attacks. In fact there are clearly plans in place. I respect the work of the Senate committee. It has done good work, but we have come a very long way since September 11. I can reassure Canadians that—

The Speaker: The hon. member for Crowfoot.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, it is the government's failure and inaction that scares Canadians.

When credible and knowledgeable forces are publicly condemning the government's security record, I do not know how the Prime Minister can sit here and try to satisfy Canadians with false promises. He should be absolutely ashamed of his government and its failure to keep Canadians safe at the airports, ports of entry and the borders.

Again, why does he just not admit that Canadians are sitting ducks because the government has repeatedly failed to take security seriously?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, let us go back to what, for example, our neighbours in the United States has to say about our efforts.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Crowfoot asked his question. Now we have to hear the answer. It is not multiple questions. The hon. Deputy Prime Minister has the floor. I cannot hear her.

Hon. Anne McLellan: Mr. Speaker, let us talk to some of the people who actually are on the frontlines and who know what is happening day after day in our fight against terrorism.

Asa Hutchinson is one of the most credible U.S. officials in relation to terrorism and the fight against terrorism. What Asa Hutchinson said on Wednesday was, "Canadian officials have offered their neighbours extraordinary commitment on the anti-terror front".

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NATIONAL DEFENCE

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, that is very interesting but that is not what Canadians are saying.

One week ago the Liberals tabled another budget that neglects the needs of the Canadian Forces. On Tuesday the Auditor General blew the whistle on just how ill-prepared our country was to defend our own borders. Today we learn the Liberal government has strangled the military to the point where the navy must now consider cancelling the few coastal patrols remaining.

Why has the Minister of Defence failed so miserably to convince the Prime Minister to keep his promise to adequately fund our military?

Hon. David Pratt (Minister of National Defence, Lib.): Mr. Speaker, I was hoping the hon. member would ask this question. Over the course of the last year, if the hon. member would refer to the main estimates, we have seen the defence budget rise from 2003-04 to 2004-05 by over \$1 billion. As well, in the most recent budget there was an additional \$300 million for our overseas commitments plus \$1.3 billion in connection with acquiring a new fixed-wing search and rescue aircraft.

The government has done a considerable amount in terms of re-equipping the Canadian forces.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, there is a \$635 million shortfall. That is the gap between what the Liberals allotted the army, navy and air force in last week's budget and what they need just to maintain existing operations.

Oral Questions

Has the government learned nothing from 9/11 and Madrid? At a time when we are supposed to be at war with terrorists, why are the Liberals denying our troops adequate bare essentials like ammunition and training?

• (1450)

Hon. David Pratt (Minister of National Defence, Lib.): Mr. Speaker, the hon. member's assertions are absolutely preposterous. Let me talk about anti-terrorism. We have in Canada one of the best anti-terrorist units in the world in terms of the JTF2. We have an immediate response capability in terms of the DART. We have immediate reaction units, four of them, across the country. In addition to that, we have a nuclear biological response company that is, again, one of the best in the world and one of the most well equipped.

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[Translation]

PARENTAL LEAVE

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, Quebec proposed setting up a comprehensive parental leave system. The federal government refused, and the case was brought before the courts, which decided in favour of Quebec; Ottawa decided to appeal the judgment. The Prime Minister told us he was going to negotiate with Quebec and reach a settlement.

Consequently, can he promise to reach a settlement before the election is called?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I have discussed this subject with my Quebec provincial counterpart. We continue to agree on the fact that our representatives should sit down together to discuss problems, seek solutions, and present an action plan to the federal and provincial ministers. We are still agreed. The Quebec minister is pleased with the situation. He sees the federal and provincial—

The Speaker: The hon. member for Terrebonne—Blainville.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, one judgment is still to come. We want to know if the federal government can make the commitment that, regardless of what the upcoming judgment says, any future agreements concerning parental leave will include the right to opt out with full compensation so that, in the future, the federal government cannot take advantage of these to tell Quebec what to do in its own areas of jurisdiction.

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I am not in the habit of negotiating in the House. I have just said that the Quebec minister remained in agreement with the action plan we have established. Therefore, we will let the two groups of representatives do their work.

I am ready to build, unlike the Bloc who want to tear apart and destroy.

[English]

NATIONAL SECURITY

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, if a person enters this country by air, that person goes through rigorous screening. If a person comes by road, that person is checked from bumper to bumper. However, if a person owns anything from a washtub to a CSL steamship, that person can enter almost anywhere and nobody knows the person is there unless he or she calls ahead for reservations.

When will the Prime Minister take marine security seriously?

Hon. Tony Valeri (Minister of Transport, Lib.): Mr. Speaker, we take security very seriously. In the last budget \$605 million allocated. Marine security is part of that security envelope, and Canada will meet the international requirements set for July 1. Why? Because it is important to our trade and it is important to the security and safety of Canadians.

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, I remind him that the former finance minister eliminated the ports police in 1995. I am surprised he did not tell me they bought submarines to guarantee our security.

The Standing Committee on Fisheries and Oceans has expressed grave concerns that marine security, whether it relates to the protection of our resources or our people, is sadly lacking. Why has the Prime Minister neglected to properly fund the Coast Guard so it can do what its name suggests?

Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, last year the Canadian Coast Guard received a permanent increase for capital budgets of \$47 million. Safety and service to mariners of Canadian waters is the mandate of the Canadian Coast Guard, and it will not be compromised.

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[Translation]

PAY EQUITY

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, my question is for the Minister of Canadian Heritage. At the CBC, employees working in the same position receive different salaries based on their sex.

Is the CBC subject to the Canadian Charter of Rights and Freedoms, which guarantees pay equity?

• (1455)

Hon. Carolyn Bennett (Minister of State (Public Health), Lib.): Mr. Speaker, I thank the member for Notre-Dame-de-Grâce—Lachine for her question on this important issue.

As a crown corporation, the CBC must comply with the principles of pay equity as set out in the Canadian Human Rights Act. The CBC is responsible for the management of its operations, including human resources.

Oral Questions

[English]

GOVERNMENT CONTRACTS

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, over seven months ago, the government cancelled the \$1 billion contract with Royal LePage. That relocation contract was one of the biggest contracts ever awarded. Today, despite the fact the government cancelled that contract, its friends over at Royal LePage are still getting paid. Again, it seems to be who one knows in the PMO.

Why is the company still getting paid seven months after the contract was cancelled?

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, this question has been answered once before. As people know, there has been a review of this, and the public works department will be issuing more information shortly.

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, the Prime Minister keeps proving that Canadians simply cannot trust him. He said that he cancelled this contract seven months ago because it was not tendered properly, but here we are seven months later and Royal LePage keeps getting paid.

Does the Prime Minister honestly expect Canadians to believe that he has cancelled the contract when the company he gave the contract to is still getting paid?

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, a complaint was filed to the CITT. There has been a re-tendering of the process. The public works department is presently evaluating it, and more information will be out shortly.

* * *

[Translation]

QUEBEC CITY AIRPORT

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, the employees of the Quebec City airport have been without a collective agreement since November 2000 and have been on strike since February 9, 2003. The union is prepared to go to arbitration on five points that have resulted in the impasse, but the employer agrees to submit only one point to arbitration.

On March 17, the Prime Minister met the employees and promised he would intervene to resolve the problem. Can the Prime Minister tell us what he has done to date and what he intends to do to help resolve this conflict at the Quebec City airport?

Hon. Claudette Bradshaw (Minister of Labour and Minister responsible for Homelessness, Lib.): Mr. Speaker, we want to resolve this dispute at the Quebec City airport. The mediators are keeping in contact with the parties, and they are prepared to provide them with mediation services.

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[English]

EMERGENCY PREPAREDNESS

Hon. Susan Whelan (Essex, Lib.): Mr. Speaker, yesterday the Senate report, "National Emergencies: Canada's Fragile Front Lines", characterized our most important border crossing, Windsor

and Essex county, as being left in an unacceptable position, left to fend for itself in the event of a national emergency or terrorism threat.

Could the Deputy Prime Minister explain what measures are in place or anticipated to help emergency coordinators respond to such threats and how they are to obtain a federal response in the case that one is needed?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, my department is implementing programs and initiatives to enhance the preparedness and response capabilities of first responders all across our country.

These capabilities include the development and delivery of a four level CBRN training program; the development and delivery of a national urban search and rescue program; and the provision of ongoing funding to augment the capacity of provinces and first responders under the joint emergency preparedness program.

At the end of the day, what is important is the creation of a seamless emergency preparedness response in this country and—

The Speaker: The hon. member for Saskatoon—Humboldt.

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OFFICIAL LANGUAGES

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.): Mr. Speaker, it is April Fool's Day and the Liberals have played another cruel joke on public servants by imposing a stricter bilingualism hiring and promotion scheme, but the biggest April fool is the language commissioner. She is using her bilingualism storm troopers to harass small business owners and is demanding that federal workers speak less English.

The government should fire Ms. Adam and shut down her overzealous mob of language cops. Why are the Liberals refusing to end her bigoted anti-English crusade?

• (1500)

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I often find the member's questions somewhat offensive and, frankly, this is no exception.

There are 100,000 students in western Canada in French immersion programs. Canada has embraced this policy and, frankly, a lot of kids are working hard to develop the skills that this program offers them.

* * *

[Translation]

HERITAGE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, dissatisfied as they are by the results obtained so far by the Council for Canadian Unity, with its \$4 million-plus outlay every year to promote federalism, Canadian Heritage assessors propose nothing less than the invasion of schools with their propaganda.

Privilege

When the budgets allocated to education can barely keep up with inflation, does the Minister of Heritage not find it a cause for concern that they are contemplating invading the school rooms and using millions of dollars worth of propaganda to indoctrinate future generations? That is the question.

[*English*]

Hon. Jean Augustine (Minister of State (Multiculturalism and Status of Women), Lib.): Mr. Speaker, I think it is important for all of us in the House to recognize the importance of young people. All of the things that are done in our schools are so important to the building of Canadian society. Any messages that we can give to our young people to ensure that they know the values of Canadian society are the things that help us to be the kind of Canada that we are.

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TRANSPORT CANADA

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, passenger rail is one of the most energy efficient and environmentally friendly modes of travel.

If we had federal support for rail service, including high speed rail, in the densely populated area of the Quebec-Windsor corridor, three million vehicles could be taken off the road annually. That is 16.8 million tonnes less in CO₂ emissions each year.

If the government is truly committed to the environment and the Kyoto agreement, why has it cut funding to passenger rail service?

Hon. Tony Valeri (Minister of Transport, Lib.): Mr. Speaker, the government is committed to passenger rail. We are continuing to fund remote rail. We are continuing to fund regional rail. We believe that rail is important. It is important in terms of diversion from roads. It is important from an environmental perspective.

The government will continue to support rail as an effective mode of transportation.

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BUSINESS OF THE HOUSE

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, I would like to ask the government House leader if he could outline the business for the rest of the day, tomorrow and for the first week after we return.

[*Translation*]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, this afternoon, we shall continue debate on Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on March 23, 2004. If this is completed, we will commence second reading of Bill C-28, an act to amend the Canada National Parks Act.

Tomorrow, we will debate a motion to refer to committee before second reading Bill C-25, an act to establish a procedure for the disclosure of wrongdoings in the public sector, including the protection of persons who disclose the wrongdoings, and hopefully deal with the Senate amendments to Bill C-8, an act to establish the

Library and Archives of Canada, to amend the Copyright Act and to amend certain acts in consequence.

When the House returns on April 19, any of this business that is unfinished will be taken up, along with Bill C-11, an act to give effect to the Westbank First Nation Self-Government Agreement, Bill C-12, an act to amend the Criminal Code (protection of children and other vulnerable persons) and the Canada Evidence Act, and Bill C-10, an act to amend the Contraventions Act and the Controlled Drugs and Substances Act, Bill C-15, an act to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences, Bill C-28, an act to amend the Canada National Parks Act, Bill C-23, an act to provide for real property taxation powers of first nations, to create a First Nations Tax Commission, First Nations Financial Management Board, First Nations Finance Authority and First Nations Statistical Institute and to make consequential amendments to other acts, and the bill introduced yesterday, Bill C-31, an act to give effect to a land claims and self-government agreement among the Tlicho, the Government of the Northwest Territories and the Government of Canada, to make related amendments to the Mackenzie Valley Resource Management Act and to make consequential amendments to other acts.

I should like to wish my colleagues a happy and pleasant holiday period and to express my hope that they return refreshed and ready for a full legislative agenda for the spring.

* * *

[*English*]

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, during question period, when the member for Calgary—Nose Hill was asking a question in the House, the Minister of Health, which was very unusual for him, was yelling unparliamentary language across the floor. I know it was rather noisy and you may not have heard him, but I think he might wish to get up and apologize or withdraw that remark.

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, I would withdraw anything unparliamentary that I could possibly have said.

[*Translation*]

The Speaker: The Chair has received notice of a question of privilege from the hon. member for Roberval.

* * *

● (1505)

PRIVILEGE

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it is most unusual to raise a question of privilege in this House concerning events in a committee.

Privilege

However, I absolutely insist on bringing to your attention certain facts which, if not considered by the Chair, would have the effect of creating an entirely new parliamentary law, and would be of such a nature as to virtually eliminate the concept of in camera status as far as government members are concerned.

Allow me to explain. I know that you generally do not have to address such matters unless, and I quote Maingot's *Parliamentary Privilege in Canada*, page 249:

—it is alleged that a particular person gave the in camera proceedings to the press or some other misconduct is alleged specifically, a Speaker will be reluctant to find a prima facie case of privilege.

So this is what I wish to submit to you. The member for Toronto—Danforth has himself admitted to having made the in camera testimony by Chuck Guité public. The explanation he gave strikes me as totally implausible.

He said, and I quote:

[*English*]

...I take full responsibility for what I said to the media today because it was my belief that we were going to vote on a motion that was in front of this committee today in proper format and we had the numbers to make sure that motion passed... and his papers were going to be made public and that is what I said and I stand by my statements.

[*Translation*]

The member's claim that anticipating that his colleagues who were in the majority would vote in favour of doing away with the in camera status represents two errors: first, he anticipated the vote of parliamentarians, and second, basing his belief of the existence of a Liberal majority, he felt free not to respect the in camera status.

Supporting him in this—which the committee, with its government majority, has done, and I shall return to that point—would have the following result. The Chair, by not agreeing to recognize my question of privilege, and by allowing the committee to get away with its decision—a government majority, I would remind you—would be tantamount to admitting that only opposition members need to respect in camera status. Thus, in future, any government member could claim under any circumstances that in camera status no longer applies because he is certain that his colleagues in the government majority will eventually support him and make reports public the following day.

How could such a notion be accepted, a parliamentary law which imposes respect of in camera status on an opposition member, but allows a government member not to respect it out of certainty that the majority will support him the next day and make the documents public? That is the first point.

The same goes for the decision made in committee. The member can say he will not respect in camera status because he knows that the government members will vote in his favour the next day and that he will not be reprimanded since the majority rules.

I believe that the government majority on the committee made a serious error in taking the position they took. This is a flagrant breach of in camera status. The member admitted it himself. Comments were disclosed to journalists and this is causing huge problems for the committee right now. This information was allowed to be made public. The breach of in camera status came about simply

because a member can claim he knows his colleagues will back him up the next day and because the majority will steamroller over the rest of Parliament.

I know that your role as Speaker of the House of Commons is to ensure that parliamentary law rises above partisanship. Parliamentary law applies to everyone, whether they are a government member or an opposition member. To allow the government majority to let the offending MP off the hook would be to say that you acknowledge that in camera status does not apply to everyone. It is in camera for members who are not part of the majority.

There is an extremely serious problem with that. I feel like my parliamentary privilege is being breached because this member blithely ignored it. He did not comply with the very strict rules of Parliament and relied on his colleagues to come to his defence the next day. The result is that all the opposition members are indignant at having their parliamentary privileges breached. Yet, all the government members, with no regard for parliamentary law or the need for fairness and respect for the rules of ethics or operation, voted right away to prevent their colleague from having to face parliamentary justice.

If you find that my question is in order, I would like to put forward the following motion:

That the member for Toronto—Danforth be suspended from the service of the House until such time as he appears at the bar of the House to apologize, in a manner found to be satisfactory by the Speaker, for his actions in contempt of the House.

● (1510)

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the question our colleague has raised is very serious indeed. It is up to you and to the House to deal with it accordingly. We are certain that you will review all the circumstances, exactly what was said, by whom and when. There is more to it than second-hand reports; there is what really was said, and you will draw your conclusions.

Perhaps you will have to take into consideration what was already in the public domain, in connection with what is now alleged to be a breach of in camera confidentiality. I am sure you will review these facts judiciously, as you always do, and make a decision.

There are two points I would like to raise, nevertheless. Perhaps it is for the committee or for the House itself—since it is the House that makes such decisions—to decide if it should sit. The terms of the motion may be rather strong, if you were to agree with the hon. member opposite.

In particular, the second point I would like to make is that this is very much a theoretical question, since the decision to make this testimony public has already been made.

[*English*]

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, this is a very important issue. As my colleague the House leader for the Bloc has said, it affects all members of the House.

Mr. Speaker, more and more we are needing your protection from this Liberal majority and this is a great example of it.

Privilege

I will quote the Liberal member for Leeds—Grenville, a member of that committee, who said, “Mr. Chair, my best imitation of Johnny Cochrane has been circumvented by [the member for Toronto—Danforth’s] apparent open confession on this”.

I think we have put it in play now. Whatever steps in terms of a report the Clerk needs to draft to send this matter to the House, I do not think we have any other option and I do not see the point in continuing to discuss it.

The circumstances here are extraordinary. There is partisan influence and partisan politics are under the influence of the Prime Minister’s Office on this issue: the release of this information, which is totally confidential, and a member who brags about it because he knows he can win the majority of that committee.

Mr. Speaker, we have already had discussions today about what involvement you may have in a committee, but that committee is part of this House of Commons and part of Parliament and we need some guidance here.

A member has gotten away with something sacrosanct in the House. Something totally confidential should not be leaked. There was no permission from anybody to put it out, yet his own party then voted to let him off the hook.

Mr. Speaker, that is not acceptable and the House really needs your wisdom on this issue. It is very, very serious.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I would like to add a few comments as well. I was in committee yesterday and the evidence was quite clear that there was a prima facie breach. Indeed, there was a complete confession by the member as to his breach of the privilege, that there was certainly a prima facie breach.

Indeed, as has just been stated, the member for Leeds—Grenville—hopefully he was not paid for his advice by the member who was in breach—gave up his client and said basically that “look, I am not even going to defend this, it is so apparent”. I think that basically brought the discussion to an end. There had been a prima facie breach there by the member. There was a confession not only by the member who did it, but indeed by his most able representative, the member for Leeds—Grenville.

So we came to the committee today. I had drafted up the report in the appropriate form. It appeared that the grey wall of the PMO had descended upon these individuals, basically thumbing their noses not just at the committee, but at you, Mr. Speaker, and the respect that you are entitled to as the Speaker of the House.

You are here, Mr. Speaker, to ensure that this democratic forum and its rules are protected. What we saw in committee today is the complete subversion of democracy. It is now on your shoulders, Mr. Speaker, to set this right. Canadians are counting on you to make sure that this wrong is righted.

• (1515)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to add a few comments to this point of privilege, which I take to be a serious one and refer to you for your serious consideration.

I too was at the committee throughout these last couple of days of proceedings at public accounts and was deeply disturbed by the

actions of members of the government side on that committee. I do believe that in fact we are dealing with a prima facie case of privilege, a prima facie case of breach of parliamentary privilege, and I would like you to take it under serious consideration.

Let me just indicate to you very briefly, Mr. Speaker, how difficult and frustrating it has been for us. We dealt with the fact that the member for Toronto—Danforth had actually revealed in camera testimony to the media; he had made public in camera testimony from Charles Guité. That member confessed to that wrongdoing. The committee passed a motion to bring this matter to your attention. We agreed that it should be in the form of a report from our committee to the House.

You can imagine our shock and surprise, Mr. Speaker, when we arrived this morning to deal with that report only to have the Liberal members, the government members, on the public accounts committee vote against the referral of that report to the House.

I have not been here that many years, I guess, only seven or eight years, and I am astounded at the kind of dismissive way in which government members are treating this institution, at their disregard for the committee process and, more importantly, their complete disdain, in fact, for the rule of this place, with you, Mr. Speaker, being our highest authority.

There were other incidents throughout the committee’s proceedings that are equally disturbing. They are not necessarily a part of this matter of privilege but ought to be taken into account.

I think, Mr. Speaker, that although you had referred the matter of what to do about in camera testimony to the committee as a matter of its own work and because it is the master of its own destiny, you probably will find it somewhat disturbing to know that the committee decided to act without waiting for your ruling and to in fact move to make testimony public, contrary to the recommendation of the Chair and despite the fact that you were in the process of ruling on a similar point of order in this House.

Altogether, Mr. Speaker, I think you will find a very disturbing set of events that treats this place as less than the highest place of authority, and I think you ought to review this matter seriously and consider taking action vis-à-vis the point of privilege that has been referred to you today.

• (1520)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, very briefly, it is probably the case that from time to time a matter of privilege or procedure, a matter of dispute at committee involving privilege, could exist in tandem with the same concern here in the House.

In this particular case as I understand it, and I am sure, Mr. Speaker, you will see this from the transcript of the committee, the committee had voted to prepare a report but not to adopt the report.

Government Orders

The report on the privilege matter was prepared and submitted to the committee. In the end, the committee voted not to submit that report here, whatever the reason of the majority vote on that committee was. The members here are suggesting that because they were on the losing end of a committee vote, the vote constitutes some kind of subversion of the parliamentary process. In fact, it seems to me that when a majority of members on a committee make a decision, that should deal with it.

I am suggesting that for a matter that is raised and disposed of in committee, when the committee decides not to report to the House, Mr. Speaker, you may regard the matter as sufficiently dealt with at the committee so as to not warrant bringing up the matter in the House.

However, members are always at liberty, of course, to raise matters of privilege here. I just suggest that the committee, in its own way, has dealt with this matter. Whether it was a minor matter or a serious matter, the committee has dealt with it and the concerns of the House do not have to be brought to bear in the House when the committee has taken care of its own business.

[*Translation*]

The Speaker: The Chair wishes to thank the hon. member for Roberval for raising this question of privilege and for the notice of motion he has included with his remarks.

I would also like to thank the hon. deputy House leader and the hon. members for West Vancouver—Sunshine Coast, Winnipeg North Centre, Provencher and Scarborough—Rouge River for their comments and their assistance to the Chair regarding this important matter.

I think this is a situation where I must indicate how extremely important the Chair considers this matter. I am sure that, after examining the documents, I will be able to come back to the House with a ruling.

[*English*]

However, I think it is important I look at committee proceedings that hon. members have referred to, the statements by the hon. member for Toronto—Danforth, and possibly even hear from the hon. member for Toronto—Danforth since he may wish to make some submissions to the Chair on this point. I would then expect to be able to give a decision to the House on the matter.

Certainly, this may be different from the ordinary case of an appeal from a committee decision. I will have to review the cases and the facts of this case, in particular, before I am able to render a decision. I thank all hon. members for their assistance.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 2004

The House resumed consideration of the motion that Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be read the second time and referred to a committee.

Mr. Gary Schellenberger (Perth—Middlesex, CPC): Mr. Speaker, I am pleased to speak to Bill C-30 and I would like to inform the House that I will be sharing my time with my colleague from Kelowna.

As I listened to the budget speech the other day, I was very interested, coming from a rural riding, with the \$1 billion that was pledged to agriculture. My agriculture constituents were very enthused

While the money for agriculture is appreciated, this has been a problem since last May. Why did it take almost a full year to take this kind of action? The border with the U.S. remains closed and this continues to be the most important issue that remains unresolved.

I have received numerous calls from area beef and dairy farmers expressing serious concern over the recent assistance package announced as part of the budget. In the strongest possible terms I want to express my disappointment in the new package.

While beef producers seem to have been compensated fairly, it appears as though dairy producers have been either forgotten or abandoned. The figure of \$56 per dairy heifer is absolutely unsatisfactory.

As with previous programs, this plan is far too narrow in scope and does not offer to help numerous sectors of the agriculture industry suffering the effects of BSE. In effect, the new program, when considered in the context of the entire agriculture industry, is of little value and unfair.

If we take the cull cow program that was presented by the government last fall, there was about \$200 million set aside for culled cows and the second line in the cull cow program said that farmers did not have to kill or cull the cow. I do not know how it was even a cull cow program. If the Liberals had listened to the Conservative Party, we planned to eliminate 700 cull cows with \$500 for each cow.

On the EI premiums, where is the economic relief Canadians need? The government could have lowered EI premiums and made a very positive impact on the economy. This inaction represents a real opportunity missed.

Regarding the environment, though justifying the sale of Petro-Canada shares to invest in the environment, the reality is that the budget virtually ignores important environmental issues. The sale is expected to generate more than \$3 billion and yet the government's announcements only amount to \$1 billion.

There are no initiatives encouraging the clean up of the Great Lakes and no invasive species legislation. Smog control and clean air were also ignored.

This is the fifth time I have heard the government announce the \$2 billion health care transfer to the provinces. While I am pleased to see the government honour the agreement reached in the 2003 health accord with the provinces, it is important to point out that announcing it five times does not increase the amount of money that gets placed into the system.

Government Orders

Some more money, yes, but the government continues to avoid seriously addressing the issues plaguing the health care system in Canada. Throwing money into the system is not the answer. We need to start taking a hard look at the system while always maintaining the principles outlined in the Canada Health Act.

I was surprised, that in a year during which Canada will be participating in the Olympics in Athens, there was effectively no mention in the budget of increased support for Canadian athletes. Investing money now to encourage Canadians to participate in sport would result in health benefits for Canadians and translate into overall lower health care costs down the road.

With Canada set to host the 2010 Winter Olympics, this would have been an ideal time to start a program encouraging Canadians toward healthier lifestyle choices. I will read certain passages from a letter that I received from the Canadian Olympic Committee. It states:

As we discussed during our meeting on February 19, 2004, we believe sport plays a significant role in the lives of Canadians.

The role that participation in sport plays in our personal development and well-being is widely acknowledged.

● (1525)

Sport is an important and growing feature in projecting our nation's image abroad and offers a demonstrable return on investment in terms of reduced health care costs from participation in physical activity and in the economic benefits of hosting sporting events in Canada.

The roles played by Sport Canada, national sport federations, provincial governments, the private sector and others is very important for the development of sport in Canada from fitness and leisure sport through to the development of world-class athletes bringing home medals from international and Olympic competitions.

Canada has been especially successful in playing host to many international sport competitions, including summer and winter Olympic Games. Again in 2010, Canada will have the honour of hosting the Olympic Winter Games in Vancouver-Whistler and it is vital that our athletes be prepared.

We are pleased that the government has invested an additional \$10 million in sport this year—

However, beyond the additional \$10 million and sustaining the current funding level, the sport community has recommended an urgent need for at least \$50 million in increased federal funding for sport—

During our recent round of meetings in Ottawa...we recommended that the government announce, as a first step in this initiative, an additional \$8.5 million per year to be provided in the upcoming budget to Sport Canada to enable them to begin immediately providing an increase in direct financial support to Canadian athletes.

Finally, we would like to request that the government set aside reserve funding in the fiscal framework of the balance of the recommended funding, that is \$41.5 million per year, pending completion of a review and report on this important initiative: namely to promote a more active and healthy population through fitness and athletic development and to foster excellence and improved international standing by Canadian athletes in high-performance sport.

We believe this is key in assisting to build Canada's preparedness for a solid showing in 2010—

The \$7 billion GST relief to municipalities will trickle from Ottawa at a snail's pace over a decade. The Prime Minister has been talking for a long time about offering some of the gas tax to municipalities. There is no specific plan present in the March 23rd announcement.

All these programs, a few million here and a few million there, but what they do not mention is that they are spread out over a decade. Many people hearing these funding announcements will be dead by the time these programs pay out in full.

An issue that continues to be largely ignored by the government is the state of rural Canada; specifically its economy and its infrastructure. There was nothing in the budget to help rural community groups seeking funding assistance for projects such as recreational facilities and cultural centres.

Riding the coattails of the veterans, the Liberal government is promising to send money to build a monument at Juno Beach that the veterans have already built. This is the same government that ignored the veterans several years ago when the funds were desperately needed. The monument was almost not built, and now that it is, the government wants to step in at the last moment and take credit it does not deserve.

Essentially, this budget is a blueprint for underachievement. After the release of the budget the important question Canadians need to ask themselves remains the same, do they have confidence that the government can honestly and effectively manage their money?

The Liberal candidate in my riding recently boasted he was going to be coming after me in the next election. He is quoted as saying that I got lucky in the byelection, that my victory on May 12th was a protest vote against the Liberal government. Well, here is to being lucky. From what Canadians have seen, since the people of Perth—Middlesex sent me here, there is more reason now than ever for a protest vote.

When frustrated farmers from my riding call me now and ask me what they should do, I tell them that there is only one thing left that they can do, and that is to help the Conservative Party change the government in the next election.

● (1530)

Mr. Werner Schmidt (Kelowna, CPC): Mr. Speaker, it is a privilege to address the debate on Bill C-30, the budget implementation act.

I would like to draw a couple of contrasts to what we find happening here in the House and to what is happening in the community of Kelowna in my constituency.

Kelowna is a jewel that lies in the middle of the Okanagan Valley, that place where people have experienced the joys of many friends coming to visit them from all parts of Canada and many different countries of the world. People have chosen this place because they have recognized its beauty, its tranquility and as a place where they would like to be at home. It will be a privilege, and I am humbled, to be able to contest the next federal election on behalf of the Conservative Party in this beloved constituency called Kelowna.

Into this constituency last summer came a voracious fire where 238 homes were lost. That fire respected neither time, place nor person. The fire brought us together as nothing else I have ever experienced. Even the Governor General of Canada came to visit Kelowna and recognized the spirit of compassion, consideration, kindness and friendship that was developed as a result of the coming together at that fire.

Government Orders

There were 238 homes lost and there were so many things that happened in terms of the individuals and the kind of help they gave to one another. They came together and they helped one another. Into this context we had the launching of the United Way appeal by Mel Kotler, who is the chairman. I have to give special credit to him. He said "our goal this year is to be \$1 million and \$1 for the United Way campaign. That was an unheard of goal for our community and a lot of us were cynical and said "This cannot be, after the devastation of the fire and all the other things that had come about. You cannot now expect us to raise that". What happened? Not only was the goal met, it was exceeded by almost \$10,000.

In contrast to that kind of benevolence and compassion that we find in our community, we had a Speech from the Throne followed by the budget, the implementation of that budget we are now debating. That Speech from the Throne, that budget said that we shall have an address to the democratic deficit and that there will be "more free votes". A real test was presented to the House very shortly after the new Prime Minister came into office. It was to allow MPs to exercise the free vote in establishing and supporting more money for the long gun registry.

A little digression is absolutely essential here. One billion dollars had already been spent on this and it looks like it will be closer to \$2 billion. I must put this into context for the people in British Columbia. If that \$2 billion had not been spent on the gun registry, it could have been used to help people. It could have paid the tuition for every university student in British Columbia to the tune of a bursary of about \$37,000. What is more important, helping our young people to get an education or registering a hunter's rifles? In that kind of contrast, it is a waste of government money.

It looked like MPs would not support the gun registry. They recognized the foolishness of that particular registry and that we should not put another bunch of money behind it. The government had already wasted a lot of money on it. However, because of a fear that members would not support it, what did the Prime Minister do? Instead of saying that it should be a free vote, he whipped them into shape and told them to vote in favour of the allocation of additional money. Is that a free vote? No. That was a broken promise one week after Parliament came into session under the new Prime Minister.

This morning the Prime Minister was in Vancouver appointing persons to run under the Liberal banner in the next federal election. The constituents who make up the local Liberal association do not have the right to choose their own candidates. The Prime Minister is the one who will appoint the candidate. Is that democracy? That sounds an awful lot more like dictatorship than democracy.

• (1535)

When the Prime Minister was running for the leadership of his party he indicated clearly that there would be some kind of suitable system to vet the candidates for appointment to the Supreme Court, which now has two vacancies. What was one of the first things the newly appointed Minister of Justice said in response to the question: What will the vetting process be? He said that he did not know and that he was not quite sure whether it would be done at all. Yesterday it appeared as if there might be a process of vetting the appointment of those judges.

What are we supposed to make of these obvious missteps at the very beginning of the "new government" under the "new Prime Minister"? Thankfully, there will be an election soon and Canadians will be able to speak and say that it is time for a change.

We need a new government, a true new government, a government that believes that free votes are necessary, that democratic reform can be accomplished, and not in the way the current Prime Minister is doing it.

We need to move on from there. We need to recognize that as one reflects upon the contents of the Speech from the Throne and the budget, one is struck by the glaring omission of certain things.

First, there was no mention of the rights of victims of crime. Does the new Prime Minister not realize that the current justice system often protects the rights of criminals to a greater degree than the rights of victims? Has he forgotten or chosen to ignore the fact that victims of crimes also have rights? Does the criminal justice system exist to protect innocent Canadians from those who would perpetrate suffering, pain and loss of property, and sometimes death? Does the Prime Minister not realize that our justice system is much more of a legal system than a system of justice for the victim as well as the criminal?

The other omission is that no serious consideration was given to a plan to pay down Canada's debt. Each year something like \$35 billion or \$36 billion is paid out in interest to service that debt. Based on the 2002-03 budget of the British Columbia government, that is enough money to pay for the public health system in British Columbia for three years. If that debt were half of that, then the interest required to be paid would be half of that. It is obvious that if we maintain that debt and have no plan to pay it down, we will continue to have that burden and that burden will be carried forward to our children and grandchildren.

Another conspicuous absence in the Speech from the Throne and in the budget was the definition of marriage. That matter was referred to the Supreme Court of Canada by the previous minister of justice. Rather than deal with the matter, the new Prime Minister has submitted a further question and that matter will not become an issue in the immediate future.

What will the new Prime Minister do? Why does he do this? Is he afraid? Does he not have any courage of conviction based on a strong set of values? Is he so devoid of value commitment that he would relegate effective legislation for this country to the courts? If that is so, will he admit that under his watch Parliament is but a shadow of government and that the real governing is placed in the hands of those whom he has appointed to the bench of the Supreme Court of Canada?

What about his personal ethics? Could he really not have put into gear a flow of information that would have immediately corrected the error of some \$160 million that CSL received from the Government of Canada?

Government Orders

The time has come for us to recognize that we cannot wait to see what the Prime Minister will do. He has an opportunity to become a new Prime Minister. Will he do it? The opportunity is his but he must do much more than what he has done thus far. As with all people, we must recognize that doing the right thing exalts a nation but doing the wrong thing is a disgrace to any people.

• (1540)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to speak to this bill today. Unfortunately, it is a bill that does not do much to advance the cause of equality between the men and women of Canada, particularly in one aspect, namely the whole issue of Bill C-30 that extends the pillaging of the employment insurance fund.

I think it is important to explain once more how the government managed to misappropriate the \$45 billion it took out of the pockets of workers, employers and the unemployed, and then did not have to account for its use of this money.

Between 1993 and 2001, the federal government sucked \$45 billion out of the pockets of workers, employers and the unemployed by cutting their benefits. In a report, the Auditor General told the government that what it was doing was contrary to the letter and the spirit of the law. She said it was impossible to have accumulated a surplus of \$45 billion and not to have put it back into the system. The law itself provides that the contribution rate is set by the Employment Insurance Commission in response to the needs of the employment insurance system. In other words, based on economic activity, they assess the amount of contributions required to pay for benefits and training. Eventually, over the economic cycle, the surpluses are put back into the system.

For 10 years, the federal government has sucked up the surpluses. It has used them to fight the deficit and to pay down the debt. Today, faced with the Auditor General's remarks, the government is trying to think something up; otherwise, it will be in a completely illegal situation.

So, two years ago, it was decided to draft a bill stipulating that the contribution rate would no longer be set by the commission but by the government itself, depending on its needs. Basically, this authorized the theft, the misappropriation of the employment insurance fund by saying, "We did it for ten years; now that the Auditor General has determined that we are not allowed, we will give ourselves the right, through legislation, to do the same thing by setting what will be the equivalent of a payroll tax".

This year's budget has just prolonged the abuse. The government initially set itself two years for using this mechanism, and promised us a new method for determining EI contribution rates, a new approach. The former finance minister, the hon. member for Ottawa South, held consultations that ran for one and one half years. This year, when we were expecting a new method of setting the contribution rate, there is an extension for another two years.

The resulting situation is like having one's house broken into. People see it happening, but organize things so that it can continue, by lending it some kind of legal, though not legitimate, status. This is what this bill today is all about.

I see this as even more scandalous than the sponsorships. Of course the sponsorship scandal has a lot to do with ethics. A system was set up so that the federal government could pay for sponsorships with a share going to ad agencies for work that was not done. Then that money ended up back in the coffers of the Liberal Party of Canada. A very well balanced system and one in which the percentages can pretty well be determined: 12% for the agency, and then 10% of that 12% to the Liberal slush fund. So well organized that we can pretty well determine the amounts involved down to the last cent.

This shocks a lot of people, of course. People have trouble paying their income tax, but when we do pay our taxes and then our tax dollars are wasted the way this government is wasting them, that is unacceptable.

What I find even more appalling in the employment insurance scandal is that they fought the deficit with money that belongs to people in our society who are the worst off. Seasonal workers who work 10, 12 or 15 weeks a year have to make up for the other 35 weeks. In the past, the employment insurance system allowed them to put in their time and have enough income to support their family for the entire year. Now, with the new system put in place by the Prime Minister, with his blessing when he was finance minister, we are in a situation where people who work only 10, 12 or 15 weeks no longer receive any income during the winter. That is the reality for seasonal workers who work in forestry, agriculture or tourism. In other regions, this may occur in the summer, but it is the same problem.

• (1545)

Last week I asked the member for Chicoutimi—Le Fjord about this problem and he said, "Yes, but we lowered taxes".

Indeed taxes were lowered, but unfortunately seasonal workers do not earn enough in a year to benefit from lowered taxes. They have the pleasure of knowing that they contributed the most to fighting the deficit, but they have yet to see a return on their investment.

While people like us, the middle class, at least had our taxes lowered, those who earn only \$20,000 or \$25,000 a year did not benefit from this tax reduction. They had to take a hit in their employment insurance benefits. They have had to live with this, and are still living with this, while the government accumulates a surplus year after year.

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This year, in all probability, there will be another surplus of approximately \$8 billion. In any case, it was \$7 billion in January. This is a great deal of money. People who are earning \$15,000, \$20,000 or \$25,000 per year and realize that their benefits have been cut and that the number of benefit weeks has been lowered are unhappy. Often, they have even been disqualified, because the increased number of hours needed to qualify resulted in many people having been eliminated from the system. They have to pay contributions—it is Machiavellian—from their first hour of employment.

Young people entering the workforce must make contributions starting with their first hour of employment. To qualify for benefits, they have to work 910 hours. If they have not worked enough hours, they are told to come back another year, because they are not eligible.

Consequently, young people entering the workforce and women returning to work after several years' absence contribute to the employment insurance system but they are not entitled to benefits. This whole system has long been condemned and is judged by the public as unacceptable.

This year in the budget, we expected the government to say, "The time we can misappropriate funds like that is over. We owe the workers \$45 billion, and here is how we are going to pay it back".

We were not asking them to pay back it all back tomorrow. It took them ten years to steal it. Repaying it will obviously take several years. At the very least, they should give us hope that the system will be able to benefit from this money. However, there is nothing to that effect in the current bill.

That is why I consider this a dreadful scandal. People are having trouble accepting this very harsh reality. It has an impact not only on individuals, but also on regional economies. I have some examples. In the Lower St. Lawrence, when people in the tourism industry have to work more hours to access employment insurance, at some point, they are forced to leave to go work in the big cities. Once they leave, they never come back. The next year, there are job openings, but there is no one to fill the positions.

Consequently, these situations have a negative impact on individuals and regional economies. But seasonal industries are here to stay. In our economy, we cannot limit ourselves to biotechnology and new sciences. Of course, we must encourage the modernization of the economy. But the traditional industries are still present and they allow people to earn a living. They must continue to do so, whether in tourism or in the agriculture and forestry sectors.

At present, people are not getting value for their money. They would have liked a self-sustaining employment insurance fund. If contributors—employers and employees—ran the system, it is certain that the surplus would not be used to pay for the government's general operating expenses. There would be a balanced system.

If the surplus were very large, contributions could be suspended or benefits improved. If there were deficits, contributions would have to increase. It is a standard practice in insurance, but none of this is found in the current budget.

Last year, during his leadership campaign, the finance minister proposed a new way of looking at it. He came to Charlevoix and said, "We will sort out the status of seasonal workers. You will see. I will take care of it". We saw the results yesterday in this House. It was terrible, but it was very instructive.

A member of the Bloc Québécois, the member for Charlevoix, has introduced a motion to establish special status for seasonal workers, regardless of the economic region in which they live.

We are asking for this because even if the economy in one region is very healthy, the seasonal workers always do the same number of hours of work. Then, no matter how active the economy is, they cannot work any more weeks. That is what we are seeking to correct.

● (1550)

The bill before us, which implements part of the budget, is unacceptable to me. Yesterday's vote, when the Prime Minister voted against implementing a system for seasonal workers, is a very clear demonstration that he is not prepared to change a single thing in the current system.

Accordingly, I will vote against this bill.

● (1555)

[*English*]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I have been sitting here pretty well all day listening to the debate. There is a fairly consistent theme that comes from the Bloc Québécois that somehow or other Quebec in particular is unfairly treated by the Government of Canada. The Bloc members talk about the fiscal imbalance and other things such as that.

In the course of the day I have been going over the highlights of the Quebec budget. I note that the Government of Canada on a year over year basis going forward from 2002 through 2008 has been giving 8% increases on health care. I note in the provincial budget of the Government of Quebec its increase in health care was only 5%. There seems to be a discrepancy between the moneys that the Government of Canada is giving at 8% and the moneys the Quebec government is actually dispensing in its expenditures of 5%.

I also note that these funds were trust funds and that they were to be disbursed over three years. For whatever reason the Government of Quebec chose to completely cash them in in the year 2003-04.

I wonder how the hon. member arrives at the conclusion that Quebec is disadvantaged in this process given those facts.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, it is not very complicated. We are looking at a fiscal imbalance. This afternoon, a question by my colleague from Joliette expressed it very clearly.

For this year—we saw the example yesterday—there are four provinces in Canada that have brought down budgets. They are running a deficit of \$5 billion. In the meantime, the federal government has a \$7 billion surplus.

Government Orders

If this were accidental it would not be so bad. However, it was a deliberate decision by this government to starve the provinces so that they would no longer have the means to assume their responsibilities in health. At the end of the day, the government gets to impose its standards and its way of doing things. Yet, the Liberal government, the federal government, could not be any more inefficient when it comes to assuming its own responsibilities in health.

It is obvious that we would be much better off in a system with only one government to collect taxes and be accountable to all citizens. That would be the best solution. I agree that would be preferable. We could see the effectiveness of the system.

At present, the Quebec government is a federalist Liberal government. Their Minister of Finance, Mr. Séguin, Minister of Health, Mr. Couillard, and all stakeholders in the health field in Quebec have said the same thing. They have worked hard to remedy the situation. They have worked hard to find solutions. What is lacking is federal government money.

Last year the federal government decided to put \$2 billion into health care, as requested by the provinces. That was spent in 2003-04. For 2004-05, instead of representing 16% of expenditures for health, the federal share of funding will be 14.5%. We must not be hesitant about bringing this to the public's attention. The Prime Minister is engaged in advertising campaigns about what a priority health is for him. In the reality of the budget for next year, the one we are examining, there will be less for health than in past budgets. This is an absolutely unacceptable situation.

There must be an end to all this. The Prime Minister says one thing but does another. This is behaviour the people of Quebec and of Canada can no longer accept. If ever the federal government does not put in the money required, there will be time to finalize adoption of the budget. With the \$2 billion, he is holding the public hostage for the next election. This is absolutely aberrant and unacceptable.

I challenge the hon. member to go and ask each province to admit they are not doing all they can with their funding. It is not Quebec separatists who are calling for money for health care but the governments of all the provinces, the stakeholders in all the provincial health networks, and the physicians' and nurses' federations. All these people cannot be wrong, and only the federal government right.

• (1600)

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I want to congratulate my friend, the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, on his excellent speech. I also want to congratulate him on his official nomination as a candidate in his riding and I am convinced he will win in the next federal election. That said, I thank the Chair for allowing the member for Rivière-des-Mille-Îles to run this paid announcement.

I want my colleague to talk us about one of the things we hold dear. He spoke at length and quite seriously about employment insurance, contribution rates and so forth. However, he failed to mention the creation of a self-sustaining employment insurance fund managed and administered by employees and employers, and the benefits or advantages of this.

Mr. Paul Crête: Mr. Speaker, I thank the hon. member for his kind words. I have been nominated in the riding of Rivière-du-Loup—Montmagny, which includes the regional county municipalities of Kamouraska, Rivière-du-Loup, Montmagny and L'Islet. This new riding includes half of my current riding and half of a neighbouring riding which, until now, had been represented by a Liberal member. I think that, in the next election, a Bloc Québécois member will be elected. I hope to be the one.

As for the hon. member's question on the employment insurance fund, I will provide a concrete example. If employers and workers contributed to the program and assumed 100% of its funding, this would ensure that central labour bodies, workers and employer federations would decide together what is the appropriate rate of contribution.

Groups representing seasonal workers could say, "We want to improve our program. Are we able, collectively, to make this kind of choice?" Something similar was done in the past, for example when public servants became eligible to the employment insurance program. It was a kind of solidarity movement, in that these people said, "We have permanent jobs, but we want to help redistribute wealth in our society. Is there a way to ensure that what we are contributing is used to help regional economies and seasonal industries?" This is the type of situation that led to the employment insurance fund.

The problem is that someone changed the rules about ten years ago. It is the current Liberal government which decided that it would keep the surplus generated in the fund, even though it does not contribute to the employment insurance program.

If we had a self-sustaining fund, there would be a meeting where the new fund would take over from the old. At the first meeting, the federal government would sit at one end of the table and say that it accepted the transfer to a self-sustaining fund. At the next meeting, employers and employees would be the only people present, because the federal government would no longer have a place at this meeting, it having been recognized that those who finance the system should be in charge of it.

That is what we want in order to avoid a recurrence of the pillage, the theft of \$45 billion. On people's cheque stubs it says "employment insurance premiums" and not "payroll tax", or "government funding" or "debt repayment". It says employment insurance, meaning that workers, when they lose their jobs, will have an adequate income while waiting for the next job.

The self-sustaining EI fund was suggested by the Bloc Québécois and has been supported by all the opposition parties in this House. It was part of the unanimous recommendations of the Standing Committee on Human Resource Development. The only person who dissented was the current Prime Minister, who was finance minister at the time, because this fund was a cash cow for paying down Canada's deficit. It is unacceptable for the current government to make the least organized people in our society pay down the deficit.

Government Orders

[English]

BUSINESS OF THE HOUSE

BILL S-15

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, there have been consultations and I think you will find that there is unanimous consent for me to put, and the House to adopt, the following motion. I move:

That, notwithstanding any Standing Order or usual practice, Bill S-15, an act to amend the Act of incorporation of Queen's Theological College, be now deemed read a second time and referred to a committee of the whole, and considered in committee of the whole, deemed reported without amendment, deemed concurred in at report stage, and deemed read a third time and passed.

● (1605)

The Acting Speaker (Mr. Bélair): Is there unanimous consent to table the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Bélair): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

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

* * *

BUDGET IMPLEMENTATION ACT, 2004

The House resumed consideration of the motion that Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be read the second time and referred to a committee.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, it is an honour for me to have an opportunity to join in the debate on the budget on behalf of the people in my riding of Winnipeg Centre.

Where I come from, people watch the budget very earnestly, mostly because they have a real vested interest in how the government chooses to spend our hard-earned tax dollars, even more so in my riding than some others. I am not proud to say that my riding is the third poorest riding in all Canada. Not many people are aware that right in the heart of downtown Winnipeg, by whatever poverty or income measurement we use, whether it is average family income or incidents of poverty, unfortunately ranks as the third poorest riding in the country.

The people who I represent rely heavily on the social programs that the federal government operates and pays for in our welfare state. They look to the government for relief in many ways, and they are particularly vulnerable to policy changes. When people are already low income, marginalized people living at the edge, it does not take much for them to be pushed over the edge. It does not take much to go from working poor to poverty, and that unfortunately is the case.

Members may be shocked to hear that 47% of the families in my riding live below the poverty line, as calculated by Statistics Canada as the low income cut-off; 52% of all the children in my riding live below the poverty line. Given statistics like that, members can forgive perhaps the zeal with which I sometimes undertake some of

these issues. I witness, day to day, people trying to get by on marginal incomes and trying to make do when they do not even have the basic needs.

I do not say that for any romantic effect. I am simply informing the House that pockets of Canada are not doing well. They are being left behind. If we do not revitalize our commitment to equal opportunity, we run the risk of creating a permanent underclass and we run the risk of another generation being left behind, and none of us can afford that.

As we speak about the dollars and cents associated with our federal budget, let us also contemplate the costs of a social deficit which is growing and escalating in reverse of what I believe the goals and intentions are of a country like Canada.

If we are committed to equality as an objective, then why do we see policies like those which we have seen since the Liberal government took over? If we are committed to giving a hand up rather than a handout, then why are the very programs that enable people to come out, better themselves and to join the burgeoning middle class at risk?

By way of prefacing my remarks, I want to remind people of the true personal impact of some of the policy choices that this government has made. The Liberals bragged that they balanced the budget for seven years in a row. I approve of balanced budgets. Let us dispel the myth right here and now that the NDP is somehow opposed to balancing budgets.

I come from the province of Manitoba where under the Gary Doer government we have had five balanced budgets. In the province of Saskatchewan next door, the Blakeney government had nine balanced budgets in a row. Tommy Douglas himself said that one could not run a government when it was beholden to foreign bond holders. These are the points, these are the very foundations of our political party. The I approve balanced budgets. I am very critical of how they balance the budgets.

The previous speaker with the Bloc Québécois mentioned that one way the Liberals balanced the budget was with the EI fund. Let us inform Canadians, let us be upfront with Canadians about the EI fund. The federal government does not put one penny into the EI fund. It is made up solely of contributions by employers and employees. Ergo, any surplus stemming from that fund should go to employers and employees, and I would argue favouring the employees. It was designed to provide benefits for people who were unfortunate enough to find themselves in between jobs. One of the designated uses of the EI fund is not to pay down the debt, or to build roads, or to give tax cuts or any of the other general revenue functions and purposes for which the government uses that money.

Government Orders

●(1610)

Let me simply summarize my criticism of the EI fund with this one message. To deduct something from a person's pay cheque for a specific purpose and then to use it for something else entirely different is, in the best of scenarios, a breach of trust and, in the worst scenario, out and out fraud. People are told the money that taken off their paycheques will be held in case they become unemployed at which time they will receive income maintenance until they can find another job. However, if they are deceived and if that money is used for something else entirely and those people are denied the very benefits they thought they were buying, I call it fraud.

I am glad to see you have assumed the chair, Mr. Speaker. It is an honour to have you with us in that lofty position. What would you think, Mr. Speaker, if you were forced to pay fire insurance on your home because you had no choice and the money came off of your cheque every week? Then your home burned down and you tried to collect on the insurance but you were told you did not qualify because your premiums had been spent on x, y or z? I think you would feel cheated. That is how working Canadians feel about the EI fund.

When we asked the current Prime Minister, when he was finance minister, about this huge growing surplus in the EI fund, he said, "Let me make it clear. There is no EI fund". He said that plain as the nose on my face. He said that the members should understand that there was no EI fund, that it all went into general revenue. We may as well call it another tax on Canadians then. If that money is to be taken off the paycheques of people and used for whatever the government wants, that is a tax. That is not an insurance fund any more. Let us dispel that myth altogether.

There was another way that the Liberals balanced the budget, and people forget this. When Marcel Masse's was the president of the Treasury Board, he passed a bill without very much fanfare in the House. It took \$30 billion out of the surplus of the public service employees' pension plan. Their pension plan was in surplus because their wages were frozen for seven years in a row and, as a result, people were not eligible for the same kind of benefits they thought they would be when they retired. For a number of reasons, their pension plan went into surplus by \$30 billion .

I used to be a trustee on a union pension plan. In the real world, in the private sector, the employer and the employees would sit down and probably negotiate some kind of a settlement on that surplus. Part of it would go back to the employer and part of it would go to improving the benefits for the beneficiaries of the plan. However, not in this case. Even Bell Canada, which from a trade union point of view was a difficult employer, cut 60:40 with its pension service employees. The Government of Canada took 100%, every nickel, of that \$30 billion. It said that the money belonged to it. This is a quote, "The employees have no proprietary right to the surplus in their pension plan".

Surpluses in pension plans are wages being kept for employees until they need the money when they retire. That is money they have earned as part of their wage package. The pension surplus is deferred wages. The government had no right to do that, but it passed a specific bill that gave it that right. It passed unnoticed, and it should

be exposed. That was not the government's money, just like the EI fund is not the government's money. It is Canadian working people's money being held in trust by the government. It has no right to put its hand in the jar and take the money out.

The third way the government has balanced the budget is by cutbacks to the very social services that are so necessary and needed in a low income riding like mine. The parliamentary secretary argued with our Bloc colleague and said that health care had risen 8% per year over the past four years. In actual fact we are only just getting back now to where we were in 1995 when the government drastically cut the Canada health and social transfer. It went from \$19 billion to \$11 billion, and it is gradually incrementally inching its way back up as the economy increases.

●(1615)

Therefore, it is completely disingenuous for the hon. member to say that in all this period of time of budgetary cutbacks and restraint the government has been raising contributions to the Canada health plan. We are only now to the point where we were in 1995.

Those three steps, the EI surplus pushing \$50 billion, the public service pension plan of \$30 billion, a gift the government just helped itself to, and the cutbacks to the Canada health and social transfer over the last nine years have made it possible for the Liberals to not only balance the books but it cut too far, resulting in surpluses.

On the treatment of those surpluses, we argue that we should be reinvesting them in our social deficit so we do not leave another generation of kids behind and our crumbling infrastructure. There is a huge deficit. Ask our municipalities. Sidewalks are falling apart under our feet out of negligence.

I come from the building trades in the construction industry. It does not matter how magnificent a building we build. If we do not maintain it, it will collapse around our ears. That is the situation with our crumbling infrastructure around the country.

I argue the government cut too far and too deep. The manifestation of that is the surplus it has. The government has not told us the truth about the surplus. From year to year, it has deliberately lowballed it. It has consciously misled Canadians, if I can say that. Maybe I can get away with pushing the limits with a new pinch hitter in the Chair. However, I believe there has been a deliberate misinformation associated with its budgetary estimates from year to year to the point where provinces cannot plan from year to year. Every year ministers of finance, especially our current Prime Minister, have been very adept at misleading the provinces.

Government Orders

We have in our presence today a former provincial minister of finance who probably found himself in that situation with the federal government playing its cards very close to its chest saying that there could not be any transfer payment increases to the province for that year, and it looked pretty grim. It is like asking a prairie farmer what kind of crop he will have this year. It is always pretty grim.

I believe the government knew full it would have a windfall at the end of the year. It denies and denies and then happy coincidence it finds \$6 billion or \$8 billion. How can we be out by \$6 billion or \$8 billion? I do not believe that in today's advanced accounting practices that we can make a mistake like that, not seven years in a row.

It has the effect of tying the hands of the provinces. They cannot plan. We cannot grow a province on one time funding. After begging, pleading and negotiating the government says that it will throw a few crumbs, a one time billion dollars here or there. That is not how we grow a country. We need a long range plan. We need stable core funding to plan and project our needs down the road.

Perhaps the biggest scandal associated with the Liberal government in my view is its deliberate and conscious under representing the budget surpluses that it has had from year to year. Never mind, the treatment of those surpluses. I would argue that is a scandal too. It all goes to debt reduction and none of it goes to reinvesting in the country, to redevelop the country.

About three or four years ago there was a time when the Liberal government said that if there were a surplus, and again the big if because it would not say there would be, it would divide that surplus three ways. One-third would go to tax cuts, one-third would go to debt reduction and one-third would go to program spending.

That promise went out the window. I do not know why we cannot hold the Liberals to task on that because that was a clear commitment they made, and that simply has not happened. One year \$11 billion went straight to debt reduction and not a penny to increased program development even in a needy area like mine, Winnipeg Centre.

● (1620)

I gave the statistic that 52% of the children in my riding live below the poverty line. There is an urgent need for early childhood development and a national child care program in this country.

I have seen the website and I read the paper that the Liberal Party's social policy committee developed on an early childhood national child care program, in which all children between the ages of three and five would have access to full time, all day long day care. Again another budget has gone by without any commitment to that lofty principle.

Instead of a long awaited national child care program, this budget adds no new money. It only accelerates the already promised funds for child care from the last budget. Again it is the shell game of announcing and re-announcing the same dollars.

The one thing in the budget that I can actually speak positively about is that the federal government has finally listened to five years of pleas on our part, five years of admonitions on our part about the fact that this country is the only country in the western world in

which businesses can deduct their fines as tax deductions. Fines and penalties were tax deductible until March 23 of this year.

I do not know why it took five years. Since a 1999 Supreme Court ruling, businesses in this country could deduct their fines. We asked the ministers of finance about it. We said that surely it undermines the deterrent value of a fine if businesses can write it off as a tax deduction. It seems ludicrous. Then it became clear why Liberals were reluctant to plug this outrageous tax loophole. The current Prime Minister, the former minister of finance, received the largest fine in Canadian history for ship source pollution when one of his ships owned by the company Canada Steamship Lines dumped its bilges in the Halifax harbour and polluted the harbour.

That was the single largest environmental fine for ship source pollution in Canadian history. Presumably Canada Steamship Lines wrote off that fine as a tax deduction and had it automatically reduced. We do not know that it did because we do not have privileged access to the company's taxation, but it would have been within its rights to do so and its accountant should be fired if he did not do it for them, so we can assume that this is what happened.

Why did that take five years? It is absolutely irritating, of course, to the sensibilities of any ordinary Canadian. It was an absurd situation.

The budget again is preoccupied with debt reduction. I again am the first to admit that we have to get out from under the crippling debt, a crippling debt that developed largely under the Trudeau years and the Mulroney years. Frankly, it grew and expanded and exploded, and it was not just over-spending that led to the accumulation of this \$500 billion plus debt. Part of it was the fact that we do not hold or carry our own debt internally and domestically like we once did.

In fact, our debt was farmed out to foreign banks and foreign bond holders, so we were paying interest at a much higher rate than we used to. Essentially we were paying interest on the open market. As we all know, we went through a period when there were interest rates of 12%, 14% and 18%. That debt was just compounding and spiralling out of control, partly because of our own bad policy choice, I would argue.

It is part of our campaign platform this time around to repatriate some of that debt at least, to refinance so that we do not have to make these choices of paying down the debt or providing basic needs to Canadians. We believe we can do both. We can have a sensible debt reduction program and we can still reinvest in Canadians to deal with the social deficit, reinvest in our infrastructure to deal with the infrastructure deficit in municipalities, and do any other number of other good things.

Government Orders

•(1625)

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I want to congratulate my colleague from Winnipeg Centre on his excellent speech. However, before I make any comments, I want to say that everyone is no doubt aware that there is a rumour going around the House that this might be one of the last times we will sit before the next election.

That said, I also want to remind the Chair of something he announced to me personally, which is that the Speaker has decided to hang up his skates, as we say in northern Ontario and northwestern Quebec—we are from the same parts of the country—after 25 years.

Consequently, personally and on behalf of my Bloc colleagues, I wish the Speaker a very happy retirement; I wish him many enjoyable days of fishing and hunting. It takes courage, perseverance and patience to spend 25 years in the House and I congratulate the Chair on this achievement.

To come back to my colleague's speech, I want to say that I am quite simply disgusted to learn that 53% of the young people in his riding live below the poverty line. In a country like Canada, this is unbelievable.

I realized that, in his speech, he failed to mention—and I want to tell him about this—not only this government's poor administration, but also the scandals, theft, and so forth. I am thinking, for example, of a trip to the circumpolar countries by Adrienne the First, which cost x millions of dollars. I am thinking that, with those millions, we could have given a lot of money to young people in my colleague's riding so they could eat.

I am thinking too of the gun registry administrative scandal. Yes, it may be good to have a gun registry, however, when it is supposed to cost \$2 million and it ends up costing \$2 billion, that would have been money for the 53% of young people in his riding.

I could go on and on. I want to hear a little from my colleague about the scandals and wasted money since at least 1997, when I came here.

[*English*]

Mr. Pat Martin: Mr. Speaker, I thank my colleague for his sympathetic comments and his appreciation of the issues that we raised. Actually, I also thank him for the opportunity to point out a glaring contradiction. The hon. member is right: in this day and age it is simply a manifestation of bad social planning that we have 52% of the children in my riding living below the poverty line. In my view it is a failure and it is Canada's greatest shame.

I am glad the hon. member at least raised the contrast between the Governor General's excessive spending and the plight of some of the underprivileged children in my riding, because I have a graphic illustration and example for him.

I recently lost in an effort to save one early childhood development program in my riding. The total budget of this program was \$5,000. It was an eight week program to teach low income mothers early childhood development skills and proper nutrition skills, et cetera, to help them get their children, this generation, off to a better start. For the want of \$5,000, that program failed.

The Governor General's circumpolar party cost of \$5.3 million would have paid for a thousand of these programs. We could have run one of those early childhood development programs in every village and city in the country. That is perhaps a graphic illustration of what a misspent \$5.3 million translates into when we talk about a good and proper use for that money.

•(1630)

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, my hon. colleague from Winnipeg has talked for quite some time about the issue of a tax deduction for workers who go across the country to work. He also has spoken about tax deductions for companies and corporations. They can write off any fines that they receive.

We cannot give a tax break to families for the registration fee for themselves and their children who enter into sports activities, but we can give a tax break to a corporation that has a skybox at a hockey rink.

If someone lives in Nova Scotia and goes to Alberta for work, he or she cannot deduct the cost of their tools or their transportation, but if that person is an accountant, he or she can write off the business costs and hotel costs and everything else.

Also, there is my colleague's work in bringing to the forefront the issue of when corporations and companies commit an offence and get fined. They can claim that fine as a business expense. If we want to free up a lot of money for very good causes, we should stop those loopholes right there. That would really help Canadians.

I would like my colleague to comment on that, please.

Mr. Pat Martin: Mr. Speaker, it is a pleasure to comment on the issues raised by my colleague from Sackville—Musquodoboit Valley—Eastern Shore.

There are such glaring contrasts in the taxation policy in Canada. One would think that our tax policy would be designed to be in the best interests of Canadians, but it seems to be always in the best interests of only a few Canadians, not the rest of us.

As my colleague knows, I am a carpenter by trade. I have had to criss-cross the country literally dozens of times to follow the work. I could not write off a single penny of the expenses that I incurred driving across the country following the building jobs. My colleague is right when he says there are others who can write off things that we think should not be allowed. Corporations, for example, can write off expenses such as skyboxes and so on.

The member raised one thing that I think is a real shame. Yesterday the House dealt with a private member's bill put forward by my colleague from Sackville—Musquodoboit Valley—Eastern Shore, through which the costs associated with children playing amateur sports and taking part in physical activity would have been made tax deductible, thereby allowing more low income families to have their kids participate in sports.

Government Orders

His bill was summarily disregarded by all parties in the House with the exception of the Bloc Québécois, I believe, and the NDP. Had it passed, that would have been using tax policy to encourage good, positive physical activity and a healthier generation. It was a missed opportunity.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, frankly, I did not realize that this might be your last day in the chair. I as well would like to extend to you my thanks. I appreciate that it is sometimes a pretty difficult job to try to keep this place under control.

I know that the hon. gentleman appreciates the work of Roy Romanow. I would like to get his comments with regard to Mr. Romanow's remarks with respect to Ottawa's decision in the budget not to increase health care funding. I am sure he will recollect that prior to the budget the government had committed a further \$2 billion. Let me quote the following:

Romanow said he agrees with the premiers that more federal funding is needed, but the provincial governments forget to mention that he recommended first making changes to ensure medicare meets the current needs of Canadians.

In other words, we cannot carry on with this unsustainable path of adding more money and adding more money to health care faster than the rate of growth of the government's revenues or faster than the rate of growth of the GDP without significant reforms to the system.

I am interested in the hon. member's response to Mr. Romanow's comments that we cannot continue to carry on in the way that we are and that the provinces will have to meet with the Prime Minister and deal with these changes to the system.

●(1635)

Mr. Pat Martin: Mr. Speaker, a new term has drifted into the public lexicon. The new term is the Romanow gap. Anyone who follows health policy in this country understands what the Romanow gap is. The federal government's share of the stable core funding of the health system was dramatically reduced and never brought back to where it was. There is a gap between the current federal participation of between 14% and 16% and the recommended level of federal participation of 25%.

We do not want to see that come in a one time lump sum payment that the premiers asked for. We want to see stable core funding. We do not hire nurses with one time funding unless we just want to hire them for one year and let them go at the end of the year. We cannot plan and run a health care system with one time funding. We need stable core funding. That was abundantly clear in the Romanow report and the government ignored it.

Finally, the Prime Minister for the first time ever in talking about the health care system mentioned Romanow in a recent announcement. Maybe he is finally acknowledging that his government has failed to heed the Romanow report and has failed to comply with the recommendations in the Romanow report. If he is ready to do so, I will be the first one to acknowledge it, if and when that happens, but it has not happened yet.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Bélair): Before resuming debate, I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bill:

Bill C-16, An Act respecting the registration of information relating to sex offenders, to amend the Criminal Code and to make consequential amendments to other Acts.

* * *

BUDGET IMPLEMENTATION ACT, 2004

The House resumed consideration of the motion that Bill C-30, An Act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be read the second time and referred to a committee.

Mr. Andy Burton (Skeena, CPC): Mr. Speaker, I will be sharing my time with the member for Calgary Southeast.

I rise today to comment on Bill C-30, the budget implementation act. I must say off the top that I am disappointed that this document regurgitates promises already made and makes many for the future. If we look at the track record of the government, promises made are all too often promises broken.

It is time for change, time for a government that will live up to the expectations of Canadians, a government that will be truly accountable and responsible. The past decade has seen unbelievable levels of waste and misspending by the Liberal government.

Where do I start? There was the HRDC billion dollar boondoggle. The cancelled helicopter contract cost the taxpayers of Canada \$600 million, and we still need the helicopters. That was just money down the drain.

An hon. member: Submarines.

Mr. Andy Burton: Submarines, as the hon. member said. I guess they submerged and did not come back up. That was definitely a problem. I think that was some \$700 million.

There were jets for \$100 million on the whim of a prime minister at the end of a budget year while virtually ignoring all the rules and regulations of purchasing.

There is the sponsorship ad scam scandal right now and we are trying to get to the bottom of it. The granddaddy of them all, in my mind anyway, and certainly in the minds of a lot of northern Canadians, is Bill C-68, the \$1 billion heading toward \$2 billion gun registry boondoggle. It virtually penalizes legitimate gun owners and allows criminals to run rampant with illegal guns and do their bad deeds. They will never register their weapons. It is a totally wasteful program and huge amounts of money continue to be frittered away.

They are dollars that should have been in the budget to help the provinces with their badly underfunded health care and education systems. Money has been taken away from the provinces over the last decade by the federal government. Some \$25 billion has been cut from health and social transfers. This has seriously stressed the ability of provinces to deliver especially health care.

Government Orders

Certainly there is \$2 billion that was reannounced in the budget for the provinces to go to their health care systems but out of the \$2 billion, I believe my province of B.C. gets in the neighbourhood of \$450 million. That would fund the health care system in B.C., according to my calculations, for approximately nine days. It is totally insufficient. It is a drop in the bucket in terms of what really needs to be done to support the health care system in Canada.

Program spending in the budget is up \$10.1 billion. It is up to a record \$143 billion. It pledges another \$12 billion jump over the next couple of years. It is constantly spend, spend, spend. Canadians are taxed to the limit already. We have to look at ways of spending more wisely and prudently. Hopefully we can save the taxpayers some money and cut taxes in the future, not spend more and more as we go on.

The federal debt is estimated to be at \$510.6 billion as of March 31 this year. That is still \$23.1 billion higher than when the current Prime Minister first became the finance minister. Even though the government takes credit for reducing the debt, it is still higher than it was when the Liberals came into office. That certainly does not help things very much.

In terms of income tax, there are a few minor goodies in the budget. The income tax exemption for Canadian forces personnel on high risk missions is very welcome. There is a problem in terms of who gets that and who does not get it. That is definitely going to be a bone of contention.

Our military would have been better off, in my opinion, with an across the board raise for everybody. It is highly deserved and when it comes to determining who gets the bonus and who does not, I think that will create problems down the road.

The GST rebate for cities and towns is certainly useful. Again, that is a reannouncement of something that was announced some time ago. They were only paying a portion of the GST already. They were getting back a portion. Eliminating the portion 100% is good and it will help the cities, but overall it is a relatively minor boon to them.

• (1640)

The money for the cattle industry for BSE is certainly welcome. It took a long time to get it. It is very late in coming. The industry is very badly stressed. It would be nice if we could deal with these issues face to face with the U.S. government to try to get the border open in a more timely manner. It would be nice to see some of these dollars delivered to the farm gate to make sure they go where they should go.

In terms of education, there are grants for low income families. Although it sounds very nice, and I certainly do not begrudge them that, the amount of money that is involved is relatively minor. When we look at the increases in education due to the cutbacks by the federal government in transfer funds to the provinces and the increase in education tuition costs, a few dollars here and there is really not going to help.

I have grandchildren that will be going to university in the not too distant future and their parents are going to be very stressed in terms of coming up with enough money to pay for it. A few hundred dollars thrown at it is not really going to help the situation too much.

As I mentioned earlier, the \$25 billion that has been cut from the health and social transfers has created a lot of problems for the provinces in terms of the health care system and the education system.

In the equalization budget proposal, there is a payment to the provinces that is actually \$2 billion lower than was estimated last fall. They are going to be asked to pay back some \$2.5 billion in overpayments. That is certainly not good news for the provinces. Again it puts a burden on them. It is a burden that the provinces do not need at this stage of the game.

Health care I mentioned previously. The \$2 billion supplement is a big help, but what is really required is long term stable funding for the health care system. The provinces need to know where they are going, what they are going to get and what they are going to have to work with well into the future, not on an ad hoc, year to year basis. Again it is dribs and drabs, but it really does not affect the whole issue in any sense of the word.

There are a lot of old regurgitated promises and a lot of new promises that may or may not be kept. Let us look at infrastructure. When the Prime Minister was seeking the leadership of his party, he spent a lot of time running around Canada promising a lot of things to a lot of people. One of the big promises was that the gas tax would be shared with municipalities for infrastructure purposes. This is not happening.

He has given the rebate on the GST, which I believe amounts to \$7 billion over 10 years. It is about \$580 million this year. The federal government collects \$7 billion a year in gas taxes. On the GST they are going to get back about 8%. It is nice to have it and I am not knocking that, but it really is not addressing the problem.

The municipal infrastructure deficit in Canada is somewhere in the neighbourhood of \$50 billion to \$60 billion. That is what is required to rebuild it, to bring it up to modern standards and \$580 million a year is just not going to do it. There are a lot of things that need to be addressed and they certainly were not addressed in the budget. Overall it is very disappointing, extremely disappointing.

I do not want to forget the military and how badly underfunded it is. The military is chronically underfunded and needs huge injections of capital to bring its equipment up to a standard to allow the members of our military to do the job that we expect of them. We are very proud of our military and we should show that pride by funding it properly, not cutting its budget and taking money away from it. We need to allow the military to do its job.

The \$300 million that was announced to go to the Afghanistan and Haiti missions is relatively unsuitable. It is not enough. It is not going to fund those missions properly. The military is stretched to the limit.

• (1645)

As a member from a resource dependent area of Canada, I am extremely disappointed in the total lack of recognition or understanding of the challenges facing these rural areas. The area in which I live is a rural area that is very badly stressed.

Government Orders

I will close by saying, big promises, big spending, big government, Canadians deserve and demand better.

Mr. Reed Elley (Nanaimo—Cowichan, CPC): Mr. Speaker, my hon. colleague and I both come from, as he has already said, resource based ridings, particularly forestry.

One of my biggest concerns in my seven years in the House has been the softwood lumber dispute which has been responsible for closing markets, closing mills and laying off thousands of people in the province of British Columbia which supplies approximately 52% of the exported softwood lumber from this country to the U.S.

I am sure my hon. colleague would agree with me that the kind of response from the government has been absolutely pitiful. When an aid package was announced it was not in the form of any kind of direct help to industry in terms of loan guarantees. It was not really helping out individual workers with extended EI benefits. It did not help workers, in any direct way, who had lost their jobs through the softwood lumber displacement. This has been dragging on for year after year with no resolution in sight. We are still in a trade war with the United States over it.

The softwood lumber adjustment program was supposed to put money back into communities that had suffered greatly from this problem, but I do not think anyone in my riding has actually seen a single dollar from that program.

In view of all of that, I wonder if my hon. colleague could give me the benefit of his wisdom as to whether the budget helps people like that and whether he has seen any money put into his riding that would substantially help displaced forestry workers.

•(1650)

Mr. Andy Burton: Mr. Speaker, the handling of the softwood lumber issue has been very distressing to many Canadians and especially British Columbians because we are the major producer of softwood lumber into the U.S. Some 50% of what goes into that market comes from British Columbia.

We are almost three years into the dispute and there has been no real resolution. It has been going through the process. It would have been nice if the government could have resolved this on a more equitable basis, on a government to government basis, rather than having to rely on NAFTA and the WTO. Decisions are coming down slowly but surely. The recent WTO decision was positive for Canada. A NAFTA decision is due fairly shortly and we will have to see what happens there.

Certainly it has not been handled well. We await the conclusion of this matter so that the borders can be opened to our lumber once again on a free basis. The only solution to this is to have free and open access to the U.S. market.

When it comes to the softwood lumber community adjustment initiative, my colleague is correct. This \$110 million program, of which \$55 million was to go to B.C., was announced with great fanfare in December 2002, but B.C. has seen very little of that money.

Many communities have applied for funding but very little of that funding has been allocated. It may have been allocated but the cheques have not been written. I have asked questions in the House

as to when the cheques will be coming. I am very much afraid the cheques will come out during an election or shortly before an election to buy voters.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, I am pleased to speak in the debate on the budget implementation act.

This is undoubtedly one of the last principal debates we will have in this place prior to an election being called by the Prime Minister, incidentally, at his discretion, for his own partisan purposes rather than doing so on a fixed election basis. However this gives me an opportunity to comment on the fiscal record of the Prime Minister and the government over the past 10 years.

The way I see it, the Prime Minister has had three distinct periods in his fiscal track record.

The first period was when he first entered politics in 1988 as an opposition member. Between 1988 and 1993, the Prime Minister, when he was an opposition member, opposed virtually every effort to reduce the then enormous deficit because he believed, and people can read all the speeches he gave during the time he was a member sitting on this side of the House, that deficits were not really a serious problem, even though the national debt was increasing by \$30 billion and \$40 billion a year during his tenure in opposition. He opposed every spending restraint introduced at the time by the Progressive Conservative government, even though those spending restraints were not nearly as adequate, and, most shocking, he opposed the introduction of the free trade agreement when he ran as a Liberal candidate in 1988, the very same free trade agreement which has proven to be principally responsible for the economic growth that has filled federal coffers through increased taxes during his tenure as finance minister.

He benefited from the policy that he opposed and, most notorious of course, he also railed against the introduction of the goods and services tax to replace the outmoded and inefficient manufacturer's sales tax in 1991 and 1992. He promised, along with his boss, Mr. Chrétien, in the red book he authored, to scrap, eliminate, kill and abolish the GST.

The last time I checked, which was about a half hour ago when I made a retail purchase, I am still paying 7% to the Prime Minister who 12 years ago promised to scrap, abolish, eliminate and kill the GST. The record of the Prime Minister is one of hypocrisy when it comes to fiscal issues.

He then became finance minister in 1993. I ask members to guess what he said when he became finance minister? He arrived in the office with his red book commitment, which he wrote, and said that he would reduce the deficit to 3% of our gross domestic product, not to eliminate it. He was not committed to deficit elimination, heaven forbid, tax relief or debt reduction, all he wanted to do was tweak the deficit a little tiny bit.

Government Orders

Do members know what happened? After all that time in opposition, after all that time denying that the deficit was a problem and the debt was a crisis, he was mugged by reality in 1994-95, and it was not pretty. He was mugged by the markets when it was clear at the end of 1994 that Canada could no longer continue to go \$30 billion and \$40 billion into the red and that we had the worst balance sheet of any major industrialized country.

He did not come to fiscal prudence as a matter of choice or virtue. He tried to make a virtue of necessity in the 1995 budget. I have to give him some small credit for the 1995-96 budget but I mainly have to give credit to the markets for forcing the government to realize that some degree of spending restraint was in order. I also have to give credit to Canadian taxpayers because, fuelled by increasing exports to the United States which became possible because of the free trade agreement, fuelled by a devalued Canadian currency which made our exports bargain basement prices into the United States, and fuelled by increased Liberal taxes, huge revenues poured into the federal treasury.

• (1655)

Between 1993 and 1998, when the budget was finally balanced, two-thirds of the deficit reduction that had been achieved was accomplished, not because of spending restraint, but because of increased tax revenue. That is money that has now become a huge taxpayer overpayment that the government calls a surplus.

Another way that it happened was by ripping off Canadians in their employment insurance premiums. Canadians who work hard, self-employed people and the small businesses that struggle to hire new labourers are being penalized in order to contribute to what has now become a \$42 billion notional surplus in the employment insurance fund.

I want to review the fiscal choices that the Prime Minister made in the 1995, 1996 and 1997 budgets when he was finance minister. Yes, he did engage in some spending restraint, but we know a lot about him by the choices that he makes. I believe, as do Canadians, we do not judge a politician by what he says but by what he does, and what the Prime Minister did was to slash health care and defence, to cut the heart out of our military and make it almost impossible for our brave men and women in uniform to do the job that we ask of them. Canada has been rendered the lowest investor in its military of any of our NATO partners. He has embarrassed our men and women in uniform by slashing defence by—

Some hon. members: Over 30%.

Mr. Jason Kenney: —over 30% and by slashing health care transfers to the provinces.

The single most important priority of a federal government is to defend our sovereignty and to protect Canadians, which is done foremost through national defence, and the Prime Minister's first choice was to cut defence. The first priority of Canadians politically is health care and the Prime Minister's choice was to cut and slash health care.

If we take out the cuts to health care and defence, the Prime Minister reduced his own Ottawa Liberal program spending on things like corporate welfare, grants and handouts to interest groups, and subsidies to bloated crown corporations like the Liberal CBC by

only 3%. We saw 30% cuts to health care and defence but only 3% cuts to corporate welfare, to companies like Canada Steamship Lines which received \$162 million that this government tried to cover up in its response to an Order Paper question earlier this year.

That is his fiscal record: opposition to restraint, opposition to free trade, opposition to pro-growth policies and hypocrisy on the GST. When he was forced by the markets, he slashed health care and defence, while barely touching the bloated and wasteful spending.

The ugly face of Liberal corruption has now been revealed for all to see. In the 1995 and 1996 budgets, the now Prime Minister claimed that he would put an end to the waste in Ottawa, that he would go through the spending with a fine tooth comb. Did he ever, because that was the very year the ad scam sponsorship program started and \$40 million a year in unregulated pork was stolen by Liberal friends, according to the Prime Minister himself today. That is his record of fiscal management.

Finally, thanks to the hard work of Canadians in increasing wealth in the mid-1990's, and because of the higher taxes and cuts to health care and defence, the budget was balanced.

What has the Prime Minister done since? We have seen enormous spending increases, triple the combined level of growth in inflation and population. This budget is a continuation of old fashioned, 1970's style Liberal profligacy. In this budget spending was increased by \$10.1 billion, up 7.6%, up to a record of \$143.4 billion, a massive \$41 billion or 40% more from the \$102 billion program budget in 1996-97. The budget pledges to spend another \$13 billion over the next two years.

• (1700)

This is a government whose spending is out of control. It has a Prime Minister who knows how to exercise fiscal restraint by raising taxes, slashing health care and cutting defence. He made the wrong choices. I hope he pays for it in this election.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I would like to make a comment and ask my good friend from the Conservative Party a question.

An hon. member: Conrad Black, Jr.

Hon. Lorne Nystrom: The member said he is Conrad Black, Jr., this fellow over here. He actually looks a bit like him, except he has taken off a little bit too much weight.

He mentioned the GST. I want to remind people that it was his party, the Conservative Party, and his former leader, Brian Mulroney, that brought in the GST.

My uncle used to say, "A Conservative is a Conservative is a Conservative". We had the member from Calgary and we had Brian Mulroney. They are all Conservatives.

Government Orders

I want to ask my Conservative friend across the way a question because he talks about debts and deficits. History would show that it was Conservatives that ran up the biggest debts. I was here for Brian Mulroney's days, his former leader. There were huge debts by Brian Mulroney. I was in Saskatchewan during the Grant Devine days and Grant Devine was a good friend of the member from Calgary and the Saskatchewan Taxpayers Federation. However, in those days he was a Liberal, not Grant Devine, but the member from Calgary.

The member knows about the huge debts and deficits of Grant Devine. It almost bankrupt our province.

Then of course, the best example of all is the hero of the member from Calgary, George W. Bush, the President of the United States. Billions and billions of dollars of deficit in the United States by another ideological conservative. This is the man who lied to the American people and lied to the world about weapons of mass destruction before he invaded Iraq. He is a hero of the Conservative Party.

Here are their leaders and heroes: Grant Devine, Brian Mulroney, George Bush, Ronald Reagan, debt and more debt.

Why is he preaching fiscal responsibility when he knows that the leaders of the Conservative Party around the world are the epitome of fiscal irresponsibility? He comes from Saskatchewan. He knows the proud history of the CCF-NDP and the social democrats in balancing budgets, people like Tommy Douglas, Woodrow Lloyd, Allan Blakeney, Roy Romanow, Manitoba's Ed Schreyer, Howard Pauley and Gary Doer. He knows all of that.

I know he is frightened. He has lost a lot of weight. That might affect him. How can he explain that with a straight face?

• (1705)

Mr. Jason Kenney: Mr. Speaker, after that performance, I do not know if I can answer with a straight face.

Let me remind the member that in fact I was not a member of Brian Mulroney's party at the time which he discusses. I was actually a member of the Liberal Party. In fact, I have to make a confession as a good Catholic, I was executive assistant to the current Minister of Finance at the time. I am doing penance for my sins.

Let me tell the member and I hope he hears, as a member who was elected to this place as a young socialist at 22 years of age. One thing I learned from Winston Churchill is that a young man in his twenties who is a Conservative has no heart, but a man in his forties or fifties who is a socialist has no head. I think that applies to this member.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I would like to bring this debate back to some level of reality.

It was interesting to have a Conservative member make a speech about a budget and not mention once that we are in the final year of a \$100 billion tax relief package. That may have been what his party would have liked to have done had the people of Canada been so unwise to elect it as a government.

The member also neglected to mention that the threshold is up to \$8,012. He neglected to mention that the brackets have been reduced to 22% for the first \$35,000 and 25% for \$70,000.

That was an interesting speech to make; however, there was not one word about tax relief in the entire speech.

Mr. Jason Kenney: Mr. Speaker, there is good reason for it. It is because there has been no real tax relief under the government.

The increases in CPP premiums and the effect of bracket creep over the life of the government has effectively increased the overall tax burden. This member knows that if he asks his constituents if they can discern any federal tax cuts they will say that they cannot.

The reality is that we still have the highest income taxes as a percentage of gross domestic product in the G-7. We continue to have the second highest income tax burden relative to GDP in the OECD. We continue to be uncompetitive when it comes to taxes.

We need to raise exemptions to take low income people off the tax rolls. We need to reduce marginal rates to increase the incentive for people to work, to save and invest, and to reduce business taxes and capital gains taxes to increase wealth in this economy.

The Liberals do not understand this because they are addicted to handing out tax pork to their Liberal friends.

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, about 11 years ago I stood in the House to deliver my maiden speech and it is very likely today that this will be the last opportunity that I have to speak in the House because I will not be seeking re-election.

I do not often speak in the House because I feel that every time I want to rise here, I spend an awful lot of time preparing a speech. I think it is very important that our words in *Hansard* are thoughtful, well articulated, and provide a good and deep understanding of the issues to which we speak.

I was asked just recently, a few minutes ago, if I would stand in the House and speak to the budget debate. It was 11 years ago that I gave my maiden speech and I am looking at some of the words from that original speech. I had said at that particular time that I was humbled by the history of this place. I think more than anything else, as parliamentarians, our first loyalty is to the Parliament of Canada.

I came here in 1993. It was a raucous time period and an exciting time for politics. There was a new party on the horizon, the western Reform Party. Those members came to Ottawa to turn politics upside down and indeed they did. In fact, they turned politics upside down for their own party several times.

At that time when I delivered my maiden speech, I talked about the long tradition of Canadian democracy. A lot of those new people who came to Parliament were saying we should toss parliamentary tradition out and that they would not be "Ottawafied". Yet, I would suggest that parliamentary tradition is not static; it is not unchanging. It is dynamic and evolutionary. It has evolved and will continue to evolve.

Government Orders

The reason that we must have a first loyalty to Parliament is because it is the place where the will and the voice of the people of Canada have expression. We come here as representatives of the people of Canada. There are aspects of parliamentary democracy, for example, parliamentary privilege.

Parliamentary privilege is not for a parliamentarian; it is for the people of Canada. We must ensure that there is a proper balance, a fairness and equity that is demonstrated through our participation in parliamentary arenas, whether it is in this chamber, in our committees or whether it is other work that we do representing Canada abroad.

Parliamentary privilege allows us the opportunity to say what we want based on the kinds of things that we must say. I have a fear that in some respects parliamentary privilege is not well understood and in some respects, in some cases, it has been abused.

• (1710)

When we abuse parliamentary privilege, we abuse Parliament. We take away the very fundamentals that underlie Canadian democracy. We take away the will, the voice, and the expression of the people of Canada.

In 1994 I talked about the new finance minister, who is now our new Prime Minister. At that time, he set upon an unprecedented budgetary process. Up until that time, the ordinary Canadian, organizations, non governmental organizations, church organizations and all kinds of people across this land from coast to coast to coast did not participate in the budgetary process. In 1993 we set upon an unprecedented process of openness and inclusiveness. That is a very important plank in Canadian democracy.

I said at that time that Canada had a rightful place as a leader among the nations of the world in the 21st century. The kind of budgetary process that our finance minister undertook back in 1993, and indeed following in 1994, 1995, and 1996, was a process that we could use to export as a model for other countries in the world.

I also said at that time that the finance minister had given all of us a great opportunity to work together to let our voices be heard, our ideas tested, and to meld our vision of Canada with the rest of the world to form the Canada that we wanted. That is what democracy is all about.

It is the ability to participate in democratic forums to form the Canada that we want, whether that is something as simple as writing a letter to the editor of one's newspaper complaining about the member for York North, or whether it is to engage full time in election campaigns, or even to put one's name forward on an election sign and ballot.

I also underscored certain principles that were vitally important to the budget process at that time: fairness and equity. I said that these principles must continue to be the cornerstones upon which further budgets are based.

Equity is served when consultation is inclusive, when all perspectives that represent different aspects of Canadian diversity are respected and validated. Our diversity arises from geography, race, religion, ethnicity, age, gender and sexual orientation. Yes, I evoked sexual orientation in 1994 and was pleased to support a

motion on same sex marriage back in the early days when it hardly even made the front page of the newspaper. Our diversity also arises from physical and intellectual capabilities, class, education, physical appearance and many other aspects.

Equity is served when our inter-generational responsibilities are acknowledged, and when our global roles and relationships are honoured. Equity is served when our natural environment is respected.

One of the things that I often feel is missing in the debates in the House, particularly budget debates, is the absolute final definitive fact that all of our material and cultural wealth is based on our biological wealth. There is absolutely no denying that. There is no way that we can mess with the account balance of mother nature.

• (1715)

When countries come together with respect to Kyoto and argue about the finer details of what will be included in sinks and what will be included in emissions trading, this is merely quibbling at the margins, because it is Mother Nature's account balance that in the final analysis is what really counts. It is the only thing that counts.

As governments, yes, we can learn an awful lot about the private sector. We can also learn about responsibility and we can learn about fiscal prudence. But the bottom line of government is not a financial bottom line. The bottom line of government is the health and well-being of its people. Our people will not be healthy and well, our economies will not be healthy and well, and our cultures will not be diverse or rich unless we preserve, protect and enhance our natural heritage.

I will continue to quote from a few more paragraphs, because I have the unusual opportunity as a member on the government side to actually have 20 minutes for my intervention.

My riding is now the riding of York North but back in 1993 it was the riding of York—Simcoe. I am delighted to say that we now have a new riding called York—Simcoe, because my riding has been split in two. Two new Liberal members will be welcomed to the House. The other new riding is Newmarket—Aurora and we have a fabulous new candidate by the name of Martha Hall-Finlay. She is a real go get it gal.

An hon. member: You've got Magna Corporation.

Mrs. Karen Kraft Sloan: They have Magna Corporation in that area, as the member opposite points out. They certainly have Magna Corporation in the area of Newmarket—Aurora, but it will be the citizens of Newmarket—Aurora who will be voting, not the shareholders of Magna.

I would like to go back to 1994 on a little historical tour, because I want to say something about the riding of York—Simcoe, and I quote:

...York—Simcoe is where the seeds of responsible government were first sown in Upper Canada. It was there that the rebel, William Lyon Mackenzie, joined forces with farmers and small business owners to challenge the Tory family compact.

Although it has been over 150 years since responsible government has been instituted, the descendants of those rebels have carried on the tradition of farming and operating small businesses in York—Simcoe—

That is the riding I represented before 1997.

My riding of York North was the riding of Baldwin and Lafontaine, the fathers of responsible government. When Lafontaine lost his election to a rowdy, unruly, disrespectful Conservative mob, Baldwin stepped aside and said, "Monsieur Lafontaine, we have a riding for you". It was the good people of Newmarket who sent back a francophone in those days and it was my riding that ensured the unification of the two Canadas.

Allow me to continue. As for the farms of these rebels:

Today their farms grace the landscape of New Tecumseh, King, and east and west Gwillimbury. The world famous Holland Marsh is located near Bradford. Small businesses were and still are the heart of the economic engine in communities like Newmarket and Bradford. Their trades have always been carried out along the main streets of the villages of Sutton, Keswick, Mount Albert, Beeton, Tottenham, Pefferlaw and Schomberg.

The two ridings are now forming and making up the boundaries of those communities.

• (1720)

My riding is also graced with the beautiful beaches of Georgina along Lake Simcoe. A tourist trade booms here all year long, with boating in the summer and ice fishing in the winter.

We are also very fortunate to have a first nations band, the Chippewas of Georgina Island First Nation, and this community is determined to achieve its inherent right of self-government.

Mr. Speaker, I have to tell you that there have been remarkable achievements that I have been able to participate in with that community.

There are members in this House from all kinds of backgrounds and all kinds of ethnic backgrounds. They come in all shapes, sizes, colours, genders and sexual orientations. Each of us interprets our job as a member of Parliament in our own way, very differently, some more differently than others. Some members are very good in front of cameras and some not so good.

Unfortunately, the public does not have the opportunity to see what the vast majority of the members of Parliament in this House actually do. There might be a handful of members who actually appear on the front pages of national newspapers or actually get in front of the cameras of this nation, but the vast majority of the members of the House work quietly and diligently, acting on behalf of their constituents and on behalf of Canadians.

I hope that the last few weeks have not tarnished the image of members of Parliament, because indeed it is a unique privilege to serve Canadians. We do not come here alone. We can only come to this place because people participate in the democratic process. We have volunteers who support us, who cheer us on, who chastise us, and who remind us of who we actually represent and who we are. They come out on election day and put up signs. I have the best sign team around and that best sign team is going to be working in my two new ridings, let me tell you, Mr. Speaker. They put up signs, knock on doors, make telephone calls, make coffee, buy doughnuts and put on events for their colleagues and the volunteers. They drive buses. They make sure that people who would not otherwise be able to vote actually get to vote on election day. For all of those volunteers, I would like to say thanks from the bottom of my heart.

The Royal Assent

I would also like to thank the people I work with in my constituency office, Debbie McDonald and Rae Bowie, and in my Hill office, Alison Zinni, Tom Balint and Curtis Runions.

Most importantly, we do not come here unless we have the support of our families. My father, Alex Kraft, said, "You are going to Ottawa. Why wouldn't you go?" He always treated me as though I was the first male child of my family, and I have two other sisters. I have to say thanks to my dad. My mom is no longer with us but she is here shining on me today. Her humble, genuine respect of individuals is something that I hope will guide me through the rest of my days.

I have a husband who was the first male feminist I ever met, so I decided I had better marry him. Life here is very difficult and it is hard to hang on to those important relationships, but there is a guy waiting for me in Toronto tonight and I want to be on that 8 o'clock flight.

• (1725)

I would also like to thank my daughter Jessica and my son Patrick. Their courage, their maturity and their wisdom have helped me immeasurably.

For my colleagues sitting in the chamber on both sides of the House, let me say with no partisanship, because it is our loyalty to Parliament that is the most important thing, that we merely pass through this place. Some of us are here for decades, some for maybe only months. Some contributions are great. Some contributions are small.

We merely pass through this place. Even though our words in *Hansard* will crumble and fade away or get zapped into some electronic netherworld, this place will continue. It is this place that we must continue to respect, because this place is what Canadian democracy is all about. This place is not merely the House of Commons. This is the home of Canadians.

THE ROYAL ASSENT

• (1730)

[English]

The Deputy Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall

Ottawa

April 1, 2004

Mr. Speaker:

I have the honour to inform you that the Honourable Marie Deschamps, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy of the Governor General, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 1st day of April, 2004, at 4:48 p.m.

Yours sincerely,

JoAnn MacKenzie for Barbara Uteck
Secretary to the Governor General

Private Members' Business

The schedule indicates the bills assented to were Bill C-16, An Act respecting the registration of information relating to sex offenders, to amend the Criminal Code and to make consequential amendments to other Acts—Chapter No. 10; and Bill S-15, an Act to amend the Act of incorporation of Queen's Theological College.

[Translation]

It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

SOFTWOOD LUMBER

The House resumed from February 10 consideration of the motion

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, I am pleased to speak to Motion No. 397. The object of the motion is to replace the American dumping and countervailing regime on the lumber issue with a net subsidy approach. On the fact of it, this motion looks like a good initiative.

If it could be accomplished, we could quantify all industry specific subsidies and if both sides were roughly equal, there would be no countervailing duties. We would have a better regime if we could accomplish it. However, there are a number of roadblocks in getting to the destination outlined in the bill, and I think they are fairly major hurdles and roadblocks. I would like to go over those roadblocks and perhaps get a response from the person who is promoting this motion.

The first roadblock is we have attempted this net subsidy method before. Under the free trade agreement and the Uruguay round of world trade negotiations, we attempted to establish this approach. It failed because many countries, including the United States, were opposed to this method of dealing with subsidies and distortions. That opposition is stronger today than it has been probably for a long time.

The approach would not affect U.S. internal trade law, things like the Byrd amendment. These things would stay in place. The trade law still remains a major burden in getting full free access and open trade with the United States. These tools and internal trade laws that exist in the United States will not disappear if we can accomplish what the member suggests.

The other concern is the U.S. department of commerce would still be there. It would have the power under this suggestion to quantify the subsidies, not only in the United States but in Canada as well. It would be a rather naive assumption to expect the U.S. department of commerce to use the same measuring stick for both economies in coming to that determination.

I guess another difficulty with this approach is has its problems too. I can visualize trade lawyers in Washington and the various lobbyists and protectionists, who want to frustrate this sort of thing, killing the deal with a thousand needles. They could study every fine detail, every little aspect of this into the ground, and we would have

a never ending process. It would go on and on, and we would never get any resolution.

Many trade experts would say, if we do not like the way trade is working with the United States today, that the best solution would be to reopen the North American Free Trade Agreement and renegotiate the agreement with the Americans. I think in all honesty the difficulty with that approach is the Liberal government has too many sectors in this economy that it wants to favour and protect. A lot of the problems we have in the airline industry is the policy by the Liberal government to create a sheltered, protected monopolistic air system in the country, and we are paying the price for it today.

We have it in the guise of culture and arts too, that we need to have our own regime in place. Basically, what we are really doing is protecting certain friendly industries in that sector which the government wants to protect. Generally, it is a monopolistic type arrangement again.

In the banking sector more often than not Liberals are more in favour of protectionism, giving a small group of people concentrated power rather than truly opening up the sector to the full advantages of a free enterprise, free market system and the benefits of real competition.

•(1735)

The grain industry would be another example, and the supply sector. If we were to reopen NAFTA, we would have to seriously put these things on the table to get any progress in dealing with the other issues where there is a concern.

I do not see the Liberal Party being the party that would want to really encourage free trade. It has not been supporters of it. I remember John Turner in 1988 saying that if we signed on to a free trade agreement with the United States, we would lose our border and sovereignty. Liberals sound like the NDP when they talk on trade issues generally and they generally take the same positions. They are trying to suck and blow at the same time. That is a hard thing to do but they try to do that.

They fought free trade, and everything they said about it in 1988 has basically backfired on them. We have a \$50 billion to \$60 billion merchandise trade surplus with the United States on an ongoing basis. We probably have the biggest trade surplus with the United States of all its trading partners, and the Liberal Party fought it tooth and nail saying that it would not be good for Canada.

However, I agree that the way to try to address a lot of these issues would be to approach some reopening of NAFTA.

In conclusion and speaking to the motion itself, the best course of action from where we are right now, is to stay the course. We went a long way down the pipe with both NAFTA applications and World Trade applications, and I think we are getting very close to the end of the pipe where these things will come to a determination.

Private Members' Business

Any attempt at this time to try some other way to resolve this only plays into the hands of the special interests that are behind these countervailing and dumping charges in the United States. We realized that it would take a long time to work our way through these things and get to the end of the pipe, and get final determinations on these issues. We can see this coming. It just seems to me it would be a detour to abandon that process. To go to something else at this stage that probably would not work.

I wanted to deal with some collateral issues that pertain to this matter. My Prince Albert riding in Saskatchewan has some softwood lumber plants and a pulp and paper plant that are experiencing a lot of difficulty. The province does not have the fiscal capacity to deal with the problems, and a lot of that has been created by the equalization policy of the Liberal government. There really have been no measures taken by the government to help the industry through this stage of negotiations and trade disputes, and it is starting to show. A number of plants have closed down.

The largest player, Weyerhaeuser is now starting to put some of its plants on the market. It looks like the industry is basically downsizing in Saskatchewan and we are going to be looking at closed capacity and a lot of unemployment arising out of this matter. It is not a good situation.

I have never it seen it so bad in just about every sector of the Saskatchewan economy, in the farming sector, softwood lumber sector and livestock sector. It just is not good times. There are lots of problems in the province and unfortunately the federal government has been of very little assistance in addressing these matters.

• (1740)

Hon. Andrew Telegdi (Parliamentary Secretary to the Prime Minister (Aboriginal Affairs), Lib.): Mr. Speaker, I am very pleased to enter the debate and speak on Motion No. 397. I commend my colleague, the Liberal member for Etobicoke North, for his fine work in this area which is so important to so many Canadians and is currently the subject of many debates.

Finding a solution to the softwood lumber dispute has been and continues to be one of the Government of Canada's top trade priorities with the United States. The Government of Canada has defended and continues to defend the interests of Canadian industry since the United States department of commerce initiated investigations into allegations of dumped and subsidized softwood products in April 2001.

We have also consulted extensively with the provincial and territorial governments and industry to craft an approach that is best suited to meet our objectives and that will benefit both Canada and the United States. The past year and a half has not been easy for Canada's lumber and forest industries. As a result of the financial pressure of the U.S. imposed duties, we have experienced job loss, mill closures and uncertainty for our industry.

Canadians affected by this dispute understand that free trade in lumber means jobs in the mills and greater stability in our lumber communities. Canadian lumber producers and the people who depend on the lumber industry for their livelihoods understand the importance of finding a resolution to this feud.

They realize that the long term viability of the industry depends on our industry finding permanent resolutions of this longstanding trade conflict. They recognize the value of being able to export their lumber products to the United States unhindered by protectionist measures. We are relentlessly working toward a resolution with those goals and with those affected workers, producers and communities in mind.

To preserve our united front, various federal, provincial and private sector representatives are meeting on a regular basis regarding the latest developments with respect to the negotiations and litigation.

Federal and provincial officials have met in Ottawa to discuss provincial concerns over the manner in which quota would be allocated to the provinces if we were to achieve a settlement involving quota.

Industry for its part has been meeting to discuss their position with respect to a settlement.

The Minister of International Trade had numerous discussions with his provincial counterparts, both over the phone and in person, regarding a number of alternatives for their consideration. The minister has toured sawmills and remanufacturing operations and has met with representatives from all the major industry associations across the country.

It is the government's position that it is by maintaining close consultations with our provincial and industry counterparts that we will achieve a resolution to this dispute that represents the prevailing view of our stakeholders.

As I mentioned earlier, the centrepiece of any negotiated settlement to this dispute would involve the publication by the U.S. department of commerce of a policy bulletin that would guide the department of commerce in reviewing changes in the provincial forest management practices that could lead to the revocation of the countervailing duty order for a province.

The content of the policy bulletin, which is the result of numerous consultations with the provinces, represents the first time that the United States has defined in detail the kinds of reforms that would be required to achieve a long term resolution of the dispute. This represents an important step forward in our efforts thus far.

Forestry largely falls under provincial jurisdiction in the country. Should a negotiated settlement be reached, it will be up to the individual provinces to decide if they want to proceed with modifications to their forest management policies and timber pricing programs.

Critics of this approach would have some believe that these policy changes are being dictated to us by the United States. The provinces have their own domestically motivated reasons for making these policy changes, such as increasing the competitiveness of their industry.

Some provinces have already begun to undertake changes to their forest management practices for their own domestic reasons. For example, the province of British Columbia has recently announced a significant forestry revitalization plan for its forestry sector and market-based changes to its pricing practices on the coast.

Private Members' Business

● (1745)

In view of the importance of getting Canada's message out in the United States with respect to our forestry practices, the government is contributing toward an extensive industry-government advocacy campaign under the direction of the Forest Products Association of Canada.

With the support of a grant from the Government of Canada, the Forest Products Association of Canada, whose membership accounts for nearly all the wood products and paper and pulp produced in Canada, has been responsible for coordinating an industry-led advocacy campaign aimed at creating political conditions in the United States conducive to a resolution of the softwood lumber dispute.

The primary message of the campaign is that the economic relationship between Canada and the United States is absolutely vital to both countries and that it is in their mutual interest to amicably resolve the issue of U.S. duties on Canadian softwood lumber before it causes real harm to this larger relationship.

The U.S. duties are punitive and unfair. Thanks in part to our advocacy efforts, the Canadian position in this dispute enjoys the support of various lobby groups in the United States who are also of the view that the U.S. imposed duties not only hurt Canadian producers and workers, but hurt small American producers as well. These groups include U.S. producers who purchase Canadian softwood lumber for their manufacturing activities and who now have to pay more for their inputs.

We are also benefiting from the support of housing and consumer groups, notably the American Consumers for Affordable Homes, who are lobbying for a return to free trade in lumber between the United States and Canada in order to promote affordable housing for consumers in the United States. It is extremely important for our industry to have this type of support internally in the United States. Support from these various groups goes a long way toward applying pressure on the relevant decision makers in Washington.

It is the government's priority to engage partners from across the spectrum of stakeholders with interests in the Canada-U.S. economic relationship in trade advocacy in the United States.

We should not have to continue to do battle with the United States over the same trade issue year after year and decade after decade. We should not have to face a cycle of protectionist U.S. duties and litigation at the WTO and under the NAFTA. The reality of the situation is that both Canada and the United States require a long term solution to a problem that has confronted us for too long.

We are committed to continuing to work with the provinces and industry toward a long term resolution. Along with provincial governments and industry, we are agreed that a durable policy based resolution is our goal. This united front has strengthened our position in our dealings with the United States. Maintaining this united approach will help us find a fair resolution to the softwood lumber dispute.

● (1750)

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I too am very pleased to speak to this motion put forward by our colleague from Etobicoke North.

I must acknowledge right away that he probably has good intentions in trying to find a satisfactory solution to the unending softwood lumber dispute with the United States.

Allow me to read the motion in order to define the parameters of the discussion. The motion reads as follows:

That, in the opinion of this House, the government, in the context of the softwood lumber dispute with the United States, should: (a) negotiate an end to the United States' countervailing duty process by replacing this United States trade remedy with one which either focuses on net subsidies—taking into account tax-free bonds, sales tax abatements, property tax reductions, investment tax credits and energy co-generation agreements—which are available in the United States at the state and local government levels, or that focuses exclusively on whether or not policies in Canada and elsewhere are anti-competitive in nature; and (b) that, in addition to the foregoing, the government should launch negotiations with the United States' government with a view to eliminating tax competition, in particular manufacturing subsidies, which is ongoing between Canada and the United States.

As I was saying earlier, I think it must be acknowledged that our colleague from Etobicoke North is probably full of noble intentions in wanting to introduce innovative ideas to try to resolve the softwood lumber dispute.

First, I must say that we find the proposals to be highly commendable, but the first part—I will come back to that in detail in a few moments—is full of tactics that distract from the fundamental objective, which is to go all the way with the legal proceedings brought before the World Trade Organization and NAFTA, in order to get a ruling in our favour, which appears to be what is happening.

As we know, the World Trade Organization very recently issued a ruling to the effect that the United States has erred in determining that injury had been caused to the American softwood lumber industry, and in imposing anti-dumping and countervailing duties. We are also anticipating a positive ruling by NAFTA in the very near future.

My point is that these tactics are distracting us from the objective, which is to continue the legal proceedings, which we will likely win and, in the meantime, they are also distracting us from the obligation to help the softwood lumber industry and the workers who are directly affected by the consequences of that dispute.

In Quebec alone, since May 22, 2002, no less than 92 plants have been affected by the harmful consequences of the softwood lumber dispute. This means that over 10,000 jobs were directly affected by this dispute. And this is for Quebec alone.

While we are continuing our legal proceedings with the WTO and NAFTA to actively support our industry, it is important to also help our workers. What is the government doing? Nothing at all and this forces some of its own members to try to put forward some innovative ideas in an effort to find a solution to the dispute, because their government is totally silent, inactive and impassive despite the drama that is taking place in a number of regions whose economy is based, if not exclusively, at least very significantly on the softwood lumber industry.

● (1755)

Rather than present us with tactics like this one, I beg the government to implement phase two of its aid package for the industry and the workers, which it has been promising for so many months, knowing full well that phase one was not really any help to them. We hope that the government is going to bring phase two in promptly and that, this time, it will be a true aid package for affected workers and companies.

Let us now analyze, take apart, dissect this motion, which, at first glance, may seem very confusing. The first element, part a, may seem interesting and desirable, but it is absolutely utopian. Not only that, it would also have the effect of weakening Canada's position before the WTO and NAFTA. I will explain what I mean.

What is being proposed, outside of the verbiage in the first part of the motion, is the net subsidy concept. It means we would obtain this net subsidy ratio by subtracting from the subsidies applied on one of the two countries the ones applied in the other.

We feel that this would be to readily acknowledge that we subsidize the softwood lumber industry in this country, which is certainly not the case. It would also be requiring the U.S. to acknowledge that they too subsidize their softwood lumber industry, and they are certainly not in a position to recognize this, or prepared to.

One cannot be against motherhood and apple pie, so this initially appears to make some sense. But we must recognize that, in fact, it does not, as it is totally unfeasible.

During the Uruquay round, they tried to bring forward the net subsidy concept, but the United States said this was out of the question. Imagine us alone trying to impose this concept on them when they categorically refused it during multilateral negotiations. It is absolutely utopian to believe that we would succeed in negotiating such a thing with the United States.

As for the second component of this motion, it too struck us right off as totally unacceptable. It concerns tax harmonization with the United States. The first problem relates to Canada's fiscal sovereignty.

Obviously I am a sovereignist, but I would like it if, when Quebec becomes a sovereign state, it still had a little sovereignty left; I would like it if Canada had not relinquished on its behalf, even before Quebec emerges, great big chunks of sovereignty that currently belong to Canada. Therein lies the first problem with respect to Canada's fiscal sovereignty.

If we want to harmonize, we must not expect the United States to model their fiscal policy on ours. It is more likely to be the opposite.

Private Members' Business

Purely arithmetical and mathematical reasoning, looking at demographics and economics, enable us to say such a thing.

However, this completely ignores the fact that both Canada and the United States are federations. Thus, there are states—in the case at hand, provinces, Quebec especially—that have fiscal policies and that would have to give up, to relinquish their jurisdiction over taxation in favour of the federal government so that it can negotiate fiscal harmonization with the United States.

The last time that Quebec and the provinces relinquished fiscal responsibilities, they were the losers. We can still see the consequences today. When the provinces gave the area of direct taxation to the federal government during the war, they hoped it would give it back later, but it never did.

For all these reasons, I urge my colleagues to vote against this motion.

● (1800)

[*English*]

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Human Resources and Skills Development (Social Economy), Lib.): Mr. Speaker, let me once again state the government's commitment to finding a long term policy based resolution of this ongoing trade dispute which began following the expiry of the 1996 softwood lumber agreement in March 2001.

[*Translation*]

The Government of Canada has full confidence in the strategy followed to date to defend the interests of the Canadian softwood lumber industry since the American industry began claiming that Canadian softwood lumber exports are unfair with regard to trade.

As we said earlier, after indepth consultations with the provinces and the industry, Canada adopted a two-fold strategy, based on both legal recourse and negotiations, in order to resolve this dispute.

[*English*]

Canada has put forward strong legal cases to defend against the punitive duties imposed on exports of softwood lumber to the United States. Since Canada initiated its legal challenges, NAFTA chapter 19 dispute settlement panels have ordered the U.S. to correct its flawed anti-dumping, countervailing duty and threat of injury determinations.

Pursuant to these panels' instructions, the U.S. Department of Commerce issued new anti-dumping and countervailing duty determinations, which resulted in reducing the country-wide anti-dumping duty rate to 8.07% from 8.43%, and the countervailing duty rate to 13.23% from 18.79%.

Private Members' Business

However the government and other Canadian parties involved in these cases continue to believe that proper Department of Commerce determinations will find that Canadian softwood lumber exports are neither dumped nor subsidized. Consequently, Canadian parties have requested that a NAFTA panel review the Department of Commerce's remand countervailing duty determination.

[Translation]

On March 5, a NAFTA panel found that the U.S. Department of Commerce anti-dumping determination had no legal grounds in the U.S. and gave the latter new instructions to bring its determination in line with American law.

[English]

Furthermore, on December 15, in accordance with the NAFTA panel's instructions, the U.S. International Trade Commission issued a remand determination, which reaffirmed its original finding that imports of Canadian softwood lumber threaten to injure the U.S. domestic industry.

This latest unsubstantiated determination has also been challenged by Canada, and the NAFTA panel is expected to issue its second report on April 30. There is a possibility that the panel will remand certain issues of the latest threat of injury determination back to the U.S. International Trade Commission with instructions to issue a new determination that is consistent with U.S. law.

If the U.S. International Trade Commission cannot sustain its threat of injury determination, then there will be no basis for the imposition of duties against Canadian softwood lumber exports. However, it is important to note that litigation in this case could last another year.

[Translation]

The World Trade Organization's appeals branch overruled the panel's conclusions on the determination of benefit in its report on the dispute over countervailing duties.

The appeals branch stated that it was possible to impose duties in very limited cases but that there was insufficient evidence to determine if the United States had grounds to do so in this case.

It is worth noting, however, that, in August 2003, a NAFTA panel found that the United States had no legal grounds for imposing duties to prove the existence of a benefit.

Furthermore, a WTO panel also submitted a confidential report on dumping in January. This report should be made public on April 13.

• (1805)

[English]

We are particularly pleased with the recent report on threat of injury which strongly supports Canada's position that our exports of softwood lumber do not threaten to injure the U.S. domestic industry. The WTO panel ruled in favour of Canada on the crucial issue that the ITC finding that imports of Canadian softwood lumber would increase substantially, thereby threatening to injure the U.S. industry is not one "that could be reached by an objective and unbiased investigating authority". This was the key ITC finding supporting its "threat" determination.

However, while litigation in these cases is going well, it is important to remember it will be some time before we see final results. This round of NAFTA cases could continue into 2005 and the WTO cases could take until 2006 to implement. Challenges of the administrative review results could carry on well beyond that.

We have always stated that challenging U.S. actions before NAFTA and WTO panels is a long process. We fully expect the United States to continue to defend its countervailing duty, anti-dumping and threat of injury determinations. In recognition of this fact, Canada spared no efforts in its negotiations with the United States in an attempt to reach a mutually acceptable resolution of this dispute.

[Translation]

Important progress has been made in laying the foundation for a lasting resolution to the dispute. The long-term political solution discussed with the United States over the past few years includes the publication of a policy bulletin by the U.S. Department of Commerce, to which the latter would refer in reviewing changes introduced by the provinces to their future forest management practices, which is what the U.S. countervailing duties are aimed at.

Such a review, if it were positive, would lead to the revocation of the countervailing duties for the province in question. The provinces are already making these changes, particularly British Columbia, which is well ahead of the others.

[English]

Also under discussion is a settlement that would replace the duties with a quota system, settle the litigation and allow provinces to pursue policy reform and achieve an exit from the quota. On December 6 the U.S. put forward terms for a settlement, which would provide a 31.5% market share to Canadian exporters of softwood lumber.

After extensive consultation with Canadian stakeholders, on January 12 we indicated to U.S. Secretary of Commerce Donald Evans that provinces could not support the proposed terms for agreement, primarily because of the lack of a clear exit from the quota for provinces that successfully reform forest policy. Other concerns include the market share Canada would have under the agreement and the split of the deposits.

Since his meeting with Secretary Evans, the Minister of International Trade has travelled across the country to meet with industry associations in all major softwood exporting provinces and with various provincial governments to discuss the components of a counter proposal. On March 24 he spoke with provincial ministers. There is strong support for a negotiated solution, but there is also a preference for waiting until after the April 30, 2004 NAFTA panel report on threat of injury. In the meantime, Canada continues to pursue its legal challenges before the NAFTA and the WTO.

Private Members' Business

[Translation]

The Government of Canada, which is very aware of the repercussions of American duties on the Canadian industry, has already allocated \$365 million to help workers, communities and associations affected by the softwood lumber dispute.

This money will be used for various purposes, such as helping affected communities diversify their economy; helping workers through training and work sharing programs; investing in research in order to make the forestry sector more competitive in the long term; funding research and development on softwood lumber; and taking measures to expand the markets.

• (1810)

[English]

The federal government's assistance includes: \$71 million for measures to assist displaced workers; \$110 million for a national softwood industry and community adjustment fund to support community economic development; \$95 million in funding for softwood lumber research and development, market expansion initiatives and advocacy efforts; \$20 million in advocacy efforts to inform the U.S. public of the impact of the U.S. duties on U.S. lumber consumers; and \$14.85 million in assistance to Canadian lumber industry associations. The funding assists industry associations to operate effectively under the burden imposed by a softwood lumber dispute.

The government has continued to assist and take the right approach throughout this dispute. In our consultations with various stakeholders, we have explored all the feasible avenues and analyzed all the options available to us in the context of this dispute.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I do not intend to take a lot of time on this motion as the issue of the softwood lumber dispute and the problems within the softwood lumber industry have been brought up time and time again in the House. They certainly have been raised in question period and emergency debates.

My colleague across the way indicated that the softwood lumber agreement expired in 2001 and that some discussions had been taking place before 2001. Here we are in 2004 and there is no resolution to the softwood lumber dispute. Quite frankly, the motion by my colleague from Etobicoke North is an indication of just how badly the government has failed the forestry workers and the softwood lumber industry throughout Canada.

I recently had the opportunity of being in the U.S. and I listened to a number of discussions that were going on in the U.S. legislature relating to patent drug legislation. I could not help but note the similarities. Canada had to change the way it did business. We had to change our legislation. We were told by an outside group that they did not like the legislation that we formed in our democratic institution, the Parliament of Canada. They did not like what Canadians said about how they wanted patent legislation. The government had to buckle under to a WTO ruling that said we had to change our legislation because they did not like it. Quite frankly, that is an intrusion on the sovereignty of a nation. It is an intrusion on a country being able to best represent its people.

It is the same situation within the softwood lumber industry. When I hear comments such as "When we successfully reform our forest policy" it says outright that Canadian provinces have not been doing things right. It says that they have been bad, that they have been wrong in the way they have been doing business. It is an intrusion by the federal government on the provinces by allowing this type of attitude to be put out and to hear it from members across the way.

Each and every province should have the right to deal with its lumber resources as it so chooses. On the east coast there are private lumber companies. Saskatchewan, B.C. and Manitoba have crown lands and they chose to put in place certain licensing agreements for forestry companies to log. They are being told that they are wrong, that they do not have the right to do that or to sell the product at what they think is the right price. For all those who believe in the free market system, I guess the free market approach is only okay if it means that a private company gets to sell off something the way it wants, but it is not okay for a province to do that.

In the case of my province, I am very conscious of the fact that our lumber resources and all of our resources in a good many areas are jointly owned. I say owned because they fall within lands that belong to first nations. We have tried to work out a process where first nations communities have access to benefits of resources.

When we start to allow another country to impose and tell us how to do business, it may affect all those different facets that we have to work into our way of doing business in Canada. It has been extremely disappointing to hear my colleagues on the governing side accept the approach that somehow Canadian provinces are wrong in how they do business.

Although it is not perfect, we have one of the best forestry practices in Canada. Reforestation takes place in the areas that are being logged. As I said, it is not perfect. From an environmental perspective improvements could be made and there are those within the environment community who want to see changes happen. However, overall, we have done far better than the U.S. companies have done. They do not have the same type of resources we have and as a result, they are moving in.

• (1815)

Some of those companies in the U.S. that want our lumber have the same company operating here. They want to be able to work things so they get the benefit on both sides of the border.

Much more is involved in this than a simple trade deal. Quite frankly, the basic principle we have to abide by is that as a country we should be able to produce a product and the provinces should be able to put in place whatever practices they want. We should not have to worry about the bullying by Americans just because they want things done in a way that will benefit them the most. They actually do not want inexpensive lumber going across the border because it will bring down their prices, which will result in large lumber companies in the U.S. losing out.

Private Members' Business

However, those companies that would benefit, as another colleague mentioned in the House, are organizations in the U.S. that are fighting for affordable homes. The nerve of a group in the U.S. to have a lobbying group to try and get affordable housing for the people in the U.S.

That group is one of our biggest allies in Canada in being able to continue with their business. The Government of Canada has not been our ally. The government has been looking at ways to change everything to satisfy the U.S., instead of standing firm and saying that as a nation we can do business.

I recognize that the Americans are our neighbours and friends but we do not want an in our face kind of attitude all the time. I was extremely pleased to hear Senator Kerry, a Democrat and U.S. presidential candidate, say that the U.S. had not been fair and done good by its northern neighbour, and that has to change.

His comment was a recognition that not all Americans are happy with the way the U.S., under the present government, has done business with Canada. It has been bullying in the area of softwood lumber and even in the crisis in the beef industry. This type of an approach has appalled a lot of Americans.

What do members think beef prices are like in the U.S. now that they cannot buy Canadian beef? Last summer a New York paper stated that it did not expect the beef issue to be settled because it would lower the price of beef in the U.S. This type of practice has been taking place for centuries. The bottom line is that it is annoying when a country suggests that it wants free trade but then puts in place roadblocks every step of the way.

I acknowledge my colleague's motion as being an effort to resolve a situation but what we need is a firm commitment by the government to stand behind our Canadian industry as we see fit as a nation as to how it should be. We need the government to put in place good enough supports for the industry.

If we had a national housing policy and a real all out effort to get behind it, it would not have saved the industry or accomplished everything that needed to be accomplished, but it would have given the industry much needed support.

I heard someone say that \$350 million had been given to the industry. That is a lot of money, and I acknowledge that, but when I compare the boasting of \$350 million to \$100 million being wasted over an ad situation, it brings it into perspective. We can waste \$100 million here and we will only be given \$350 million there. That is when it is not acceptable.

We must put our priorities in line and it is time the government either got those priorities in line or packed it in.

• (1820)

Mr. Andy Burton (Skeena, CPC): Mr. Speaker, I would like to speak briefly to Motion No. 397. While I think the motion is very well intended, it definitely has some flaws, which my colleague spoke about earlier.

I will make just a few comments. Coming from British Columbia, I am very familiar with the softwood industry in British Columbia. B.C. exports 50% of the softwood lumber that goes into the U.S. market. That is basically a third of the total U.S. market in terms of

consumption down there. It is a very significant industry in British Columbia, as it is in other parts of Canada.

We are very concerned about the effects of the softwood lumber situation. Any move to try to alleviate that or improve the situation and in fact come to a final solution would be welcome. I am not so sure, though, that Motion No. 397 would do that.

There is no doubt in my mind and in the minds of many of my colleagues that the ultimate solution we have to work toward is free and open access to the U.S. market through that border. We have to concentrate on that and make every effort to achieve it, hopefully in the short term but certainly in the mid term to long term.

Any negotiations in the meantime will have to continue at the WTO and NAFTA and we certainly hope that they will conclude as soon as possible with what I think will be positive results for Canada.

One of the members across the way spoke a short time ago about the softwood lumber community adjustment program. That has been a big concern. It was announced a year and a half ago or so with the intent of helping the communities across Canada and of course in British Columbia that were affected by the softwood lumber dispute. That program in British Columbia was worth some \$55 million. To date, \$5 million has been spent on bureaucracy, which is a heck of a chunk out of that program; almost 10% is already gone without achieving anything to speak of.

I understand that some \$30 million has been approved in various projects for communities around British Columbia, but again, not a lot of that money has hit the road yet. The cheques have not been written to any large extent.

Two or three projects in my riding of Skeena have been approved, for which I am very grateful. The timing was late. The intent of the program was to assist some of these communities through the fall and winter months when times are very difficult and opportunities are somewhat limited. Unfortunately that did not happen, but certainly we are grateful for what we did get.

I am just a little bit concerned that the bulk of this money could end up being distributed just prior to an election, which to me appears to be a little cynical. We will take it whenever we can get it, but we have to be a bit cynical about it.

[*Translation*]

The Deputy Speaker: If the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques still intended to say a few words, he would have two minutes available. The hon. member.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I would just like to make one clarification. The member for Ahuntsic referred earlier to the federal program to deal with the softwood lumber crisis.

She neglected to say, however, that there was no new money for economic diversification in the regions affected by the softwood lumber crisis. For 2004-05, there is merely a transfer of money provided last year when they thought the crisis would be over by now.

Private Members' Business

The federal government needs to do more, particularly since there is no specific assistance for affected companies or workers. It is as if they had been sent out to the front lines and then abandoned.

I understand that the member for Etobicoke North wants to see a solution found to this crisis. So do we all, because people in our areas are going through really hard times.

Unfortunately, the proposal before us does not strike me as the most appropriate. I hope that the federal government will come back as soon as possible with a real aid package, with phase two, to ensure that our companies will still be around when we have won all the necessary legal battles back and have restored true free trade for softwood lumber.

• (1825)

[*English*]

Hon. Joe Comuzzi (Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, I appreciate the opportunity for this intervention. I just wanted to shed some light on the assistance that the government has provided to the communities that are involved in the softwood lumber field and are affected.

The money, in excess of \$300 million, was primarily set aside to assist all those communities suffering the effects of the softwood lumber dispute. We extended that program because the money that had been apportioned had not been allocated and had not been spent.

We extended that program for a year, but the onus and the impetus should come from the communities that are affected. If we get the communities involved and pushing forward on this, the money that is sitting there is there to help each and every community.

The Deputy Speaker: Under the rules of right of reply, the final five minutes go to the mover of the bill, the hon. member for Etobicoke North.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I want to thank all my colleagues in this chamber for participating in the debate on my motion, Motion No. 397, which deals with the softwood lumber dispute.

The purpose of the motion is to draw attention to this situation, which is totally unacceptable and which carries on from year to year. We need to be absolutely clear. It has nothing to do with subsidies. It has everything to do with market share. Every time our Canadian softwood lumber industry creeps over 30% of the market share of the United States, the next countervailing duty action is launched.

I would like to clarify a couple of points.

The member for Verchères—Les-Patriotes and others have said that I am suggesting in my motion that we should stop the appeals to the WTO and the NAFTA. I am clearly not suggesting that. In fact my proposal is much more long term. Colleagues are right. To get the U.S. to agree to this will be a bit of a challenge, but I do not think we should back away from a challenge because it is difficult.

Another comment from the opposite side was that by going to a net subsidy approach, we were accepting that we had subsidies in Canada. The motion does not say that, and I have argued very clearly that we do not have subsidies in Canada. If the member would think about it, if we have zero subsidies in Canada, how could the U.S.

possibly launch a net subsidy challenge? It would be virtually impossible. Arithmetically it does not work.

The net subsidies approach is one that would be challenging to implement. I have argued that we could not hope to achieve that unless we negotiated with the U.S. on a whole broad range of issues, of which the countervailing duty process was one of them.

This is a totally absurd situation. For example, if we look at agricultural subsidies and the hypocrisy of it all, the subsidies in agriculture amount to about \$350 billion U.S. a year. That includes the Europeans as well, but the Americans are definitely a part of that.

If we look at the automotive sector, the U.S. states and local governments are subsidizing their greenfield plant expansions, Michigan, Ohio and Georgia to the tune of 48%, Alabama at 21% and Mississippi at 32%.

The members in the Bloc and the NDP have suggested that I am proposing the harmonization of taxation between Canada and the United States. I am saying exactly the opposite. We do not have a chance of competing with these kinds of subsidies. That is why we need to eliminate harmful tax competition.

Our government announced in this last budget that we would work with the automotive sector. We will try to create an R and D differentiated product so we can attract more automotive investment to Canada, and I will be the first one to support that. Why are we doing that? Because the U.S. states and local governments are subsidizing new auto plant expansions to the tune of 48% and 52%. Let us wake up. We have to get into the game.

The members of the Conservative Party have argued that we should eliminate completely countervailing duty trade law and anti-dumping trade law. I would agree. If we could get to that world, I would certainly be supportive, but what I am proposing is an interim step, a step that has been proposed before and that has been on the table, as members have pointed out. Unless we have a comprehensive agreement with the United States, we will not achieve it, but we have to keep working on it. This is robbing Canadians of jobs and investment in the country. It is totally absurd, when it has nothing to do with subsidies at all. It has to do with market share.

I am glad we have had this debate. Our government is working strongly with the industry to try to come up with solutions. We need to pursue that, but ultimately we need a grander solution to this and that means something beyond what we have in terms of the countervailing duty and anti-dumping laws that are on the books today.

• (1830)

The Deputy Speaker: It being 6:32 p.m., the time provided for the debate has expired. Accordingly the question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

Private Members' Business

The Deputy Speaker: All those opposed will please say nay. (Motion negatived)

Some hon. members: Nay.

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

The Deputy Speaker: It being 6:32 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24.

An hon. member: On division.

The Deputy Speaker: I declare the motion lost. (The House adjourned at 6:32 p.m.)

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