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OFFICIAL REPORT  
(HANSARD)

**Monday, March 7, 2005**

—  
**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, March 7, 2005

The House met at 11 a.m.

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*Prayers*

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• (1100)

[English]

**ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL,  
PETER SCHIEMANN**

**The Speaker:** Order, please. There have been discussions among representatives of all parties in the House and there is agreement that a representative of each party may make a short statement with respect to the events that took place in Mayerthorpe, Alberta, on March 3, 2005.

• (1105)

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, I rise today to honour four remarkable young men who gave their lives in the service of their country.

[Translation]

These four RCMP officers lost their lives last Thursday under tragic circumstances.

[English]

There is no more important obligation for government than to provide its citizens with both individual and collective safety and security.

The Royal Canadian Mounted Police, the RCMP, has been helping provide that safety and security in Canada for over 132 years, first as the Northwest Mounted Police, then as the Royal Canadian Mounted Police.

The four officers who lost their lives on Thursday, March 3, outside Mayerthorpe, Alberta, are very much part of that continuum of service and sacrifice that are the hallmarks of Canada's national police force.

[Translation]

I want to tell the House about these four officers who sacrificed their lives last week.

[English]

First, these four men had a deep desire to be Mounties. For them, this was the fulfillment of a dream.

Constable Peter Schiemann, 25 years of age, had at one point thought of entering the ministry, his father being a Lutheran minister in Stony Plain, Alberta. Instead, he became a Mountie and graduated from Depot Division, the force's cadet training academy in Regina, in November 2000.

Constable Leo Johnston, 32 years of age, was a month away from his four year anniversary with the force. He had been married to his wife Kelly for three and a half months. Constable Johnston had established a special bond with the Alexis First Nation, where he was involved in community policing. His twin brother, Lee, is also a member of the force. The Alexis First Nation today mourns the loss not only of an officer but of someone who became part of their community and their family.

Constable Anthony Gordon, 28 years of age, had wanted to be a police officer ever since a Mountie had visited his grade one class when he was six years of age. He and his wife Kim have a son who is almost three and whose birthday is at the end of this month. In three months, Kim is expecting their second child.

Constable Brock Myrol, 29 years of age, started at the Mayerthorpe detachment on February 14 of this year. He was the valedictorian of his class at Depot Division, the training academy, earlier in February. At Christmas, he had become engaged to Anjila.

These four officers served their community, but they were also part of the community. I have been struck, listening to the comments of residents in the area, by how everyone has mentioned that these four men were not only police officers carrying out their official functions, but they were very much part of the daily lives of local residents. They were actively involved in local charitable events and recreational activities.

This is another hallmark of the force. To do their jobs, its members become, and want to become, part of the communities in which they serve. That is effective policing.

We in Alberta feel particularly sad on the occasion of these tragic events. Not only did these events take place in my province, but the force has been an integral part of our province's history. The force came to Alberta to help keep the peace before the creation of our province and its members have been there ever since, keeping people safe.

On behalf of the Prime Minister and the Government of Canada, and I know that I speak for all in this House and for all Canadians, we express our deepest sympathies to the families, friends and fellow officers of these four men. Their loss is immeasurable, but we want them to know that as a nation we grieve with them.

*Tributes*

What a remarkable country in which we live when the defining symbol of this nation for so many, here and around the world, is a man or woman in red serge. No other country in the world can, with such confidence, take such price in its national police force, a force whose motto is “Maintain the Right”—“Maintiens le droit”.

These four officers did not die in vain. The force, a very special family, will continue to serve and continue to keep Canadians safe, wherever they live.

● (1110)

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, last Thursday night I was boarding a plane in Labrador ready to return to my own family after some absence when I learned, as did all Canadians, that four young RCMP officers in rural Alberta would not be returning to theirs.

It is difficult to fully express the grief that we all feel at this senseless act and the very long time it will take for many people to come to grips with this tragedy.

[*Translation*]

Our deep sorrow at this event is all the more difficult to express because never in the history of our country and society has there been such a tragedy.

[*English*]

The loss of four officers at one time is unprecedented and overwhelming in this country. It reminds us all, and it reminds us all too pointedly, that this country asks a lot of its law enforcement officers and of the brave men and women who serve on the front lines of policing.

These deaths are a painful reminder of the price of freedom from criminal activity and the costs of ensuring that most of us can live in relative security and safety. These four young men paid the highest price possible for their devotion to the safety of their fellow citizens.

[*Translation*]

As Canadians, we take for granted this precious privilege we share of living in a society based on respect for the law. However, the sacrifice made by these four young heroes is a reminder that every day, men and women risk their lives to ensure our safety.

[*English*]

On behalf of all of us in the Conservative caucus and this party, I want to join with I am sure all members of the House in offering our deepest sympathies to the families, friends and colleagues of these brave officers.

The time is coming to examine the circumstances of their deaths and the public policy implications of those, but in the meantime we all grieve. We recognize that they gave their lives in protecting Canadians and in upholding our laws. Their heroism will never be forgotten.

We also want to reserve a special thought for the entire community of Mayerthorpe, Alberta, which will have to live with the intimate memory of this horrible event for many years to come. Our prayers

are with that community, with the families and colleagues of the officers, and with the officers themselves. God rest their souls.

● (1115)

[*Translation*]

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** Mr. Speaker, my first thoughts are for the families of the victims of this senseless killing; their parents, who no doubt were extremely proud of them; the loved ones who wanted to share their lives with them; their children who, at such a young age, have lost their fathers; and their numerous friends, whose moving words tell us just how much their communities valued them and are sorry that they will never accomplish all they might have.

They have our deepest sympathies. We truly share their pain. The original meaning of the word “sympathy”, from the Greek for “to suffer with”, describes our feelings exactly.

But, my thoughts do not stop there, because these men were victims of hate, a hate both blind and not so blind. Blind because the person who took their lives did not see them, as we do, as fathers, sons, lovers, friends and neighbours, as intelligent and sensitive men, with both strengths and weaknesses, who served their community and who had the right to live and do their job to the best of their abilities. And not so blind because the uniform was targeted for what it represents.

Unfortunately, there are still people who do not understand the necessity for and the value of law enforcement in our society. Without it, total anarchy would reign, and anarchy quickly becomes might is right, and might is right is rarely fair.

This lack of understanding and the various ways people react to authority can, in a few rare instances, lead to an unwarranted hatred of the police. Fortunately, however, it rarely develops into a hatred so intense as to lead an individual to plan an act so grisly before taking his own life.

In Canada we have high quality law enforcement agencies, which act on the basis of the authority of the courts and the legislation enacted by elected representatives. The legislation, albeit imperfect, is a clear reflection of the desire of the general population to live in peace and to seek peaceful solutions to the conflicts that inevitably crop up in a living society.

These law enforcement agencies are composed of courageous and disciplined men and women who are willing to face this and many other risks. I fully understand the horror and dismay they are feeling at this time and I share those feelings. They have my deepest sympathy and my admiration.

In closing I want to return to everyone who loved these men. I know those close to them will give them the support they need to get through their terrible suffering. They should know that there are millions of others who are sharing their pain and are wanting to provide support.

I know I speak on behalf of the members of my party, those who elected me, all the people of Quebec and also, I believe, all Canadians.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS***[English]*

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, it is with profound sadness that I join all members of the House in expressing the immense loss felt by Canadians and to extend condolences to the families of Constable Anthony Gordon of Edmonton, Constable Leo Johnston of Lac La Biche, Constable Brock Myrol of Red Deer and Constable Peter Schiemann of Edmonton.

All Canadians are asking why. Those answers will have to wait for another day.

Today we join all Canadians in the experience of deep shock and sorrow as we reflect on the events that transpired outside of Mayerthorpe, Alberta which claimed the lives of these four young officers. This immense loss is devastating for their families and the grief is felt, not only in Mayerthorpe or Whitecourt, but in communities large and small across the country and, indeed, in the House here this morning, as all Canadians recognize the service and the bravery of these fallen men.

We are unwavering in our support of the men and women of the RCMP and police forces across Canada. They place their lives on the line each day to ensure the safety of our communities and the strength of our democracy.

• (1120)

*[Translation]*

On behalf of the New Democratic Party, I thank them and salute them. My colleagues and I are 100% behind the men and women of the RCMP and police forces across Canada. They place their lives on the line each day to protect our communities, our democracy and our families.

*[English]*

For this service we thank them. As they grieve the ultimate sacrifice made by four of their own, we grieve with them.

**The Speaker:** I would like to draw to the attention of hon. members the presence with us today in the gallery of the Commissioner of the Royal Canadian Mounted Police, Giuliano Zaccardelli.

**Some hon. members:** Hear, hear!

*[Translation]*

**The Speaker:** I invite all the hon. members to rise for a moment of silence for these brave officers.

*[The House stood in silence]*

*[English]*

**The Speaker:** It being 11:23 a.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

*[English]***INCOME TAX ACT**

The House resumed from December 14, 2004, consideration of the motion that Bill C-273, an act to amend the Income Tax Act (deduction for volunteer emergency service), be read the second time and referred to a committee.

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, I am pleased to speak to this bill as I spoke to the predecessor bill put forward by the member for Lethbridge.

It has been a very tragic week, and tragedy has struck in my part of the country as well. Contact was lost with a Beaver float plane which left Campbell River last week with a pilot and four young men who were going to work in the coastal inlets. The waters are now being searched for the plane as we are certain that is where it went down. I have had a lot of contact with the RCMP, the Department of National Defence and one of the families who had two sons on board. These are very tragic circumstances, along with the death of the four members of the RCMP in Alberta. I think people at home are feeling very much like they have had their hearts ripped right out of them.

Once again we are faced with a search and rescue operation that involves a lot of people, many of them volunteers, who are actually willing to do what search and rescue personnel and volunteer firefighters do, which is go to places where there is need. They go to emergencies. They create the circumstances where we can all feel safer or where we can be comforted that there are people who are actually willing to dedicate themselves to do those things that need to be done in an organized fashion and who are, very often, particularly in rural circumstances, volunteers.

This legislation attempts to give some form of recognition to those volunteers who do so much for our communities. As a matter of fact, I do not think many small communities would be in existence were it not for this spirit of volunteerism. Certainly it would not be a choice that people would make as easily as they currently do.

During the last Parliament, when I spoke to the predecessor legislation that led to this bill, I talked about the volunteer fire department in the community of Cumberland in my riding. It had just sent a volunteer team of firefighters to Ottawa who represented western Canada in the auto extrication competition. It was the world championships which were held for the first time ever in Canada, and it just happened to be here in Ottawa the week before the bill was presented here.

Our little community of 2,700 people not only managed to send a volunteer team to Ottawa, but it was the only Canadian team to win an award. These volunteers were up against fully financed, professional, full time firefighters from all over North America and, in some cases, Europe. It was quite an amazing bit of business.

• (1125)

That fire department has quite the history. It is the oldest volunteer fire department in British Columbia, getting its start in 1892 rescuing men from local coal mines. Since then it has been quite the foundation for building and rebuilding this tight knit community.

*Private Members' Business*

Fire chief Ken McClure is quoted as saying:

There's a real sense of camaraderie that goes with serving the community many of us grew up in. These people have got heart. Many of these people juggle family, full time work and firefighting while still finding time to coach baseball and play Santa at Christmas.

That is really what this is all about. The membership list for that fire department now consists of grandfathers, fathers, sons, and daughters in one case, all walking in the same big boots.

In 1933 there was an incredible fire in the business district in this community. I would like to quote from a story written about that fire:

Rumour has it the path of the fire was broken by resident Frank "Cracky" Crawford when he was enlisted to blow up the Royal Bank. Remarkably, there were no casualties.

Those are the kinds of colourful stories that come from the wonderful community of Cumberland and which display the type of behaviour and precedent that has led to the current situation where we have these very dedicated volunteers doing things that are creative and, in some cases, life threatening, with no personal financial reward whatsoever.

What this bill would do is create a circumstance where, in some small way, the government would recognize what these volunteers are doing and would provide a small financial contribution through a tax deduction on their taxable income for hours of service in this category. That is why many of us are now starting to get correspondence from emergency service providers in our communities.

The private member's bill that we are currently debating is Bill C-273 which was put forward by the member for Cape Breton—Canso. Volunteers give their time and effort to ensure their friends and neighbours are not alone when emergencies arise, whether these incidents are fires, accidents, medical emergencies, natural disasters or terrorism. This has certainly come home to me and to many of us in many ways during this past tragic week in Canada.

There is no question in my mind that we should all support the bill. It would provide a \$1,000 tax deduction from income for 100-plus volunteer emergency service hours in a year and \$2,000 for anything in excess of 200 hours.

The member for Lethbridge who put forward the predecessor bill with respect to this issue is certainly happy to co-sponsor the bill. I believe the bill has all party support. Speedy passage at this time would be a small measure signalling to these people that the Government of Canada does value what they do in a major way. I am happy to lend my support to this most important bill.

• (1130)

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, it is my pleasure to speak on Bill C-273, to amend the Income Tax Act to allow a tax deduction for volunteer emergency workers. I am especially proud since, as a former mayor of a smaller municipality, I had the opportunity to work with some of these men and women—because many women are now joining community emergency services—who do not hesitate to give up time to help their fellow citizens.

All too often, in smaller communities, they are paid on an hourly rate fee for service basis. When I speak of smaller communities, we could easily think of municipalities with a population of 10,000 and under, which cannot afford to pay anyone, be it firefighters or other citizens, on a full time basis. So, they rely on the goodwill of men and women who have the calling. One has to have seen these men and women at work, as volunteer firefighters, rescuers or ambulance technicians, for example, to understand that it is often out of passion that they go out and help their fellow citizens.

The purpose of this bill is to permit tax deductions for the men and women who perform between 50 and 100 hours of service as volunteer ambulance attendants, volunteer firefighters, or volunteers in search and rescue activities or other emergency situations. If they render 50 to 100 hours of service, they will be eligible for a \$1,000 income tax deduction. If they perform more than 100 hours service, the deduction will be \$2,000.

That is just and fair. Often the remuneration offered to such people by small towns and villages, per hour or intervention, is added to taxable income. As we know, income tax rates are graduated. Thus, our tax bracket goes up as our income goes up, and the percentage of income tax paid increases with income. As a result, at the end of the year, these sums are added to the annual salary of these people when they file their tax returns.

These people are volunteers. Therefore we presume that performing such services for their communities is not their main employment. They have other jobs, and often the pay for those jobs is taxed at the highest rates, come the end of the year. This tax deduction will make it very easy for them to be fairly compensated for the emergency services they have provided to their fellow citizens.

It goes without saying that the Bloc Québécois supports this legislation. We hope that it will be passed at the earliest opportunity. We are talking about volunteer firefighters, volunteer ambulance technicians, volunteers who take part in search or rescue operations, but there are also many other types of emergencies.

In Quebec, for example, we experienced the infamous ice storm. Of course, that required phenomenal cooperation across Quebec, with everyone helping everyone else. Of course, situations such as the ice storm are unique, but they help people get to know each other better. In many cases, people got to know their neighbours by helping one another.

Therefore, it would be fitting to adopt this bill and allow these men and women who are prepared to give some of their time for the well-being of their fellow citizens in emergency situations to get a tax deduction if they get paid.

Again, performing between 50 and 100 hours of service in emergency situations would give them a tax deduction of \$1,000. Beyond 100 hours of service associated with such situations, they would get a \$2,000 deduction.

*Private Members' Business*

•(1135)

We really must recognize this service. This is a good way for members of this House to salute the work of our fellow citizens who give their time for what is truly a vocation. I had the opportunity to meet the reeve of the Papineau regional county municipality and the men and women who were volunteer firefighters in the 26 communities of the RCM. To act as volunteer firefighters or volunteer ambulance technicians is a vocation for these individuals.

In Quebec, we are currently upgrading fire services. The requirements are high. A framework for risk coverage was approved by every RCM in Quebec. We are increasing courses and training for these people. They must enjoy providing these services to their fellow citizens and they must also be trained to do so.

These people have to dedicate a lot of time to these services, even though they work full time in other areas and are otherwise busy in their daily lives. Moreover, they use some of their time to take courses, which is not always easy to do. They must spend almost 400 hours in classes over a given period of time.

However, the fact remains that volunteer firefighter or ambulance technician training or training for other emergency service providers is now included in the safety coverage plan. Training is essential. Emergency workers love their jobs and that is primarily why they are doing them. They want to serve the people in their communities.

However, I would say that it is less fun than it used to be. There is more training, which requires a greater time commitment. In terms of getting a tax credit for this income, I know that many municipalities remunerate such individuals for the time they spend training. The fact still remains that this bumps up their income and puts them in a higher tax bracket. However, when tax time rolls around, it is not easy when they report the amounts they received from the municipality for training and for the emergency work they provided during the year and they realize that, ultimately, they owe the government money because they received additional income.

So, yes, I believe that the measure before us today is extremely appropriate. These individuals deserve a tax credit as compensation for their service to the community. It would be a nice way for the members of this House to thank these individuals for the work they have done and are doing for our communities.

Clearly, the Bloc Québécois strongly supports this initiative, Bill C-273, particularly as amended and improved because, initially, the amounts were \$500 and \$1,000. They have been increased to \$1,000 and \$2,000. Obviously, we strongly support this and it is a pleasure for us to do this for our constituents, the men and women who have given and who continue to give their time to provide emergency assistance to their communities. This is a fitting initiative and I hope that the House will adopt it without further delay, so that our constituents can take advantage of it next year.

•(1140)

[*English*]

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, I appreciate the opportunity to speak to this important business, and I will be following the tone and spirit of my colleague from Sackville—Eastern Shore. I support the bill and have good things to say about the member who brought it forward. I suggest the House needs to

support the bill. I believe the last time it came before the House it did not pass. I think we lost by about four votes, which was unfortunate.

However, we today have a minority government and with that comes an opportunity for these kinds of important public initiatives to be successful, to work their way through the House and to see the light of day.

People are volunteering in all kinds of sectors, but particularly in very challenging and dangerous sectors like firefighting. They should be recognized for that and there should be some small, modest as this is, recompense for their efforts, contributions, hours and time spent training, et cetera.

Before I go on, I want to say that I will be sharing my time with the member for Windsor West if he comes into the House in a few minutes.

It is important to note that the bill does not in any way stand as a challenge or competition to the excellent work done by our professional firefighters, ambulance drivers, et cetera. I think everybody recognizes the tremendous sacrifice these people make. We noted that this morning in the tributes to the four police officers who were killed in Alberta. A lot of these folks put their lives on the lines every day to protect us. We do not want to in any way suggest that there is a competition or that we should be set up a parallel service or anything of that nature.

The service given to us by our professional firefighters in particular, across the province and the country, is exemplary. They should be recognized and paid for those services. The government should be willing to come forward with the kind of resources necessary for communities, where possible, to have professional firefighting services available and ready to the call of citizens when they are confronted with very difficult challenges.

The bill speaks about a \$500 deduction if persons perform at least 50 but less than 100 hours of volunteer service as ambulance technicians, firefighters or persons who assists in search or rescue of individuals in other emergency situations and \$1,000 for 100 hours or more.

•(1145)

I want to commend my colleague from Cape Breton—Canso for bringing forward this initiative. I understand it was before the last Parliament and only lost by four votes. We are hopeful that with a minority government, this will not happen again.

We are supporting it. This is but small recognition of the individual and courageous service volunteers provide in our communities and certainly my own community is not exception. The rural part of the Sault Ste. Marie riding now has numerous volunteer fire departments, men and women who give of their time and energy, and put themselves out there on behalf of their neighbours.

*Private Members' Business*

We commend their training, their dedication, week in and week out, to be ready for tragedies that can happen, day or night, in any season or in any weather, often incidences of a smaller, yet still significant nature, namely, property damage. Occasionally, though, human loss and suffering happens. We must remember how much communities rely on these folks, at times in particular when we ourselves are taking rest from our jobs or on vacation, those folks are always on call and on duty.

I want to give credit to my colleague from Nova Scotia, the member for Sackville—Eastern Shore, for bringing a private member's bill forward in the House that people who volunteer in a registered organization, such as the Lion's Club, Kiwanis, a church or Legion, and put in 250 hours a year or more should be able to claim \$1,000 tax deduction. I think that was a worthwhile thing to be asking us to support. In some small way these kinds of bills recognize volunteers in a very tangible way.

Volunteer firefighters often protect rural areas and small communities throughout this country. Most volunteer fire departments are located in areas with lower populations. Although the area they cover may be much larger, the number of people and structures they protect is sometimes relatively small. Because of these factors, volunteer fire departments typically have far fewer calls than paid fire departments. With a low number of emergencies to which they respond, it is simply not feasible to employ an entire department of full time firefighters. Volunteers who have other full time jobs may only be able to respond to emergencies a few times a week and usually that is all that is needed of them. They leave the supper table, their beds and their families on a second's notice to help protect their communities.

Most Ontario fire departments employ volunteer firefighters. They provide a provincial resource estimated to save residents more than \$1 billion annually. The question of their recruitment, their training and their retention are critically important for our communities. The bill that we are entertaining here this morning will go a long way to providing at least some recognition of that fact.

Municipalities should anticipate that volunteer firefighter careers will be shorter than full time personnel. As a result, they need stronger recruiting and retention programs in place. This tax measure would assist in helping attract and keep firefighters.

I also want to put this whole initiative today in the context of a new reality, which has been evolving out there for a while, but which we are only beginning to recognize now. Part of the recognition is where the volunteer sectors in our communities are seen as part of a very important, valuable economic activity. With the bill before us, we are beginning to quantify in real and significant ways the value of the work and time put in, and the effort made by volunteers across the country.

Certainly, when we look at the initiative of the government at the moment, however modest its support, further development of the social economy is certainly part of that. I would encourage all in this place to support the bill because it is important, particularly in the context of the tragedy of this weekend. I do not think there is anybody here who could not but want to recognize in some tangible way the risk that is in this work on a day to day basis.

● (1150)

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Mr. Speaker, I am pleased to speak to Bill C-273 which is a private member's bill that is basically similar to one that I had proposed in the last Parliament. After consultations and the approval of all parties in the House, this legislation has been very much improved.

I congratulate the member for Cape Breton—Canso, the member for Lethbridge, and the member for Sackville—Eastern Shore for their efforts in terms of improving this bill. These amendments have modernized this bill by ensuring that the level of compensation through the deductions permitted is increased to a more appropriate level.

The purpose of the bill is to provide some direct financial compensation for those who have made a commitment to sacrifice their time away from their families and their businesses to assist others in their communities in an emergency.

The provisions in Bill C-273 are about ensuring equity through the extension of tax benefits for those in a large number of rural communities who volunteer their time as firefighters or other emergency services and receive no honorarium for the time they have committed to those services or for the risks they have taken.

Currently, the federal government will provide, through the tax system, a benefit to volunteer firefighters or other emergency volunteers on the basis of an honorarium received; however, those who receive no such benefit or no such honorarium are not given that recognition through the tax system.

In fact, previously, when the current measure, that is given to those who have an honorarium, was brought in by the now Prime Minister and former minister of finance, many of us were under the belief that it would apply to all firefighters and emergency workers whether or not they received an honorarium, but that was not the case. This bill is designed to remedy that inequity. It is extremely important that this inequity is in fact straightened out.

Bill C-273 would amend the Income Tax Act to ensure that volunteer emergency firefighters and workers are able to deduct from their taxable income up to \$1,000 for 100 hours of service and \$2,000 for 200 hours of service. The intent of the legislation is to begin by ensuring a level of equity with all those who provide emergency volunteer services with a view to improving the system in the future.

There are some who would argue that this should apply to all volunteers, whether it is a Boy Scout leader or some other situation. The reason this bill does not go that far is because those volunteer emergency workers and firefighters are on call at the buzz of a beeper. They cannot organize their time around a family event or around their work. These individuals, who are involved as emergency firefighters, carry a beeper on them 24 hours a day. When the call comes, they go. They do their work to ensure that they assist their communities to put out a fire, assist in terms of an accident, or whatever.



Beyond that, they have training that they must go to, which they can schedule and it is not at the drop of a hat. They have equipment to purchase and it is a substantial financial burden to those individuals. This measure would certainly recognize them for those efforts and give them some assistance in terms of their taxes in order not to draw on the incomes of families as a result of the efforts they are making for their communities.

• (1155)

There is no question that the Department of Finance is concerned about the process by which tax measures such as this are addressed. It is being debated in the House. The department does not dispute the merits of what is contained in this bill or the merits of other private members' legislation that are concerned about this process. According to the Department of Finance, the proper procedure for tax changes to be made is in the budget.

I explained a moment ago that we thought we had this measure in the 1996-97 budget, somewhere along there. Somehow someone within the Department of Finance changed it, so that it only applied to volunteers with honorariums.

I come from a rural area and we consider volunteers to be real volunteers. Those people do the same kind of work as others who receive an honorarium. The only difference is that they do it at greater costs to themselves personally.

I would say to the Department of Finance that, yes, we are in this process in this House now because the Department of Finance failed to address the measure when we asked it to previously. We have all party support. The House of Commons is basically demanding that this goes through. We are demanding that the Department of Finance recognize that this is a serious matter. It is serious to volunteer firefighters. It needs to be addressed by the Department of Finance in a way that those people have that tax benefit as well. If there were a commitment by the Department of Finance to accept the provisions of the legislation as proposed, we would not have to go this route today.

As Parliamentary Secretary to the Minister of Agriculture and Agri-Food with responsibilities for Rural Development, I strongly support this effort. Those who volunteer are on 24 hour notice. They are committed to leaving family and business to assist neighbours in trouble and they are prepared to take risks in doing so.

I have had some personal experience with firefighters. It is almost 20 years ago that I had a major fire. There were three volunteer fire departments at the fire. Most of those people were farmers or small businessmen. At the drop of a hat, they had to leave on a nice spring morning, when they were trying to get a crop in the ground the same as I was, and some of them spent 30 hours on site. There were three volunteer fire departments dealing with what was for me personally a major fire.

They drew away from their business and their time to assist me and my family in terms of our difficulties. They do it quite often to assist others in the communities in terms of the tragedies that often occur. They absolutely deserve to be recognized for their efforts. They also need the tax measures to assist them in terms of the extreme costs that some of them face in terms of their efforts as voluntary firefighters.

### *Private Members' Business*

Bill C-273 has received unanimous support in the House. Members supported amending the bill on the floor of this chamber to ensure that voluntary firefighters will be able to have their service recognized. We have expanded the number of hours from 50 to 100 hours and from 100 to 200 hours, and have replaced the amount of \$500 with \$1,000 and the amount of \$1,000 with \$2,000.

One of the most critical components of rural communities is the volunteerism which supports some of the most important activities vital to community life. It is incumbent upon politicians of all political parties to look carefully at measures which can assist those residing in rural communities, to be able to provide the necessary services similar to the level of service which urban communities take for granted.

This bill meets that commitment. I appeal to all in the House and I especially appeal to the Department of Finance to take the direction from this House in ensuring that what is proposed in Bill C-273 becomes the law of the land, so that those volunteer emergency workers and volunteer firefighters are treated with recognition, honour, and respect, and that they be given the benefits in the tax system that they are absolutely entitled to.

• (1200)

**Mr. Andy Savoy (Tobique—Mactaquac, Lib.):** Mr. Speaker, it gives me great pleasure to speak to Bill C-273. Like the member who spoke previously, I would like to congratulate the member for Cape Breton—Canso, the member for Lethbridge, and the member for Sackville—Eastern Shore on this wonderful bill. It shows a true commitment to rural Canada.

It is said that the wisdom of children is not always apparent, but when I ask my children who their heroes are in life, unfortunately they do not respond that their heroes are politicians. They respond that their heroes are firefighters, members of our police forces, nurses, doctors, people who support our society, people who take care of our society, people who protect society. In that case children's wisdom is very pertinent. I think all Canadians support that the people who protect us and spend a lot of time on call, 24 hours a day in the case of volunteer firefighters, are critical for rural Canada.

In the Mactaquac region of my riding an ambulance service was being considered for discontinuance. Thirty members of the community came together, took their training and became emergency first responders on their own. They are volunteers who work shifts, on weekends and during the week. Thirty normal citizens have come together to do this. It certainly shows a true commitment to their rural community. That is a case of first responders.

If we look at rural Canada in general, in my riding of Tobique—Mactaquac the two largest towns have 6,000 people and the rest of them are anywhere from 300 to a few thousand. A lot of them have volunteer firefighters. Much of the quality of life in rural Canada that we enjoy is dependent upon volunteers. Within my riding there are thousands of volunteers at various levels.

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Probably the most critical volunteers in terms of quality of life in a rural community are our firefighters. In deciding on where they are going to relocate, people look at health care. People in rural Canada travel distances for health care. Education similarly requires travel. Recreation has the same situation with economies of scale. It is sometimes difficult to have the level of services that are available in urban Canada.

The key services that people consider are policing and fire fighting when relocating to rural Canada. We have to look at the quality of life in rural Canada and how we can support it. Bill C-273 is very important because it does that. It reinforces volunteerism specifically for our emergency services whether they be firefighting or emergency response. The bill not only speaks to the volunteer firefighters but it speaks to the quality of life in rural Canada.

As I said, there are hundreds of volunteer firefighters in my riding, but in general, volunteers in rural Canada are very critical. Volunteers face stressful situations. These people put their lives on the line many times. They will go into situations where they will see an infant die or they will see people who lose family members through fire or other accidents. Volunteer firefighters and first responders go through very stressful situations. The impact it has on an individual's psyche warrants the passage of Bill C-273.

The 24 hour on call was mentioned. That is critical family time for people with children. The volunteers know when they go on a call it could put them into danger and it could be jeopardizing their own family. It is not just the volunteers who make sacrifices. The volunteers' families make sacrifices as well. This must be recognized. Not only is there the safety aspect but there are the stresses on the family life as well.

• (1205)

We have all been wakened up by the sounds of sirens at night. We can often picture the destinations of the volunteer firefighters and first responders, fires and situations where their lives will be put in grave danger.

I live beside the beautiful Tobique River. I was playing with my daughter on the front lawn one afternoon when the sirens went off. Across the river we could see a number of emergency response vehicles, including a fire truck. My daughter asked me what the sirens were about and I said that when there are sirens, people are responding to people in need. She asked what that meant. My daughter is five years old and does not have a concept yet of emergencies. I said it could be a fire or a number of different situations but the people riding in the vehicles are the people who protect us. That is when she asked if they are our heroes and I said yes, they are the heroes in our communities.

It made me think of the wisdom of children. It made me think of our emergency responders and firefighters. They do so much for Canada's rural communities. They do so much for our quality of life.

Those individuals make a financial commitment as well. There is a variety of set-ups across Canada in terms of volunteer firefighters. Some are given virtually nothing and they still volunteer their own time and money to perform that great service for their communities. We have to look at the situation where they are not only volunteering time but they are also putting their money on the line.

During the year of the volunteer the UN studied volunteerism around the world. We know from that study on volunteerism around the world that Canada was rated number one in terms of people volunteering their time, and number one in terms of people volunteering their money. Volunteer firefighters are the backbone of the volunteer community. They have to be recognized for that.

That is why Bill C-273 is so important. It talks about the volunteering of time, because time has a cost to it. Not only that, it speaks to the money volunteers are committing, whether it be in terms of equipment, the gasoline they use to get to the emergency situations or the time lost away from work. Fortunately in rural Canada many employers recognize the necessity of volunteer firefighters and they give volunteers time off. We have to understand there is a sacrifice for taking time off. It may not be financial, but there often is a sacrifice when people miss critical times at their jobs.

In closing, I speak in full support of Bill C-273. It is very critical to the quality of life in rural Canada. It is critical to recognize the time that volunteer firefighters and emergency response personnel take. It is very important to my children and their heroes in their communities.

• (1210)

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, it is indeed a pleasure to stand today in support of Bill C-273. It is great to see that all parties in the House are in favour of the bill.

I must say I was in support of this issue the last time it was before the House. I hope that this time the finance department will listen to the House and do something that is correct.

As I stand here today I hope I am not in conflict because I am a former volunteer fireman. For 14 years I was a member of the Downie-Ellice fire department. I was very proud to be part of that great group. I know how disappointed those firefighters were the last time when the motion to give some income tax relief was defeated in the House.

It has been mentioned here a couple of times that some of the remuneration that might be received by volunteer firefighters or volunteers in the service industry has to be added to their income tax forms at the end of the year. Sometimes that will put the person into a higher tax bracket. I do know that some people who made maybe \$1,400 or \$2,000 as volunteer firemen added that amount to their income and it put them into a higher bracket. They had to pay \$2,500 more in income tax, which meant that it cost them \$500 just to be volunteer firemen. Not only in recognition for the fine work they do but also in fairness, as they sometimes put themselves in peril, they should at least be reimbursed for their expenses.

Volunteer fire departments sometimes do not have all the equipment that they might want to have. I can remember after being at one particular fire for the better part of a day, there were dirty hoses lying all over the place and there was really no way to get them back to the fire hall. A lot of volunteer firemen own pickup trucks, so they brought their trucks to the scene, threw all the dirty hoses into the backs of their trucks and took them back to the fire hall. Needless to say those trucks are not owned by the fire department and the volunteers are not reimbursed for that service. That is an example of the things that volunteer firefighters do.

Volunteer firefighters and volunteers in other service groups, become families. They are trained as pairs and work with partners.

I have always said that I resigned from the fire department because I got a little bit heavy and I did not want to put—

**An hon. member:** You could not climb the ladder.

**Mr. Gary Schellenberger:** Mr. Speaker, I could still climb the ladder, but the ladder had quite a bend in it.

I did not want to put any of my colleagues in peril in that I might go down and they might have to save me.

The training that is involved is superb. Volunteers put in many hours of training, whether it be to learn the skills of climbing a ladder or putting up a ladder and making sure that it does not slip. Firefighters do not pick the type of days to fight a fire. It could be very icy and slippery. When they put up a ladder, it might slip. They have to know all the safety requirements in those particular instances.

We also had to know CPR. We had to take first aid. We became paramedics to a certain point. None of us really got that far in the paramedic industry, but we did know CPR and how to treat some minor injuries.

•(1215)

I am very proud that a former volunteer with the Perth East Fire Department is a full time firefighter in Nunavut right now and is training to become a paramedic. I met him at the airport a week or so ago. He said that he was doing fine and loving it but that it was very cold. He said that the training was superb and that he was looking after that area very well.

With respect to the tax part of the legislation, the amount that might be used on tax forms for the 100 or 200 hours that a volunteer may put into his or her community is a small amount when one thinks of the amount of time that these volunteers put into our communities.

We did wear a beeper all the time and it was kind of rough getting out of bed at 2 o'clock or 3 o'clock in the morning. We could be enjoying ourselves at a dance when the fire alarm would go off and about 15 people would have to leave to go to the fire hall to look after a particular incident. Even when our beepers went off at funerals or weddings we left because we needed to look after the people in the community.

I cannot stress enough the fact that there has been all party agreement on this particular issue, and that makes my heart feel really great. Our volunteers will realize that the whole of this place

### *Private Members' Business*

supports their initiatives to look after our communities. Rural Canada relies on its volunteers to keep it safe.

One of the toughest things I had to do while I was in the fire department was attend a tragic accident that involved four young people. Two of them were okay but two of them were not. One of the toughest things for a volunteer fireman to do is to remove dead bodies from an auto accident. I remember that night very vividly. The chap I was with said that it was really tough because those kids were the same age as his.

I hope everyone will support the bill.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, I have been very enthused and encouraged with both the candour and tone of the debate today on my Bill C-273. I appreciate hearing all those who took the opportunity to speak to the bill today.

I also want to take the opportunity to thank both the member for Malpeque and my colleague from Lethbridge who put forward similar bills in the 37th Parliament and who have been very kind and forthcoming. Between the three of us I think we have been able to massage a bill that is palatable and one that will serve the best interests of those very important volunteers who we hope to help.

Every community in the country is touched in some way by fire service providers. Over 200,000 Canadians have put themselves forward as a fire service providers. Being a representative from rural Canada, from rural Nova Scotia and Cape Breton, it becomes even more evident. I have over 50 fire departments within my constituency which consists of small hamlets and villages. The men and women of those communities come forward to offer their services for the betterment of the communities.

The fact that we are debating this private member's bill on a day when the House recognized the loss of four brave young Canadians in Mayerthorpe, it becomes more evident and allows us an opportunity to offer that respect and recognition for those who work in protection services such as law enforcement and fire services. They are men and women who place themselves in danger for the betterment of their fellow citizens on a daily basis. It is significant that we are able to debate the bill on this particular day. What the bill tries to do is give communities an opportunity to recruit, retain and reward those volunteers who put their names forward and offer their services.

In preparation for today's debate I looked through some information in regard to recruitment. In the small community of Hanna in south central Alberta, fire chief David Mole of the Hanna volunteer fire department is very concerned because the number of volunteers have dwindled as young people have left the community for work elsewhere. The numbers have dropped off and the department is at the extreme low limit in volunteers. It is causing great concern within that small community. I think we see that in each of the communities that have volunteer fire services.

Will the bill elicit a great outpouring of people signing up? I do not know. If it is another tool in the bag of the fire chief and his department to encourage young people to sign up, then I think we are doing our job in providing a recruitment tool.

*The Budget*

The Glace Bay volunteer fire department had its installation of officers with Chief Arnold McKinnon recognizing Jim Taylor's 25 years of exemplary service with the federal service medal. I think that is significant. It is a reward for those who place themselves in danger. For the people who are running into the building when everybody is running out, I think there has to be some small reward.

I am very pleased with the debate today and it is my hope that all members will see the merit in the bill and will be able to support this private member's bill.

• (1220)

**The Acting Speaker (Mr. Marcel Proulx):** It being 12:23 p.m. the time provided for debate has expired.

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

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Marcel Proulx):** Accordingly the bill stands referred to the Standing Committee on Finance.

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

\* \* \*

• (1225)

[*Translation*]

**STANDING ORDERS**

**The Acting Speaker (Mr. Marcel Proulx):** Order. On Friday, February 18, 2005, the House of Commons adopted a motion containing provisional changes to the Standing Orders. These changes come into effect today and will remain in effect until the sixtieth sitting day of the 39th Parliament. They pertain to the length of speeches, the procedure surrounding the adoption of committee reports, the number and votability of opposition days, the referral of bills to a committee before second reading, the proceedings of the Liaison Committee and the provisions surrounding the convening of committee meetings.

As with any situation in which there is an overlap of two sets of rules, a transition period will apply. Therefore, it is important to note that the debates on motions which have already begun will continue under the provisions of the Standing Orders in effect before today, until the House completes the stage the motions are currently at. Future stages will be governed by the provisional Standing Orders.

Needless to say, the Chair will inform members of Parliament when a new stage begins. Therefore, instead of providing the details of every change today, the Chair will inform the House, as the circumstances arise.

[*English*]

Members desiring further information may wish to consult the standing orders which have been reprinted to include these provisional changes. Also, the document "Time Limits on Debates and Lengths of Speeches" has also been reprinted. I understand that copies are being distributed to members' offices. Finally, I would encourage members to approach the Table if they have questions.

**GOVERNMENT ORDERS**

[*English*]

**THE BUDGET**

## FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 24 consideration of the motion that this House approves in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Mr. Speaker, I am very pleased to speak in the debate. I have been here since 1993 and this has been one of the best budgets we have seen in Canada. It is as a result of the hard decisions we made in the 1995 budget by the current Prime Minister, then minister of finance.

The budget has demonstrated the commitments that were made during the last federal election. On the weekend the Prime Minister's key line was "promises made, promises kept", and that is absolutely evident. It can be seen at every stage in the budget. The budget builds on a long record of success, in the long history of the government having to make tough and at times difficult decisions to get the financial conditions of the country in order.

Over the years we have achieved that, and we have been able to begin the reinvestment so critically necessary in the areas of health care, infrastructure, the farming community devastated by the closure of the U.S. borders and other endeavours.

The federal budget goes further in fulfilling commitments in key areas, and I will name a few.

We have committed a \$12 billion investment in national defence over the next five years, a support that is critical to the modernization of our armed forces. There will be a \$3.4 billion investment over the next five years in international assistance, a hallmark of Canada's role in the world and something we are well recognized for around the world.

As promised, the federal government will contribute \$5 billion to early child care and learning initiatives. To assist our seniors, we have committed to providing an additional \$2.7 billion through the guaranteed income supplement for low income seniors. For Prince Edward Island, that is an especially important endeavour because we have such a high proportion of seniors in our province. They actually move back when they turn 55 or so because Prince Edward Island is a little paradise within Canada.

For the low and middle income earning Canadians, we are providing direct tax relief by increasing the amount of income which can be earned before federal taxes are applied to \$10,000 annually. This will ensure that 860,000 Canadians are removed from the tax rolls.

*The Budget*

For Prince Edward Island and Atlantic Canada, there are some direct benefits in the budget. The budget marks once again the efforts of the federal government to meet the recommendations of the report of the Liberal Atlantic caucus report called "Rising Tides" by bringing forward a \$700 million investment for economic development, which includes an additional \$300 million in the Atlantic investment fund. That fund has proven to be successful in creating business and economic spin-offs to those businesses. Within the \$700 million, an allocation of close to \$290 million will support a new innovative community program to assist in the diversification of vulnerable communities to strengthen human capital, trade and tourism.

There will be an increase toward the wind energy initiative of \$200 million over the next five years. That is being futuristic in terms of lessening our dependence on fossil fuels and using some of those alternative energy capacities out there.

In terms of fisheries, the budget has announced the commitment of a total of \$276 million for the Coast Guard to procure, operate and maintain six new patrol vessels. There will be a \$15 million infusion into efforts to address the problem of overfishing in the NAFO area off our east coast. Overfishing in the Atlantic fishery has been a concern for years. The government is acting on that concern and moving forward with the necessary moneys to deal with it.

• (1230)

There will be a one time investment of \$30 million to establish an Atlantic salmon endowment fund to assist in improving the sustainability of the salmon stock. That has been another long term request in moving forward and strengthening the salmon industry within our province.

I neglected to mention in the beginning, Mr. Speaker, that I will be sharing my time with the member for Scarborough Centre.

Another important area in the budget is the changes which will be brought forward in employment insurance, changes that tremendously will assist my region and all rural areas in Canada.

I want to turn for a moment to the area of farming and rural Canada. There is no question that primary producers have faced tremendous financial difficulty over the last number of years. However, I want to point out a couple of positive statistics, and that is how valuable the farming sector is to our country and the fact that it is one of the economic backbones of Canada in our production potential as a nation.

The agriculture and agrifood sector provides one in eight jobs in Canada. It accounts for 8.2% of our GDP. Agriculture and agrifood exports have increased from approximately \$10 billion in 1990 to approximately \$26 billion in 2002. In other words, farmers are not only creating economy within Canada, they are attracting foreign exchange back to the country because they have increased their exports, which governments have asked them to do. The sad part and the reality is the marketplace itself is not returning to those primary producers a fair return on their labour and investment. We have set up a consultation to target and focus on the farm income problem from the market itself.

Canada currently, our producers, is the fourth largest exporter of agriculture and agrifood products after the United States, the EU and

Brazil. Sadly, farm debt has almost doubled between 1994 and 2003, going from \$24.4 billion to \$47.6 billion. The farm income data tells us a sad story as well. In 1997 dollars, farm income has declined from over \$3 billion annually in 1989 to below zero in 2003. That is the reality and we recognize it. However, I have to underline that this is the return to producers from the marketplace itself without government payments included. As a result, the government has stood with farmers in their time of need. In the BSE situation, when the Americans unnecessarily closed the border as a result of BSE, we stood there with producers and we paid out moneys to assist them in their time of need. We will continue to do so as we look at the problem down the road.

Direct farm support to farmers in 2003 is an estimated \$4.8 billion. Sadly, that accounted for almost all the total cash farm income received by farmers. The marketplace has not responded with the kind of returns that producers need so much. As recently as 2000, 73% of total average farm family income came from sources off the farm. I am raising that point to say specifically that farmers are doing their part to stay on the land and to force the issue.

I would have liked to get into some of the measures in the budget but my time is almost up. However, let me point this out because it is something I heard in my farm consultations consistently. Farmers want the CAIS deposit dropped. In the budget, the Minister of Finance clearly stated the position of the government. The federal government agrees with Canada's farmers that producers should not be required to put funds on deposit annually in order to be eligible for CAIS. That is a clear commitment by the federal government. We have to negotiate that with the province to ensure that farmers do not have to pay out a deposit before the CAIS program kicks in.

I would ask members to turn to the budget plan 2005 and they will see the kinds of measures we are taking to assist the farm community in their time of need. We will continue to stand with them in their time of need. We will do everything we can to try to push up prices from the marketplace and have the safety net program in place that meets their needs

• (1235)

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Mr. Speaker, the parliamentary secretary speaks some double-talk. The CAIS deposit program has cost farmers a lot of grief. I have received a lot of calls in my office with respect to that deposit. It is something the government said that it would undertake to discuss. The parliamentary secretary, along with other ministers, including the finance minister and the Prime Minister, voted against our motion that the deposit be dropped.

Now they say they are talking about it. Talk is too little. The farmers require action. Would the parliamentary secretary undertake categorically to say that the CAIS deposit requirement will be dropped and that the government will see to it, regardless of what the provinces may or may not do. It is something he can do.

*The Budget*

He mentioned that \$700 million had been spent on Newfoundland and Labrador, and another \$30 million. The government is finding millions of dollars everywhere. Will the government undertake to invest that and ensure that the deposit is dropped?

**Hon. Wayne Easter:** Mr. Speaker, I do not know if the word “double-talk” is allowed in the House. However, since the member used it, let me be very clear that there is no double-talk on this side of the House. The double-talk is coming from that side of the House. We just had an example of it. That member has stood up as if the federal government on its own can do away with the CAIS deposit. The member knows, or if he does not know he should, that it cannot. It is by federal provincial agreement.

Why did the government vote against the motion? Because the Conservative motion was one of misrepresentation of the facts. The government does not have the authority on its own to do away with the CAIS deposit.

However, we have made a commitment in the budget, which I outlined earlier in my remarks. We will move to do away with the CAIS deposit. We will be in discussions with the provinces to do that. The member has the government's commitment. That is what farmers asked for and that is what we are committed to do. We have seen a lot of smoke and mirrors from over there.

The member talked about money going to Newfoundland and Labrador or to Atlantic Canada. If the member had listened to my remarks, he would have heard that the largest commitment ever in the history of Canada to the primary producers came from the federal government; \$4.8 billion in 2003. It is probably \$4.9 billion in 2004. That is the kind of commitment the government has given. The problem and the reality is, although the other side does not want to admit it, the marketplace is not working for producers. We have to try to work together to change that, and we will.

For heavens sake, do not say we are not committed. The biggest financial commitment ever made to the farming community was by this government.

● (1240)

**Mr. Ed Komarnicki:** Mr. Speaker, I rise on a point of order. I would ask the member which province would not have the CAIS deposit program—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. member will recognize that this is not a point of order. He is attempting to continue the debate.

The hon. member for Argenteuil—Papineau—Mirabel.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, a picture is worth a thousand words. I have a mental picture of something I saw on the front page of the *Journal de Montréal* after the budget. It illustrated an article on the federal budget and its impact on the public with a picture of a hand containing a few coins totalling \$1.33 a month. That was its impression of the budget, regardless of the area concerned.

I have a question for my colleague concerning employment insurance. They have helped themselves from the employment insurance fund—comprised of employers' and employees' contribu-

tions—to the tune of over \$45 billion, and have returned to it \$300 million, in other words six one-thousandths of the amount taken. There are plenty of terms that could be used by my colleagues and friends to describe this. What can the minister reply to this? Why have the 28 recommendations of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities not been implemented?

[*English*]

**Hon. Wayne Easter:** My goodness, Mr. Speaker, if any party should be thanking the federal government it is the Bloc Québécois. It represents a provincial area, and if any province in the country has done well out of this budget and over the history of time, it is the province of Quebec, on everything from finance to national marketing programs through supply management of dairy, poultry and eggs.

It is in that province where there is some profitability on the farm as a result of the Canadian programs that allow Quebec producers to market under a Canadian system. Members opposite, especially members of the Bloc, should be thanking Canadians, the Government of Canada and the finance minister for the great effort he has made and continually makes in terms of assisting many of the national programs within Quebec.

On EI, we have made changes. The minister responsible for EI announced those changes, changes that will certainly benefit the province of Quebec and many rural areas in this country where unemployment is over 10%.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, as I rise to speak on the budget, I first want to take this opportunity to express on behalf of my family and constituents our condolences to the families and colleagues of the RCMP officers who lost their lives in this most tragic situation. My family and my constituents asked me to do so at the first opportunity.

Before I speak about the budget, let me say that I have met with the superintendents from 41 and 42 division and with councillor Michael Thompson. I have said repeatedly how we have to address this horrendous situation with the grow houses and, as an example, look at changing the Criminal Code to provide minimum sentences.

For me it is a real pleasure to have the opportunity to speak about this second budget for the 10 minutes I have. As we know, the first budget was brought in when the right hon. Prime Minister first assumed office last year. This is really the first budget in which we have had an opportunity to commence what we discussed during the campaign of 2004, the promises that were made.

Before I get into the nitty-gritty, I thank my colleague from Malpeque very much for sharing his time with me. He talked a lot about his community and the farming and fishing industries, et cetera.

*The Budget*

It is often said that the past always affects the future. In order for me to stand here today to talk about this budget, it is incumbent upon me and very important that we take this opportunity to turn back the clock for a moment, to try not just to appreciate but more to understand why we find ourselves today in this enviable position of being able to continue to reinvest in our country as a whole. There are many areas that I hope to have an opportunity to go into, from seniors to youth, from the farming community to our urban and rural areas, et cetera.

Permit me to go back to 1993-94 when the Liberal team assumed government. It was no secret that the finances of the nation were a shambles. We were literally almost a bankrupt country, unofficially, with a very high deficit of \$43 billion. We had an uncontrollable debt that was way out of whack. We had high unemployment. We had a nation that psychologically was just not there. There was no confidence.

Our approach then and now was not and is not revolutionary in any way. It is an approach of common sense and understanding, but more so one of balance. We all know that we cannot satisfy every request completely, but let us look at what has happened today.

First of all, I do not think there is another country that can boast of having seven consecutive balanced budgets. Never before in the history of our country have we had this. I dare anyone to stand and say that is not an accurate statement. It is unprecedented and unheard of. It just does not happen that for seven consecutive years a country has balanced budgets and, thank God, very healthy surpluses.

In trying to address the needs of the nation, we are now in an enviable position, not one of investing but one of continuing to reinvest. Continuing reinvestment is really continuing to meet the promises the Liberals have made over the years, promises that we made in the last budget and that we are meeting once again today.

The strength of our ability to eliminate the deficit and reduce the debt substantially, by almost \$60 billion, was not on the backs of anybody. Yes, there were adjustments made, and yes, fine tuning had to be done. Nobody said we did not do it, but we went right to the people in 1993 and said we had to make some tough decisions and at the end of the day Canadians could judge us accordingly.

Madam Speaker, you and I were elected back in 1993 and made those commitments. We were in the enviable position, as we were nearing that first mandate, of being able to say to the people, "Here are tangible results".

● (1245)

I am sure and confident in saying that one of the most important issues for Canadians was and is health care. Health care was the issue that was front and centre then, it is today and I am sure it will be in the future.

We asked Mr. Romanow, a well respected former premier, to do a review of health care. He came back with recommendations. Then what did we do? We not only met those recommendations but we exceeded them. Why? Because we made a commitment to Canadians: we want to make sure that each and every Canadian has the opportunity to have access to our health system no matter where they live in Canada.

Aside from that, one area that is of great concern to all of us, and we heard it loud and clear as we were going through the last election, is of course the well-being of our cities. Mayor after mayor right across the country said they needed help. I am one who has often said that in order to have a strong country we must have a strong city infrastructure, which makes for a strong province and thus results in a strong country.

Not only did we in the last budget commit fuel taxes worth billions of dollars to the provinces, for which we were applauded by the Federation of Canadian Municipalities even during the election, but it was reconfirmed in the budget again. Over the next five years it will total almost \$5 billion and will continue to grow. I thank the Federation of Canadian Municipalities and the mayors for being honest and straightforward and for acknowledging the support we have been giving them. So again, on the new deal for the cities and the promises we have made, we have kept those promises.

Another area that I have great concern for, as I am sure all members do, has to do with our seniors. I must say that the member for Trinity—Spadina spearheaded this effort. I thank the Minister of Finance, because this confirms to me that the input we provide in prebudget consultations is listened to.

Yes, there was a program to unfold and increase the GIS over a period of five years, but what did the Minister of Finance do? He did it immediately and over a two year period.

Why? Because in my view and in the view of many others, seniors as a group in our country are not income generators. They rely on their pension system, on their GIS, for example. They do not have the ability to say that they are going to work 20 or 30 hours this week and get an increase. No. They are on fixed incomes. As far as I am concerned, this move tells seniors that we have heard them loud and clear and, based on a balanced approach, we are trying to do our best to address that call as well.

I was very pleased indeed that the Minister of Finance responded to our seniors. It makes me very proud when I meet with seniors and tell them what the government has done.

At the same time, it has often been asked since the budget was announced, "Where is the tax relief?" People say they got nothing for tax relief.

Members tend to forget that in 2000 a five year program rolled out by the government was the largest tax relief ever in the history of our country. It was \$100 billion. As of January 2005, we are now into the fifth year of that program. In my humble opinion, there is no need to go in that direction for more tax relief when we are already into the fifth year. As we continue our healthy progress with surpluses in the future I am confident that the minister responsible will listen to us. Yes, if there is room, we will do that as well.

*The Budget*

●(1250)

Another important area is the \$4 billion committed to a clean environment to ensure that we do whatever we can to eliminate unwanted greenhouse gas emissions. We need to ensure that systems are developed, programs are developed, and technology is supported so that we can protect the environment, for us and future generations. The government has made the biggest investment of close to \$13 billion for our military. It has done a tremendous job.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Madam Speaker, if the hon. member is being completely honest with this Parliament, he will understand that most of the military budget is scheduled for four or five years from now. The defence department has been asked to give \$178 million back this year and \$258 million the following year. That represents a drawback of \$436 million, which almost equals the same amount that the government is pledging to it this year.

If the Liberals were to be completely honest with Canadians and the men and women of our military, they would say they would be getting  $x$  number of dollars, but it would be five years down the road, and in the meantime they have to give back  $x$  number of dollars as well.

My question is with respect to the Coast Guard funding of \$275 million over a period of time to replace our Coast Guard vessels. There is a desperate need in this country to replace some of our military vessels, our ferry fleet, our laker fleet, and just as important, our Coast Guard fleet. We were glad to see the government taking some small step toward improving that, but my fear is that the government will purchase those ships from other countries thus using taxpayers' dollars to assist those other countries.

We are asking the government to commit to its 2001 report called "Breaking Through: Canadian Shipbuilding Industry" and prepare a shipbuilding policy for Canada so that taxpayers' dollars would go toward assisting Canadian shipyards and workers. The government did this for the auto industry and the aerospace sector.

Will the member commit his government to investing in and ensuring that the ships that are required by our Coast Guard will definitely be built in Canada?

●(1255)

**Mr. John Cannis:** Madam Speaker, I listened to the member's comments and I will respond with respect to the military first. I am not in a position to say whether it was good or bad, but neither is the member who asked the question. We are not going to talk about honesty.

The commander-in-chief, Commander Hillier, stood up after the budget and thanked the government for committing the billions of dollars that it did to the military. Those are the people who are front and centre, not the member nor myself. They are the ones who pass judgment, not myself. Unless the military lied to the nation on public television that it was very satisfied, then I am lying to the House.

The member knows very well how much I have worked with him on the issue of shipbuilding in Canada. We must understand that times are changing. Industries change; conditions change. We develop our niches, for example, in certain specialities and countries come here to do other things, whether it be auto et cetera. As far as

the shipbuilding industry is concerned, it is a very difficult issue. We have provided some creative ways to address it. I am hopeful that some day we will be able to retain some of those quality jobs in Canada.

**Hon. Rob Nicholson (Niagara Falls, CPC):** Madam Speaker, perhaps the hon. member could clarify something. It is quite correct that the chief of defence said that he welcomed new expenditures in defence. It seems to me the hon. member is going much too far. He somehow then equates that the military is happy. I think those were his words. I am sure the military is a long way from being happy. I do not think the hon. member would like to leave that impression with the House.

The neglect of Canada's military is a national disgrace. I am sure that if we asked anybody in the military if they wanted to see another 50 bucks going into the military, they would say, "Yes, of course, \$50, \$50 million, \$5 billion". They want to see billions of dollars.

It is going too far for this hon. member to say the military is happy. Putting the general on the spot when he makes himself available to the press, of course, he is going to say he wants to see new funding for the military, but what the Liberals have done to the military in the past and what the military might expect from the Liberals in the future, I think goes way beyond that. I would like him to comment on that.

I would also like him to comment on articles that are starting to appear in the newspapers on this whole subject of clawbacks. This is a classic Liberal trick. The government announces \$100. If we look closely enough, we would find out that the \$50 has been announced any number of times. So, that is part of the \$100 announcement. Then there is something called efficiencies, where we are expected to find savings within the \$100.

I want to give the member some time to comment on both. Are they pleased, and tell me about the clawback in the federal proposals on defence?

**Mr. John Cannis:** Madam Speaker, if anybody knows about clawbacks, it is the Progressive Conservative Party, the spinoff of the Reform Party.

I am a little ticked off. I do leave that impression. I challenge that member to go out there and line up any military person to come before the tube or publicly and make a different statement. So I challenge him.

He can stand in this House and say all the hogwash he wants because he knows he can get away with it. He is full of hot air as far as I am concerned. Let him line up the military and we will see what the response is. In essence, what he is doing here is calling the commander a liar. Let him go out there and say that.

●(1300)

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Madam Speaker, I will be sharing my time with the hon. member for Niagara Falls.



*The Budget*

Continuing on the comments made by the Parliamentary Secretary to the Minister of Agriculture and Agri-Food, there is no doubt that there is not a province in Canada that will not agree to the CAIS program deposit requirement for producers being dropped. What is required in fact is additional funding from the federal government to ensure that this silly requirement is gone. It should never have been there. It is an annoyance to the farmers who are looking for it to be dropped, and to be dropped now. The government simply has to make a statement that it is not going to be there. That is all that is required. It is coming up to the end of March and farmers are making plans to seed. They need to know that. They need to have the government actually committing to doing something.

The minister has said that promises were made and promises were kept, but the fact of the matter is that many promises have been broken and what promises were made were meagre promises. When we look at the budget and the big talk about the basic personal exemption going up, it does not really happen until 2007-08. Some people have said that if they could buy a large pizza, they would be very fortunate. That is the tax reduction that is being made by the government. That is the promise.

The promises that the Liberals now make they do not keep. They are now relying on promises that they do not have to carry out, promises that will not take place for two, three or four years, and they will not be in government at that point. All they are trying to do is put some window dressing on this budget. They are trying to spin-doctor it. They are trying to market it, but when we really look at what they are promising, it is very little.

Let us have a look. The corporate surtax does not start until 2007-08. The corporate tax rate does not get reduced until 2008-09 and 2010. The Liberals will not be in government at that time. The excise tax on jewellery, really an archaic tax that should have been gone a long time ago, is going to be reduced 2% per year.

They are meagre promises if they are promises at all, and promises that will not need to be kept by them. The gas tax revenue is also over a five year period, \$600 million to start with, a mere pittance compared to what the cities and municipalities need. When we look at health care, it is over 10 years, a specific budget of \$805 million over five years, and so on: child care, five years; Kyoto, five years; and the military, same thing. They are really promising very little in the budget.

When we come to the RRSP itself, much has been made that the ceiling amount for contributions will be \$19,000 for 2006, \$20,000 for 2007, and 2008 and 2009 for the concluding amounts. I can tell the House that it is not much of a benefit to the small business people, small entrepreneurs and ordinary families. The data compiled by Statistics Canada shows that, adjusted for inflation, median family income before taxes remains essentially unchanged at \$55,000 and continues at about that mark today.

Most families and most small businessmen, after paying mortgages, tax, food and utilities, have little money left to save for their children's post-secondary education, let alone RRSPs. According to Statistics Canada, the median RRSP contribution in 2003 was \$2,600. That is not average. That is the median, which means that half of all contributors made even smaller deposits than that. So much for helping low and modest income Canadians.

The Liberal government also promised, through its housing minister, that it would provide \$1.5 billion for housing assistance over the next five years. Again it is five years. It said it would develop a flexible tool box to deal with rent supplements, housing construction, zero down payment purchases, and incentives to convert buildings into rental apartments. The trouble is that the tool box is empty. Not a penny was allocated in this budget to the degree that was promised by the housing minister.

Then we go to agriculture. The finance minister says that the year 2004 was another difficult year for Canadian farmers, faced with challenges and a cool wet harvest in the Prairies. The reality in my constituency is that not only was that a problem, but there were four frosts and two early frosts that destroyed what would otherwise have been a bumper crop, and there is no assistance from the government. Even crop insurance would not help. The minister is just not paying attention to what is happening on the Prairies.

On February 9, it says in the budget, the U.S. confirmed its intention to reopen the border on March 7 to Canadian cattle under 30 months of age. The government, it says, is hopeful that such a reopening will facilitate the strong recovery of the cattle livestock industry.

● (1305)

That was all that the government had for its plan, hoping against hope that the border would open but it did not. Interestingly enough, the judge who granted the interim injunction said, "the USDA failed to provide the specific basis for the conclusion that its actions carried acceptable risk to public health and failed to provide the data on which each of the agency's critical assumptions were based".

One has to wonder how well Canada's case was substantiated by the USDA and whether the Government of Canada did its homework in its presentation. Also, Canada was notably absent at the injunction hearing when it should have been there making the case for Canadian ranchers and farmers. Where was the government if it were that concerned about them?

Also, we find that much was made of the government's contribution to the farming industry. The fact is that is over many years and after administration and bureaucracy has eaten up most of the cost in a confusing program that no one really wants, the government itself really does not understand, without responses in 90 days or 120 days, and with the left hand not knowing what the right hand is doing. Farmers are getting frustrated. The program is not working and the government is resting on its laurels on that aspect of it alone.

In the budget it says:

Canada's farmers and farm communities have shown enormous resilience over the past several years in coping with an unprecedented combination of crises arising from weather, animal disease and difficult market conditions abroad

*The Budget*

The fact is that resilience is starting to wane because the government is not prepared to stand with the farmers in their time of greatest and strongest need. The government is merely talking and postulating and not doing what has to be done.

In Saskatchewan the farm cash receipts in expenses and income from 2003-05 as compiled by Statistics Canada and forecast by Agriculture and Agri-food Canada shows that crop receipts were down minus 9%. That is the percentage change, the net cash income minus 44%. The realized net income in Saskatchewan is projected to drop \$486 million in the negative. That is not making an income and yet the minister has the audacity to suggest that farmers are being resilient and doing well, and that he has put a lot of money into the program and farmers simply need to carry on.

When we look at the the charts we see that the projected income for 2005 is below what it was in 1991. The agriculture minister last week at the Canadian Federation of Agriculture meeting found one farmer after another complaining that the federal government did not appear to understand the pressing needs of producers. We can tell that when we listen to the speech on the budget by the minister's representative.

Ron Bonnett, president of the Ontario Federation of Agriculture, said that one of the things that was completely missing from the budget document was the urgency that is facing the farm community right now. There is a crisis and the government does not think it is. Terry Hildebrandt, president of the Agricultural Producers Association of Saskatchewan said that farm income was the overriding issue in agriculture today and that the federal government was failing to take it seriously. Many producers in our province are facing a bleak future if there is no immediate short term assistance.

In the middle of that, the government has chosen to do away with and cancel the farm improvement loan program which is the very program that farms use to borrow against their equity. Under that program, they could borrow 90% of their equity at favourable interest rates. Saskatchewan happened to utilize that program, 70% of the total program across all of Canada. At least 10% to 15% of the loan program was used by my constituents to buy land, equipment and breeding stock. That program was cancelled in the middle of what is going on here in Canada.

A constituent called me and said that he had never called an MP but he said that it was getting awfully quiet in the rural community. Farmers are tired of fighting with the government. They are getting ready to throw in the towel. He took a 900 bushel load of grain and was able to buy nine seeder boots for his seeder and it contains forty-eight.

• (1310)

I spoke with an auctioneer who said that sales in land and machinery were increasing, that the Americans were buying farm equipment and that land across the border was worth \$70,000 to \$80,000 but that we were doing nothing to help Saskatchewan farmers.

It is amazing when I look at the auction list. There are 166 auction sales in Saskatchewan and 49 of them are in my constituency. I could list the names. The minister could spend all of March and April at these sales if he wished.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I thought just then that my Conservative colleague was repeating the remarks by the hon. Liberal member who told us that there has been a great reduction in the deficit. The great reduction in the deficit, we know—and my hon. colleague knows it, too—has been achieved at the expense of the provinces.

When the current Prime Minister began his term as finance minister, the federal government was paying 25% of health care costs. He reduced this to 12%. The Romanow report asks him to reinvest in health up to the level of federal investment in the early 1980s.

The elimination of the federal deficit has been achieved at the expense of the provinces, the workers, the unemployed. They have taken \$45 billion from the employment insurance fund. Of course, that was at the expense of the neediest. They have abolished the support that had been available for social housing.

And obviously it is the same for the elderly, who were denied retroactive payment of the Guaranteed Income Supplement. That too was at the expense of the neediest.

My question for the Conservative member is quite simple. Is his party prepared to support the Bloc Québécois amendment to the amendment calling for correction of the fiscal imbalance? The provinces must have the resources they need to get back on track. Everyone across Canada recognizes that there is too much money in Ottawa. The elimination of the deficit has been achieved at the expense of the provinces and it is time to give them something back.

Is the hon. member prepared to support the Bloc Québécois amendment to the amendment demanding that the federal government resolve the fiscal imbalance and the employment insurance problem, and implement the 28 recommendations of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, which his party supported? Is the hon. member prepared to support the Bloc's amendment to the amendment?

[*English*]

**Mr. Ed Komarnicki:** Madam Speaker, there is no question that the government has amassed huge surpluses and many times at the expense of the provinces and particular sector groups, such as the farmers in Saskatchewan who could use an immediate payment for seeding at \$50 or \$60 an acre before March. The government has the money to do those kinds of things but it has chosen not to. It could direct those funds. It has done so to other projects that help particular sector groups, including those in Quebec.

As far as the position to be taken on the Bloc motion tonight, the member will have to attend here at the appropriate time and see how the vote goes.

However I can tell the member that there is no question that the government has not only made huge surpluses on the backs of ordinary Canadians, but it has funded pet projects of its own and has ignored various sectors in Canada that are undergoing the greatest crisis in their lifetime.

*The Budget*

Farming as we know it on the prairies is about to disappear. There are 169 auction sales and 49 of them in my constituency. The government is doing nothing to help farmers and to bail out good families that had a good farm income. These are families that did well in the past but are now giving up. Farmers need some of those funds now. The federal government should be using those funds and looking after parts of Saskatchewan and other parts of this country that need that assistance now.

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Madam Speaker, I heard my colleague mention huge surpluses. Would he give us some indication of what he thinks these are? My sense is that the surpluses of recent years have been 3% or 4% at the very most. I do not think we have reached 5%.

How does the member think the government should be run? Should we try to run on a deficit? Should we aim for a balanced budget or should we aim for these tiny surpluses, a few per cent, so that we can deal with the debt?

As the member knows, the government's largest single payment in this budget, in the last budget and in the budget before, in times of very low interest, was the \$35 billion payment on the debt. Where are these huge surpluses that he is talking about?

• (1315)

**Mr. Ed Komarnicki:** Madam Speaker, the finance minister projected \$1.9 billion which turned out to be \$9.1 billion by some very creative financing, and they have money hidden—

**An hon. member:** They were using a Liberal calculator.

**Mr. Ed Komarnicki:** Yes, they are using a Liberal calculator. They have trust funds sets aside; \$3 billion in reserves to meet situations, they say. Where do they get those funds? They get them from overtaxing Canadians and not allowing any broad based tax relief that is meaningful. They are taking in funds through the GST. They are collecting money that ordinary taxpayers are paying and not giving it back to them when they need it in a crisis situation, like the farm communities in Saskatchewan. There were 49 sales every day of the month in March. The finance minister from Saskatchewan should be there visiting so he realizes there is a crisis there and money is not being used as it ought to be used in that particular province, the minister's home province.

**Hon. Rob Nicholson (Niagara Falls, CPC):** Madam Speaker, I would like to pick up for a second on the whole question of surpluses. I cannot believe there is anyone left in the country who is going to buy into any of the predictions by the Liberal Party. It is a little joke that the Liberals have on Canadians, if it were not so tragic in terms of overtaxation. The same nonsense goes on every year. The Liberals predicted \$1.9 billion and then lo and behold in the hallways they stumbled over another \$7 billion. I never believed any of that nonsense.

During the election the Liberals said that the numbers did not add up, that the Bank of Montreal was overpredicting the surplus. I never bought into it. If they think they fooled some of their constituents, I do not think they will be able to do it again. I think it has been shown what they truly are. This whole business of trying to fool Canadians and continue to overtax them is something Canadians have had

enough of. All their projections we take with a grain of salt, as do most Canadians. Canadians are not buying into it.

There are a couple of other things I do not think Canadians are going to buy into. We hear announcement after announcement. For example, the Liberal day care policy has been a part of every election campaign for the last 12 years. The Liberals keep making the announcement and no one ever sees a dime from these announcements.

It is like the announcement on the gas tax rebate for the cities. A couple of years ago the current Prime Minister was in Winnipeg speaking to a gathering of municipal politicians. He made this grand announcement, that the Liberals were going to move forward on the gas tax rebate for municipalities. For heaven's sake, that was over two years ago and the municipalities are still waiting for it.

Now the Liberals have taken it to a new level. Part of the logic of the Liberals must be that if they make the announcement enough times then somehow it has happened. On the weekend, I heard the Prime Minister say on a couple of these things, "Promises kept".

Good heavens above, the municipalities are still waiting for their cheques. I say to him, skip the announcement. How many times is he going to announce some of these things? Could he please send the cheques? That is what the cities want.

The Liberals have taken it to another level. They do not just keep announcing it. Now they say that the promises have been kept. The hon. members across heard all that and they must have been chuckling to themselves. It is a whole new spin on the idea of government announcements.

The budget is not all bad. There are some positive things in it. Interestingly enough, a number of the positive things in the budget came from members of the Conservative Party.

The member for Prince George—Peace River, my seatmate the House leader for the Conservative Party, should take a great deal of pride and satisfaction that his proposal for a new non-refundable \$10,000 credit for expenses that couples incur in child adoption was in the budget. He should be very proud of that. I was pleased to see that in the budget.

I flipped through the budget. I looked for things like expenditures on border security and infrastructure and I see references to those. The government acknowledges that it has a responsibility in the whole question of border security.

I was asked by the local press in my riding whether \$400 million was enough. It is enough when the job is done efficiently and the borders operate in an effective manner, when goods and services move across Canada's borders and at the same time Canada's security is maintained. Whatever that amount is, is what the country must commit itself to. I am pleased that there are references to that in the budget.

There is one thing I did not see in the budget and it is a glaring oversight. This was raised by one of my colleagues after he heard the budget speech and had a chance to look at the budget. He thinks there is a misprint in the budget. He asked where the chapter is on agriculture. That is a good question. Where is the chapter on agriculture?

*The Budget*

I looked at the budget plan 2005 because I thought it must be there somewhere. One has to look real hard. It is hard to find because it does not get its own chapter and there is very little provided. It covers a couple of pages and is very inadequate.

• (1320)

The budget talks about the Canadian agricultural income stabilization program, a program that is of interest to the farmers in my area. The government talks about good intentions, that the government will work with its provincial partners, that it realizes there is a problem. That is an announcement that the Liberals want to do something about it. We had a debate on this issue about a month ago. I say to the government to get on with it. If the government realizes there is a problem with the program, it should get going and do something about it.

What disappointed me the most is the whole issue with respect to the federal excise tax as it applies to the wine industry and small breweries. It had been recommended to the government that it reduce or eliminate that tax. There was considerable hope within those industries. It would make a big difference to them. It would affect the smaller wineries and breweries. The federal government's budget does not sink or swim, the finances of the country do not depend on the relatively small amount of money collected from that tax. Representatives of the wine industry were optimistic that something would be done. I was very disappointed to read on page 158:

With respect to beer and wine, the Committee acknowledged that limited fiscal resources narrow the range of tax relief that can be funded. The recommendations with respect to beer and wine will remain under consideration.

Is that not wonderful. It is under consideration. That is a real shame. I ask the government even at this point to please bring in something, a separate bill. It would be of tremendous help to those industries that are so important to the country. I know the members of my party would welcome and support that.

The Minister of Transport has to be a very disappointed individual. I believe his comments that he would like to see airport rents reduced. It is false economy to try to make our airports as expensive as possible because the costs are passed on to the travelling public. It makes air transport, which is critical for the country's transportation infrastructure, more expensive. I know the minister joins with me and other members of the transport committee and the transport critic in saying it would have been wonderful to see that.

The Minister of Finance will say that these things are under consideration, but that is like a lot of other things. Everything is under consideration and we only get announcements. When does it finally happen? The Minister of Transport must be very disappointed about that.

Quite frankly, I was initially encouraged by comments with respect to defence spending. Defence has been terribly underfunded by the present government. The Liberals have continued this pattern for their 11 and one-half years in office. It is wrong. It is a bad idea. It hurts Canada. When there was all the foofaraw in the Minister of Finance's speech about all this money for defence, I was very pleased.

I went to the budget plan and again, this is not something cooked up by the Conservative Party or other opposition parties; the government puts these things out. If we flip to page 222, we will see defence funding. The fascinating thing is the category "New medium capacity helicopters, logistics trucks, utility aircraft and JTF2 facility", all great things for Canada's military. Is this not a great idea? As we say in the legal profession, never mind the big print, always look for the small print. What does the government plan to spend on those categories for fiscal year 2005-06? Zero. What about next year, 2006-07? Zero. Like so much of the budget, it is all back-end loaded.

• (1325)

The government cannot get straight how much money it has to spend for the present year. It cannot seem to come up with the right numbers to predict the present year's surplus, so try and figure out how good its predictions are for what it will do in 2007, 2008 and 2009. That is in the area of fiscal never-never land for the government. It is very disappointing.

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Madam Speaker, I listened very attentively to the hon. member when he was talking about surpluses. The first thing that came to my mind, if my memory serves me correctly, is that the hon. member was twice a member under the Brian Mulroney administration that had, believe it or not, nine consecutive budgets that not only were in deficit but did not even balance with the deficit that the Conservatives had predicted they would make. In other words, not only did the budgets not balance, not only were the Conservatives short of money, but they were even short compared to that which they said they would do. That is the kind of expertise of the Mulroney government. I was a little shocked to hear the hon. member for Niagara Falls talk about what to do with a surplus, given the experience that he lived some years ago.

I want to ask him if he recalls, as I do, that more than half of the accumulated debt of Canada was generated under the prime ministership of one man, Brian Mulroney. Who was a member of Brian Mulroney's caucus? The hon. member for Niagara Falls.

I say to the member that he is on rather thin ice in saying that according to him, the present Minister of Finance is not able to predict finances correctly. Since 1996 we have had nothing else but balanced budgets under the leadership of the present Prime Minister when he was minister of finance, as well as his two successors.

I would ask the member to respond to two things

He referred to the CAIS program. I agree with him that the Minister of Finance is quite right in wanting these premiums eliminated. Does the member not know that it is federal-provincial? Of course the other component of the federal-provincial, namely the provincial, has to agree with it. That is the first proposition.

*The Budget*

The other one is on the defence budget where he said that the major procurement will be three years from now. Surely the member will recall that when we purchase equipment like helicopters, ships or airplanes, that is how long the delivery time is. We cannot order them retroactively. We do not buy these things as if they were sitting on a used car lot. They have to be designed. They have to be built. We have to obtain them. We have to get delivery and we do not get that next week. It is not the same as ordering a new Chevrolet Cavalier.

• (1330)

**Hon. Rob Nicholson:** Madam Speaker, I am very pleased to answer some of the comments raised by the hon. member for Glengarry—Prescott—Russell.

I thought he was going to get into it. He has a pretty good memory but he forgot to talk about the father of the Canadian deficit, Pierre Trudeau. The hon. member has a good memory. He will remember that in 1984 the Liberals' good friend the Auditor General was helping out, pointing out things for the Liberal Party even back then. The Auditor General does not just point out the mistakes they make now. The Auditor General back then said that the government of Mr. Trudeau was in danger of losing control of the government spending. That is how bad it was.

I appreciate all the attention the hon. member has given me for being a member of that government. Only modesty would tell him I did not run the government all by myself during those nine years. There were a few other people who helped me. Not all the decisions were mine, but I am certainly pleased and proud with the decisions that were made.

In answer to some of the specific items the hon. member mentioned about the CAIS program, if the hon. member's government knows this is a problem, why has it not called its friends in the provincial government to sit down and do something about it? The federal government should get on the phone with its good friend, Dalton McGuinty, who has been helping the federal Liberals out for the last year or so. Members will remember during the election that Mr. McGuinty helped them out. The federal Liberals should get on the phone to their friends, sit down and renegotiate these things.

It is just like the helicopters. How long ago was it the government announced that new helicopters were needed? Yes, the military needs them and the government has announced that again and the member has said it is going to take another couple of years. He knows as well as I do that those helicopters and all the other equipment for military defence should have been in place 10 years ago.

[*Translation*]

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Madam Speaker, I am very pleased to rise today to participate in this budget debate, as I am primarily in a position to provide Quebec's perspective. My hon. colleagues opposite will be happy to see that the budget is being scrutinized and that we will be able to tell our fellow citizens in Quebec what it means exactly. I encourage them to listen and to really grasp the dynamic of this budget and what it does for our province.

Naturally, the main component is health. This being our first budget since the election, we have to fulfill our commitments. As our

Prime Minister said this weekend, "Promise made, promise kept". Such was the theme of his speeches over the weekend, but it was also the central theme of this budget, particularly with respect to health.

As everyone is well aware, the first action taken by this government was to sign a historic health accord with the provinces. This is a flexible agreement recognizing the responsibility of all parties, which, for the first time in many years, allowed the Premier of Quebec and all other premiers to sign an agreement together. It provides for the transfer, over the next 10 years, of \$41.3 billion to the provinces. For Quebec, this asymmetrical agreement translates into an extra \$236 million for 2004-05. And next year, in 2005-06, an additional \$471 million will be added to the province's coffers. This will allow the province to provide timely health care with state of the art equipment and technology. This was a key commitment, and it has been fully met.

There is, of course, the equalization issue. Our government had promised to correct the significant differences from one year to the next, depending on the formula, which have put our provincial colleagues in a bit of a tight spot. Our budget also includes this agreement. As a result, in 2004-05, Quebec will be receiving \$477 million more in equalization payments, for a total of nearly \$3.8 billion.

The other commitments made during the election campaign and in our platform are also being fulfilled. We wanted to set up a national child care program to ensure that children thrive in early childhood and to provide an alternative for families. For example, family heads who decide to join the labour force will have access to an effective child care network all across the country.

Quebec is the example to follow in this regard. It has the most developed child care program. This program of \$5 billion over a five-year period, will provide Quebec with unexpected transfers from the federal government. It was already committing money to child care, spending over \$2 billion annually on it. So, this will be a net transfer. We are talking about a transfer of some \$700 million to the provinces, although Quebec will, as soon as the agreement is signed, get \$165 million for its social initiatives. We are talking about new and unexpected money that can be used precisely to reduce the financial pressures on the Quebec government.

Last week, some of my colleagues were not here, but I know that they would have applauded the Minister of Human Resources and Skills Development, who signed an agreement on parental leave. Such an agreement had been requested for a long time and it was reached by a federal minister who cares about this issue and by her provincial counterpart, who also wanted resolution in good faith. Once again, a lump sum of \$200 million will be transferred to the province by March 31.

• (1335)

In other words, the Quebec government will have this \$200 million to implement a program more generous than the federal one. Quebec has decided that one of its priorities is a more generous parental leave program. There is a national program, but we will not stand in the way of a province that wants to improve upon it. That is the beauty of flexible federalism.

*The Budget*

On the national level, a specific commitment was made. For Quebec, this means that \$750 million in tax room has been freed up, and this money will go to the provincial program. This means that any other province in Canada wishing to create a more generous parental leave program could easily conclude a similar agreement. That is what flexibility means. It means ensuring that public needs come first and enabling those who wish to do more to do so.

This historic agreement signed last week should be good news for everyone. It means that Quebec families will have access to parental leave generous enough to stimulate the birth rate.

This budget also contains the famous new deal for cities and communities. We know that our Prime Minister made a major commitment to this. We know that the cities and municipalities do not have sufficient resources for all their infrastructure needs. We know that property tax revenues are often insufficient. That is why this budget allocates \$5 billion over the next five years in order to give the municipalities more room to breathe. We want to ensure that they will have the funds they need for such important things, I hope, as public transportation.

There is no need to hide the truth. Consider the example of the Montreal metro, which was built for Expo 67. Construction was completed in 1966. It has never been renovated, with the exception of the agreement last year allocating a hundred million dollars for electronics. However, Montreal metro trains and infrastructure need \$1.3 billion in repairs.

New outside revenue is therefore needed to enable the major cities to develop viable and reliable public transportation systems. The new deal for Canada's cities and municipalities also offers amazing flexibility. Each province will be able to enter into a bilateral agreement to ensure that its specific needs are met, while establishing of course—or so I hope—national parameters on which agreement can be reached.

It is fairly obvious to everyone that we all have a responsibility with respect to public transportation, particularly since Canada is a signatory to the Kyoto protocol. As far as water is concerned, clearly municipalities in all provinces of this country are experiencing major problems that cannot be solved without more funding than they have available. Goodness knows, the need for sustainable infrastructure is great.

Once again, in keeping with the Canadian Constitution, there will be a program to improve the quality of life for our fellow citizens. While respecting provincial jurisdiction over municipal affairs, we will need to work toward shared objectives in order to achieve results that would otherwise not be achievable. This new deal was created for a reason: our Prime Minister has heard the mayors of the many towns and villages he has visited in Canada in recent years. He has heard what they had to say and promised to meet their expectations, and with this budget he has made good on that promise.

I would like my colleagues from Quebec, for example, to know that the first year of the program has projected expenditures of some \$600 million, which means \$132 million will go to Quebec cities and municipalities. That is just for the first year. Once the fifth year

comes around, \$2 billion will be going annually to help the municipalities.

● (1340)

For Quebec, this is going to represent something like \$460 million, year after year. Mayors and councillors will be able to propose worthwhile projects, and we will tell them that we have the money to carry them out. When we talk about partnership in this country, it means that the governments of Canada, Quebec and municipalities are going to work together to improve the quality of life of our fellow citizens.

I will take a moment to talk about employment insurance. Because the members of Parliament have listened, the Liberal members have created committees—members who are here and some who were here during the last Parliament—because they wanted to respond to the needs on the unemployed, in Canada as in Quebec. They understood the message that there was a need for an independent statutory mechanism to set contribution rates.

Everyone wanted a mechanism that would bring income and expenditures into balance. That will not happen at the whim of the government. It will be up to the independent chief actuary of the Employment Insurance Commission to set the rates. Accordingly, we will strive for balance.

The real demand of the unemployed, however, concerns the way benefits are calculated. We have listened to them, we have heard them, and at the moment, we are honouring a commitment that from now on, the 14 best weeks would be taken into account. We have all listened to the seasonal workers telling us that they have no incentive to work for small weeks, because that will reduce their benefits for the rest of the year.

In this reform, we are responding to the most basic request. Calculations will be based on the best 14 weeks of 52. As a result, whether a week is small or big, the unemployed will be encouraged to work.

We are personally committed to work. What we want to make sure of is that our fellow citizens have employment. We are positive, we do not spend our time thinking of problems. We want to ensure that there are jobs available. Still, if, through misfortune, in circumstances beyond his control, or because of the nature of the region he lives in, a person loses his job, we do not want to penalize him. That is why the Minister of Human Resources and Skills Development has proposed this reform.

Another commitment made by the Prime Minister in the debate concerned new entrants or workers who re-enter the labour force after having been away for several years. To fulfill the Prime Minister's formal commitment in this respect, we have reduced from 910 hours to 840 hours the eligibility requirement.

Once again, we have delivered on our EI commitments. This reform is complete. There is no going back to the old system.

I know that some people play politics by looking through a rear-view mirror. That is precisely what our colleagues from the Bloc Québécois are doing. They are looking through a rear-view mirror to see what is ahead. The truth of the matter is that we will not go back to the old 10-42 syndrome. That is clear.

*The Budget*

The Canadian economy is going relatively well, in fact, very well. The opportunities are there and, at the same time, we have competitors around the world who do not get to wonder whether they will have to work 10, 12 or 14 weeks because, in their case, it is often 52 weeks. We really have to be aware of the reality of competition.

I think that we have a fair and equitable program. We must also understand the very essence of the program. We are talking about an employment insurance program, not an income supplement program. It is important to understand that.

In recent days, I have met people who are concerned about this issue, and they are very pleased with the reform proposed by the government. They believe that we have now achieved a balance. Therefore, the reform is final, but it is also fair.

We had made another commitment during the election campaign, this one concerning seniors. As we know, some seniors were not as fortunate as we are today to benefit from programs such as the Canada Pension Plan or to have private pension plans. In their time, they had access to jobs that did not provide that kind of benefits. They have had to retire only on the basic pension and the income supplement.

• (1345)

These people are definitely disadvantaged, because their income is too low. This is why the budget includes a \$2.77 billion commitment, over five years, for the elderly. We know that these people are the neediest in our society and we want to help them. In concrete terms, this means that, by the year 2007, a person living alone will get a monthly increase of \$36. Seniors who are watching us know what a difference \$36 per month can make. In the case of a couple, the monthly increase will be \$58 and this progression will continue, because we are talking about a \$2.7 billion program over five years.

But this is not all. We also recognized the reality of caregivers. When we get older, members of our family often want to help us and this is appreciated. It is appreciated by the person in need, but also by society as a whole. We wanted to double immediately, as of this year, the deduction for caregivers, from \$5,000 to \$10,000. We think that in a society like ours, those who look after the well-being of their parents deserve some support. This is why they will now be entitled to a deduction of up to \$10,000, beginning in 2005. We think this is fair to these people.

Then there is the tax reduction. Over the next few years, some 240,000 seniors will no longer have to pay taxes, because their income is less than \$10,000.

We also thought about younger people, who should prepare for retirement. We did not forget them and this is why the RSP ceiling will be adjusted to reflect the reality and will be increased to \$22,000. We were told us that more flexibility was necessary. The program will be more flexible, since the 30% limit on foreign stocks is increased significantly.

People in the private sector watch us and listen to us and wonder "what's in this budget for me?" The first thing the private sector needs is a healthy economy. We are offering an economy that provides opportunities. However, we are saying that the corporate

surtax will be eliminated in order to remain competitive with the American tax system, in particular. As well, corporate tax will be decreased gradually from 21% to 19%. This will maintain our current tax advantage in order to keep our businesses competitive with the Americans.

The environment is a priority for this government, not just in theory but also in reality. Five billion dollars have been set aside for it. For example, \$200 million have been allocated to new energies such as wind power. In coming months we will see the level of commitment of this government. It has also agreed to host a major conference in Montreal this coming November, to be attended by 10,000 environmentalists from all over the world. By doing so, we are of course, putting more pressure on ourselves, since these people will be in our country looking at what is being done here. We are certain that the Government of Canada will demonstrate its leadership. We are delighted to welcome to this country the 10,000 people most attuned to environmental realities, because our performance will hold up well to world scrutiny. Thus, in environmental terms, our colleague, the Minister of the Environment, will carry on.

I have only a minute left, I know, but there is so much good news in this budget that I would need another hour.

I must at least point out that, as far as the Canadian Forces are concerned, the \$13 billion commitment over five years shows our respect for the men and women who are engaged in the defence of this country, particularly in newer roles such as peace keeping, humanitarian aid and assistance to emerging democracies. The men and women in our forces deserve proper equipment that will not fail them when they are putting their lives in danger on our behalf.

I could also mention the Canadian Space Agency in Saint-Hubert. There is \$100 million in additional funding for robotics and \$200 million for a new generation of remote sensing satellites. There are so many other things I could mention. I must curb my enthusiasm, however, because of time constraints. I have no problem with that.

• (1350)

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Madam Speaker, the previous speaker is right to curb his enthusiasm. Rarely have I heard a more arrogant, dishonest and insulting speech. It does not make any sense.

I will raise only the issue of seniors. Over the past 12 years, this government has taken \$3.2 billion from the poorest seniors. Today, many of them have passed away. We are asking for seniors to get retroactive payments of the money they are owed, but the government is refusing.

*The Budget*

Now, it is boasting about the allocation in this budget of \$2.7 billion over five years for seniors, when \$3.2 billion was taken from them over the past 12 years. Is there anything more arrogant and more insulting to seniors than that? In 2007, the government will start repaying not the people from whom it took this money, since they will be gone, but rather seniors newly entitled to the guaranteed income supplement. Payment of this \$2.7 billion will be completed within five years. There is no way the previous speaker could have more deliberately misled our seniors.

I could talk about the unemployed, but I will stop here, to give him the opportunity to respond. This makes absolutely no sense. Some \$45 billion was taken from the workers and the unemployed, and this is what they are getting back. Yet, the government is boasting about a budget full of good news. It is, instead, an arrogant and insulting budget for Quebec.

•(1355)

**Hon. Jean Lapierre:** Madam Speaker, I am somewhat discouraged by the remarks of my colleague from Saint-Maurice—Champlain. As one who claims to be a champion of seniors, he should applaud the fact that an additional \$2.7 billion is going to those seniors who receive the guaranteed income supplement. I find it totally unacceptable that he is not happy for seniors and for Quebec.

I realize that, for him, there will never be any good news, the federal government will never do anything right. The member is here because he does not want the system to work. He does not want seniors to be happy, he wants them to be unhappy. He is here to ensure that Parliament and the country do not work. We have no lessons to learn from the member.

[English]

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Madam Speaker, customarily in budget debates, when ministers responsible for their portfolio come to the House to debate the budget, they usually spend time talking about their portfolios. The Minister of Transport has talked about the Canada space program, employment insurance, everything but transport, and I suspect for good reason. The minister, at a breakfast the day after the budget was delivered, said that he was “very disappointed with the budget”. He should have been disappointed as the transport minister because the transport sector of our economy got absolutely nothing whatsoever with regard to the budget.

The minister staked his reputation as the transport minister on having a sustained freeze on airport rents so that the government would stop viewing our airline industry as a source of revenue and start seeing it as part of Canada's national infrastructure. He failed to deliver for the air industry. He joked at the breakfast that he would like to put the finance minister on a do not fly list, and he said that he was very disappointed with the budget. I suspect he has been taken out to the woodshed, which is why all of a sudden he is now a latter day champion of the budget.

I, Canadians, the air industry and the transport committee, which I have sat on for four years, would like to know this. When we unanimously demanded that the government freeze and reduce airport rents, why did the minister fail to get the job done, and why

does the government persistently put the screws to Canada's airport industry and to Canadian travellers?

**Hon. Jean Lapierre:** Madam Speaker, I was just getting there. The problem is that 20 minutes is not enough. Frankly, I was just warming up.

I am pretty happy to see \$222 million for the security and safety of the St. Lawrence Seaway and the Great Lakes. I am pretty happy we have \$433 million more for the security of our borders. I happen to believe that in the budget we have the elements to have a more safe and secure Canada, and we will work on that.

On the airport rent, there may be a page missing in the budget, but that will come. We are still working on it right now. He, his colleagues and stakeholders in the community are pushing hard and so am I. We know it is an unresolved issue, but the government will be here long enough to solve all those issues.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I would like to ask the minister about the issue of the Detroit-Windsor corridor which was mentioned in the budget speech. However, there was not a single dollar for the most important corridor to fix the gridlock for 42% of the nation's traffic.

The province of Ontario has agreed to the Schwartz report, which was produced by the city of Windsor. Also there is unanimous support from Essex county. The Premier of Ontario has endorsed the report. The only thing left is for the federal government to support the report.

Does the minister support it and why did the budget not have any money for the border? Why does the minister not get up and support the Schwartz report like the Prime Minister promised my constituency and Canadians?

**Hon. Jean Lapierre:** Madam Speaker, I thought the member for Windsor West was informed about what was going on in his own city. We have \$300 million available to help the traffic flow at Windsor-Detroit.

We have \$300 million that we are ready to commit in phase two. The hon. member should follow his files. The money is there. We will follow the province. We also support the Schwartz report. We will follow the province fifty-fifty on every expense. We have \$300 million available. We will spend it as soon as possible. We need an environmental assessment on every project. He can count on me and on the Prime Minister. The Windsor-Detroit border will be improved substantially, and the money will be there to meet those requirements.



## STATEMENTS BY MEMBERS

• (1400)

[English]

### HEALTH

**Hon. Peter Adams (Peterborough, Lib.):** Madam Speaker, when the results of election polls are published, the nature of the poll and its proponents have to be clearly stated. This gives Canadians a chance to assess the merits of the poll and the political bias of the pollsters. I believe there should be a similar rule for the publication of the results of research of all kinds, particularly health research.

If, for example, someone announces that research has shown that drinking beer is good for me, it is important that I know if the research was sponsored by a brewing company or someone else. If it was conducted by independent medical researchers, I can go on and drink beer with a clear conscience. If it was sponsored by a brewing company, it may still be pretty good news but I should take care to read the fine print about how the research was conducted.

Many medical and other scientific journals now require that the sponsors of research be clearly stated in any article that is published. Common sense suggests that this should be the case for all published results of research, especially health research. I urge that we move towards this as a standard practice, and I wish to thank Dick Jones for my fine Canada-Wales tie.

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### ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL, PETER SCHIEMANN

**Mr. John Williams (Edmonton—St. Albert, CPC):** Madam Speaker, Canadians from coast to coast were shocked last week by the tragic deaths in Mayerthorpe, Alberta, of four young constables of the Royal Canadian Mounted Police.

Constable Peter Schiemann, Constable Anthony Gordon, Constable Leo Johnston and Constable Brock Myrol have tragically given their lives in the name of peace and order for Canada.

Our prayers and our thoughts go out to the families who have lost a son, a brother, a husband or a father and who grieve over this senseless crime.

On a personal note, I know the family of Constable Peter Schiemann and I wish to express my sincere and personal condolences to the Schiemann family.

The Parliament of Canada and indeed all Canadians express their heartfelt sympathy to all the families of the fallen officers.

Blessed are they who mourn, for they shall be comforted.

As Canadians, we will always remember their sacrifice.

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### FOREIGN AFFAIRS

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** Madam Speaker, first it was the orange revolution in Ukraine. Now it is the Lebanese people demonstrating in the streets of Beirut after the assassination of their much loved former prime minister, Rafik

*S. O. 31*

Hariri, demanding the end of Syria's 30 year occupation of their homeland.

There is a democratic dawning in the Middle East, where the will of thousands of peaceful protestors has the power to bring down a government, a government that does not reflect the will of the people. This was precisely the case with last week's resignation of Lebanon's pro-Syrian government and its prime minister, Omar Karami.

Canada stands shoulder to shoulder with the Lebanese people. We strongly urge Syria's president, Bashar Assad, to abide by UN resolution 1559 and fully withdraw his 15,000 troops and all intelligence officials from Lebanon prior to the May elections. Anything less is unacceptable.

The courageous people of Lebanon are the harbingers, the first rays of a dawning of hope for democracy and peace in Lebanon and the Middle East.

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[Translation]

### CHRYSOTILE INDUSTRY

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Madam Speaker, the people of Thetford Mines and Asbestos have just received some important news. At the conference of Rotterdam Convention member states to be held in Geneva in September 2005, chrysotile fibre will not be included in the list of hazardous substances.

In making this decision, the international community is definitively dissociating chrysotile from other asbestos fibres. It acknowledges that chrysotile can be extremely safe when encapsulated in cement, asphalt and plastic.

Finally, it recognizes the scientific value of the recent studies on bio-persistence demonstrating that many products used as substitutes for chrysotile show high levels of toxicity.

Today the chrysotile industry is enjoying new international credibility.

The Canadian government must take its cue from Quebec and implement a policy for promoting the safe use of chrysotile.

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[English]

### INTERNATIONAL WOMEN'S DAY

**Hon. Paddy Torsney (Burlington, Lib.):** Madam Speaker, on Thursday, March 3, over 160 very interesting women of all ages gathered in Burlington for our ninth annual International Women's Day Breakfast.

Mary Munro, who was mayor of Burlington from 1977-78, was our speaker this year. A community leader, child advocate, environmental commissioner, volunteer extraordinaire and mentor, Mary Munro reminded each of us that people who wish to win a lottery need to buy a ticket.

*S. O. 31*

Her anecdote, of course, reminded all Canadians, particularly women, who are under-represented in this place, that we need to get involved. We need to make our voices heard, write the letters and support the candidates in order to create the communities, the country and the society we want to inhabit.

Once again, Roxanne Moffat of Botanical Traditions created beautiful arrangements for our tables. Our event was sponsored by Rosemary Fisher of the law firm Simpson Wigle, Diane Gaudaur of Royal LePage, and the Holiday Inn, which enabled us to welcome two young women from each high school in Burlington to come and network and celebrate women's accomplishments in our community and right across the country and the world.

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● (1405)

**THOMAS TOROKVEI**

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, Thomas Torokvei was a proud Canadian. Last February 24, the chairman of IPEX Inc., a leading Canadian philanthropist, businessman, husband and father, passed away, but his legacy lives on.

Today I rise to carve permanently into the records of the House a tribute to this great man and the life that he lived.

When the people of Walkerton, Ontario, lost seven lives from tainted water, Tom quietly donated four kilometres of pipe so that water could be restored as quickly as possible.

This spirit of giving and generosity was nurtured from a long line of Estonian freedom fighters, including his beloved late father, who escaped communism in a small two-oar dory.

It is out of this long struggle for freedom and the triumph of finding it here in Canada that Tom and his family constructed a business that brings jobs to thousands and hope to us all.

Our hearts go out to his family and their friends as they continue to build on this legacy.

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**HEALTH**

**Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.):** Mr. Speaker, diabetes is a leading cause of death in Canada. Over two million Canadians are affected. The number of Canadians with type 2 diabetes is increasing dramatically due to a number of factors, including a sedentary lifestyle and rising obesity rates. It is even increasing in children.

In addition to the growing rates of type 2 diabetes in children, recent data suggest that a child born in 2000 stands a one in three chance of being diagnosed with this disease.

The financial and human burdens of these diseases are enormous. Direct costs for medication are between \$1,000 and \$15,000 a year. The cost to our health care system right now is a staggering \$13.2 billion every year.

Way to prevent and even cure diabetes, including type 1 diabetes, are within our grasp. Therefore, we need to redouble our efforts to support the needed research in this area.

I would like to take this opportunity to thank the Canadian Diabetes Association for its continued work to promote the health of Canadians and one day find a cure and prevent these diseases from wreaking havoc—

**The Speaker:** The hon. member for Québec.

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[*Translation*]**COLOMBIA**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, Colombia is the setting of more and more violent actions directed toward women by members of the security forces and paramilitary and guerilla groups, with complete indifference being shown by the government and the President, Dr. Alvaro Uribe Velez.

To cite only one case, an adolescent girl was raped and killed in the village of Parreros, in the Arauka district, by members of the 18th Brigade. So far no investigation has taken place, even though this happened more than a year ago.

Amnesty International has begun a campaign to rally public opinion, calling on its members to write to the Colombian president, so that violence towards women will be recognized as a violation of human rights and treated as such.

I add my voice to those of many members of Amnesty International in my riding and all over Quebec to denounce the Colombian government's inaction and the Canadian government's indifference on this issue.

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**EMPLOYMENT INSURANCE**

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Mr. Speaker, I rise today to thank the Minister of Human Resources and Skills Development and the Prime Minister for the significant improvements that were made to the EI program on February 23.

For more than three years now, I have been working with a group of seasonal workers, employees and community leaders in New Brunswick to promote the interests of our region with respect to employment insurance.

Last week, we met in Shédiac to look at the remarkable progress that has been made. These employees and seasonal workers told me that the federal government exceeded their expectations with its announcement 12 days ago. Moreover, the government gave us exactly what we had asked for in terms of improvements for New Brunswick.

The government has listened to seasonal industries and taken measures that will considerably help these workers—

● (1410)

**The Speaker:** I am sorry to interrupt the hon. member for Beauséjour, but the hon. member for Prince George—Peace River has the floor.

[English]

### AGRICULTURE

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, as the member of Parliament for Prince George—Peace River for over 11 years, I have experienced many frustrating days but none more so than today.

I find it impossible to begin to express the frustration, disappointment and anguish of the livestock producers in my riding. That the U.S. border remains closed to live cattle is a national tragedy and irrefutable evidence of the abject failure of the Liberal government.

Further evidence is what is not in the Liberal budget.

There is no mention of the crisis devastating our agricultural industry. There is no mention of assistance to address the mountain pine beetle epidemic ravaging B.C.'s forests. There is no mention of when Mackenzie residents can expect an end to the discriminatory tax policy created by the removal of their northern residents tax deduction.

I call upon the government to do what is right, to do what is fair and to act now on these priorities rather than continuing its present policy of study, delay and dithering.

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### ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL, PETER SCHIEMANN

**Hon. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, it was with shock and great sadness that Canadians learned of the tragic deaths of four Royal Canadian Mounted Police officers in Rochfort Bridge, Alberta, last week.

These four brave officers, Constable Brock Warren Myrol, Constable Peter Christopher Schiemann, Constable Anthony Fitzgerald Orion Gordon, and Constable Lionide Nicholas Johnston, gave their lives in the daily conduct of their duties.

[Translation]

This tragedy reminds us of the dangers faced daily by our police forces in their efforts to maintain peace and order and ensure the safety of Canadians.

[English]

Our thoughts and prayers are with the families and colleagues of these courageous officers.

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### SECURITY CERTIFICATES

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, New Democrats stand in solidarity with family members of those being detained under so-called security certificates.

Families are in Ottawa today pleading for their loved ones to be accorded rights supposedly guaranteed by Canada's Charter of Rights and Freedoms and by the UN Covenant on Civil and Political Rights, to which Canada is a signatory.

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Earlier today I tabled a motion calling on this government to charge or release these detainees, held for up to four years with no charges laid, no presumption of innocence, no due process and no opportunity to defend themselves in a fair and transparent judicial process.

I urge all members of this House to join me in calling for an end to these draconian security certificates, which violate the Canadian Constitution and our international obligations.

Let us end this practice that has torn families apart, separating these men from their parents, their wives and their children.

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### ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL, PETER SCHIEMANN

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, Mayerthorpe, Alberta is a small rural town in the riding of Yellowhead. It is where I was born. Last week this quiet community was jolted by the senseless deaths of four young RCMP officers: Constables Peter Schiemann, Anthony Gordon, Leo Johnston and Brock Myrol.

The officers were killed in the line of duty, paying the ultimate sacrifice in helping to bring peace and order to our communities.

The citizens of Mayerthorpe and Whitecourt are in mourning and they are responding as small towns can. They are reaching out to their families, to the RCMP detachment and to each other.

I know that Canada joins them in their grief. We mourn. We pray. We remember.

We in this House are reminded again of our solemn duty to pass laws that ensure the safety of our citizens and our police officers. The courts must uphold those laws.

On behalf of the citizens of Yellowhead, I extend my sympathy to the families and friends of the fallen officers and to the brave young men and women of the RCMP.

We thank them for their sacrifice. We will remember them.

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[Translation]

### ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL, PETER SCHIEMANN

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** Mr. Speaker, last Thursday, four members of the RCMP were murdered in cold blood in Alberta, simply because they were police officers.

However, this lack of respect for life must not lead to revenge but to vigilance. After we have learned to deal with our pain, even though, on the face of it, no professional mistakes appear to have been made, we must try to learn from this so as to prevent future tragedies.

With remarkable courage, the father of one of the victims said, "Even if I could go back six years knowing what I know now, I would not discourage my son from his chosen career, which he loved so much. If I let myself be overwhelmed by hate, I too would be a victim of this massacre".

*Oral Questions*

The Bloc Québécois extends its deepest sympathies to the families and friends of constables Schiemann, Johnston, Gordon and Myrol, as well as to the Mayerthorpe and Whitecourt communities and all police forces across Canada. We too share your sorrow.

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●(1415)

*[English]***ANTHONY GORDON, LEO JOHNSTON, BROCK MYROL,  
PETER SCHIEMANN**

**Mr. Art Hanger (Calgary Northeast, CPC):** Mr. Speaker, on March 3, 2005, Constables Anthony Gordon, Peter Schiemann, Lionide Johnston and Brock Myrol, four young RCMP officers, paid the ultimate price in service to their country.

To these slain officers I say, "You lived and died by a code you swore to uphold. You recognized your fundamental duty to serve and protect mankind, to protect the innocent against deception, the weak against oppression and the peaceful against violence and disorder, and to respect the constitutional right of all men to liberty, equality and justice. You recognized your badge of office as a symbol of public faith and accepted it as a public trust. Remaining true to the ethics of the police service, you strove to achieve the high objectives and ideals of the service and dedicated yourselves before God to your chosen profession, law enforcement".

To the families, the friends and the law enforcement community, let me say that we as a nation mourn their loss and pray that all will find solace in knowing that the sacrifice of these four brave officers will not be in vain.

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**LIBERAL PARTY CONVENTION**

**Mrs. Susan Kadis (Thornhill, Lib.):** Mr. Speaker, the Liberal Biennial Convention wrapped up yesterday in Ottawa. I am proud of the resolutions on early childhood education, preserving health care and many others introduced by the grassroots Liberal members across Canada. This demonstrates that the Liberal Party continues to be a forward looking party that promotes openness and unites people around a progressive agenda.

In contrast, looking ahead to the upcoming Conservative Party convention, we see that Conservatives are churning out policy resolutions that are divisive, regressive and rooted in the past. This explains why the Conservative leadership is screening out most of the policies being proposed by the so-called grassroots.

I am convinced that when Canadians compare the policy agendas of the Liberals to the Conservatives, it will be clear that the Liberals are the party of tomorrow and the Conservatives are the party of yesterday.

**ORAL QUESTION PERIOD***[English]***NATIONAL DEFENCE**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister told President Bush that he had not made up his mind on missile defence but his foreign affairs minister told the U.S. secretary of state that he had.

The Prime Minister told this House that there was no decision but then his office told the press that there was. He promised Parliament a debate and then it never took place. He led both our ambassador and the American ambassador to believe the government was signing on when it was not. He then said that he had rejected the American proposal and yet claims that he had never actually received one.

Given all of those stories, how can anyone on either side of the border believe anything the Prime Minister says?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, it is clear that the Leader of the Opposition does not understand how government works. Cabinet decisions are being made at the cabinet table.

When I met with Secretary of State Rice, I informed her of our intentions as a government but the decision was not made. It was made at the cabinet table.

**Hon. Stephen Harper (Calgary Southwest, CPC):** Mr. Speaker, it says everything that the Prime Minister is not here to answer for all of his stories.

**Some hon. members:** Oh, oh.

**The Speaker:** The Leader of the Opposition is an experienced member of the House and he knows that referring to the absence of members is not permitted under the rules. I know he will want to comply fully with the rules in putting his questions in the House and avoid that kind of reference. Shots can be fired on every side on this kind of issue and it is not helpful to order in the proceedings when this kind of reference is made.

The hon. Leader of the Opposition.

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**AGRICULTURE**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, let me deal with the consequences of the Prime Minister's mismanagement of Canada-U.S. relations.

The government seemed totally unprepared for what happened last week in the U.S. courts and the U.S. senate to our cattle industry. The Prime Minister had promised Canadian producers that the American border would be open today. Well, promise made, promise broken.

Given the Prime Minister's incompetence in this crisis, is he now prepared to immediately use the budget's contingency funds to help our cattle farmers?

*Oral Questions*

●(1420)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, that comment is absolutely ludicrous. As most Canadians know and as the hon. member should know, the U.S. administration stands firmly behind Canada's position and is working with Canada.

Unlike what the hon. member asserts, we did not go into that unprepared. In fact, in September we put forward a strategy to deal with the industry being profitable with or without a border opening.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, what is ludicrous is that we have people losing their livelihood, month after month of bungling and no action, and our farmers expect some action right now.

The minister did not make a commitment to emergency assistance. I want him to make that commitment and to acknowledge that all the opposition parties, all the provinces and all our producers believe the CAIS program is not working and that emergency funding will come outside of CAIS because it does not work and it does not deliver.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, in a take note debate in the House a couple of weeks ago, the Leader of the Opposition said that quite frankly he did not understand the details of the particular issue and that he would allow others to answer. He clearly is demonstrating that.

Quite frankly, the hon. Leader of the Opposition is trying to score cheap political points as opposed to trying to deal with the issue. The reality is that \$1.9 billion beyond CAIS have been invested into the cattle and beef industry in this country. As the Minister of Finance said, we stand by our industry and stand to make new investments as necessary.

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**NATIONAL DEFENCE**

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, our ambassador to the United States thought we were part of missile defence. The American ambassador said that the United States was given the impression that Canada would participate. He went on to say that part of the strain was the surprise and that the Prime Minister had given them the direct impression that he wanted to participate.

The Prime Minister says that he has no knowledge of that. It sort of sounds like testimony before the Gomery commission. Cabinet documents from last May clearly state that Canada would participate in the program. There were references to a memorandum of understanding.

Will the Prime Minister tell the House just what was in that original American proposal that he was originally prepared to sign on to?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, the Prime Minister has been clear, both inside the House and outside, that any decision in relation to BMD would be made and only made in the best interests of Canadians. That is what we did.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, it was clear as mud. He must be hiding under his desk today because last November he had his Minister of National Defence say that there

would be a clear debate in the House of Commons and that the whole issue would be before the House for a vote.

There was no debate, no vote and no information before the House. Democracy denied; promise not kept.

Canadians know that the Prime Minister badly bungled that file. What Canadians do not know is what information was before the Liberal cabinet and what information was in the possession of the Prime Minister.

Will the Prime Minister table the American proposal so Canadians can see what he turned down?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, the hon. member knows full well that the undertaking of the government was to have a debate in the House if an agreement was reached with the United States and that we would bring that agreement to the House.

As there was no agreement reached with the United States, there was nothing to debate in the House.

Our government receives cabinet information and we receive advice from our officials on both sides of the issue. In the end we make a sensible decision in the best interests of Canadians, which is what was done in this case. It is absolutely untruthful and inappropriate for the opposition to suggest—

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

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[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, during the leaders' debate, the Prime Minister promised to eliminate the 910-hour eligibility threshold for new entrants to the work force.

But once the election was over, instead of ending this measure that discriminates particularly against young people, the Liberal government only dropped the threshold by a few hours, even though a single threshold of 360 hours would have qualified another 90,000 workers for benefits.

In terms of employment insurance, will the Prime Minister admit that his bottom line is, "promise made, the unemployed betrayed"?

●(1425)

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, as usual, the Bloc has trouble recognizing when improvements have been made to a program, just as the Prime Minister stated.

In fact, we have made an improvement: we have lowered the threshold to 840 hours for workers entering the work force for the first time. This is two weeks less than the previous requirement and means that in some areas of the country, some people who did not have access to EI will now be eligible for benefits.

*Oral Questions*

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, when he visited Rimouski in April 2004, during the pre-election campaign, the Prime Minister said, “I want to find a solution quickly to improve the situation of seasonal workers. There have been amendments to the act and pilot projects, but it is clear that more has to be done.”

Once again, the Liberal government has given us half measures that will not eliminate the gap and all his Quebec lieutenant can find to say is “The reform is complete”.

Will the Prime Minister admit that the Liberal bottom line is, “promise made, the unemployed betrayed”?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I see that the Bloc has a problem accepting the success of our national convention this weekend.

The Prime Minister has kept his word. The Government of Canada has made significant improvements to the employment insurance program. We agreed to the plan to add five weeks of benefits. Now we are basing calculations on the 14 best weeks out of 52. It was not for nothing that a spokesperson for the seasonal workers in New Brunswick hailed this announcement as a victory.

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, Liberal members who sit on the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities voted in favour of setting up an independent employment insurance fund. However, the Minister of Human Resources and Skills Development merely said that, from now on, contributions to the program would no longer exceed needs.

Considering that he dismissed out of hand the creation of an independent fund, should the Prime Minister not have once again told his party faithful, this past weekend, “Promise made, workers betrayed”?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I understand they loved the theme of our national convention, which they followed with great interest. They probably share these concerns.

Not only did we give back to the Employment Insurance Commission the legislative authority to set contribution rates, we also decided that, from now on, the chief actuary will be directly accountable to the commission and will make his report public.

This is a significant improvement over the existing system. It will provide greater independence to the Employment Insurance Commission.

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, if the minister really believed what she said, she would not refuse to meet with unemployed workers.

In the case of older workers, the report of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, which had the support of the Liberals, recommended the implementation of the new assistance

program for older workers. Even Liberal members from the Quebec caucus have been pushing for this. However, the last budget is silent on POWA.

Once again, should we not say, “Promise made, older workers betrayed”?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, it is very clear that when one is in the opposition one can never deliver. One can only have wishes and dreams, but will never be able to take concrete action for Canadians, let alone for Quebecers.

The older workers program, which is currently largely run by the provinces, is being evaluated by them. Perhaps the member for Chambly—Borduas does not know it, but we are working in partnership with the provinces, precisely to try to help all our workers.

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[English]

**THE BUDGET**

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, my question is for the Minister of Finance.

The Prime Minister on June 4, 2004 told students that he thought reducing tuition fees was important. Then we received a budget which has not a penny to help students with tuition fees and instead has huge corporate tax cuts. The Prime Minister was taking progressive votes and instead of doing the progressive thing and reducing tuition fees, he gave billions to banks which have profits through the roof and high interest rates.

Why did he break his promise to the students?

● (1430)

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, progressively over several budgets we have invested heavily in this area, something like \$11 billion or \$12 billion altogether in various ways to advance post-secondary education, including assistance to students. We invest now about \$4.7 billion every year to support post-secondary education and make access issues easier to overcome.

I am pleased to report that in this budget we put in another \$1 billion to advance the cause of post-secondary education and the innovation agenda in this country.

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, there are billions for banks, but not a penny for the students. No wonder the Conservatives are happy with the budget, but I can say that the NDP is not.

The Prime Minister also promised to cut pollution by 20%. Promise broken. He also broke his promise on foreign aid. He has broken his promise on affordable housing.

When it comes to poor kids, he promised and voted to eliminate child poverty by the year 2000, yet over a million children are living in poverty. If that is not a broken promise, what is?

*Oral Questions*

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, last week I was very pleased to hear the comments of representatives of the United Nations with respect to child poverty. They pointed out that in this budget the step forward we are taking on early childhood development and child care is a major advance and that the tax reductions we have included focused upon the lowest income taxpayers in the country are a major advance. These are on top of the child tax benefit, on top of the other initiatives to create jobs. They make it possible for all Canadians, including those with the lowest incomes, to enjoy an improved quality of life.

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[Translation]

**AGRICULTURE**

**Ms. Diane Finley (Haldimand—Norfolk, CPC):** Mr. Speaker, the border is still closed to Canadian cattle. It is urgent that we increase slaughter capacity in Canada. Despite the promise made by the Minister of Agriculture and Agri-Food last September, there is still no program. Even more insulting for producers, the Liberals have just promised more funds for this phantom program.

Why is the minister continuing to insult our producers by making promises he does not keep?

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, let me make it very clear that the hon. member is incorrect when she says the border is closed to Canadian beef. Indeed Canadian beef continues to cross the border. It is important that producers know that continues to be the case.

In terms of slaughter capacity, from a low of 65,000 animals per week, we are now at 83,000 animals per week, a 30% increase. We have seen two new plants opened in the last few months. We will continue to assist the industry. We will make revisions as necessary to put as many resources out there as quickly as possible.

**Ms. Diane Finley (Haldimand—Norfolk, CPC):** Mr. Speaker, Alberta and Manitoba today announced \$40 million in additional funds to encourage increased slaughter capacity. The Conservative Party called upon the government to provide incentives for growth by providing incentives for co-op investment. There was nothing in the budget.

When will the Liberals provide real incentives for investment instead of offering the sleeves off their vests?

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I hate to correct the hon. member again but the budget did in fact contain tax measures to help with agricultural co-ops. I believe it is on page 143 of the budget if the hon. member wants to look at it.

Alberta and other provinces are announcing a combination of things, not just increased slaughter capacity, which we are there for and which we believe needs to be done, but as well, as we announced back in September, the need to create new foreign markets. It is not just an issue of having increased capacity. It is an issue of having a place in which to sell that capacity. We understand that and we are doing both.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, today was to be a celebration in Canada's cattle industry, but due to the government's complete mismanagement of the BSE crisis, this dire situation has only worsened. Instead of celebrating, once again we are facing the possibility of prolonged closure of the United States border to the movement of live cattle. It is rumoured to be affecting our boxed beef exports as well.

With ill-informed forces outside Canada working to destroy our cattle industry, why have we not seen construction started on at least one new world-class packing facility in Canada? Why have we not seen the establishment of these new secure markets?

● (1435)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, we have been fully engaged with the United States in making the point that the opinion of many in that country is ill-informed. In fact the critic from the hon. member's party was engaged in that process with us. That is why, rather than having the U.S. government opposed to us, in this respect both the USDA and the President are four-square behind Canada in our move to get the border open.

We have seen new plants in Prince Edward Island. We have seen new plants in British Columbia. We will partner with additional new plants across the country.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, we all know that the U.S. Senate voted to overturn that USDA rule. It has been political and continues to be a political issue.

There are other outstanding issues the government is not addressing, including the slaughter capacity, and they are the increasing number of cull cows in this country and the harmonization of health standards.

With this politically motivated crisis squarely back in the government's hands and with cattle prices falling through the floor, producers are asking, after two years why the government has not moved to insulate the industry from further destruction by dealing with these outstanding issues. When can they expect some action?

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, as I said in the answer to the Leader of the Opposition, \$1.9 billion of federal money is dealing with this issue.

In terms of repositioning the industry, we were out there in September with the provinces and with the industry with a repositioning strategy. We will pursue that. There are many issues that need to be dealt with. Older animals is one of them. We are committed to doing that. We will do that working with the industry and with the provinces. We will come up with approaches that will do what they are supposed to do and work to deal with—

**The Speaker:** The hon. member for Beauport—Limoilou.

*Oral Questions*

[Translation]

**HOUSING**

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, despite the promise to invest up to \$1.5 billion in social and affordable housing in this budget, the result is nothing, zero. What a disappointment and what a betrayal for everyone who believed the Prime Minister's promises.

During the Liberal convention last weekend, should the Prime Minister not have admitted to his followers that when it comes to social housing it is promise made, tenants deceived?

[English]

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, had the member been watching our convention, you would have heard very clearly that the Minister of Finance—

**The Speaker:** Order. The hon. member I know will want to address his remarks to the Chair.

**Hon. Joe Fontana:** Of course, Mr. Speaker.

As I indicated to the member, I am sure he was watching the convention. I know that he heard the minister indicate clearly that not only will we invest \$1.5 billion, but as we have said before, we continue to invest \$2 billion each and every year: \$1 billion toward the affordable housing initiative and \$1 billion toward our homelessness initiative, including the RRAP. I must say that Quebec is doing very well and we will do more in—

**The Speaker:** The hon. member for Beauport—Limoilou.

[Translation]

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Mr. Speaker, in fact, I prefer to address my remarks to the Chair than to hear that.

The government's justification in no way changes reality. The government did not honour its promise to invest in social housing, while CMHC has accumulated \$3 billion in surpluses.

With regard to social housing, will the Prime Minister finally admit that it is promise made, tenants deceived?

[English]

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, the government remains committed. In fact, out of the \$1 billion that was initiated back in 2001, \$670 million presently exists for the provinces to take advantage.

I am happy to report to the House that just three days ago we signed with the province of Nova Scotia. We have signed with Quebec. We have signed with B.C. We have signed with Saskatchewan. In other words, we are working with the provinces to make sure that the money presently on the table is being spent. We continue to build housing and support people across the country. We will do more.

• (1440)

[Translation]

**IMMIGRATION**

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, the immigration act was amended three years ago now, but the refugee appeal division has not yet been put in place, despite the promises made.

Does the government realize that this is not just a commitment but also a duly enacted legislative measure, which has not yet been implemented over three years later?

[English]

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, we are well aware of the issues before the department. We have said that we will do the appropriate thing in terms of phasing it in as is necessary.

The member should know that the appeals processes are there for everybody and that they work quite well. We are not interested in adding another layer of appeals, but we are looking at this measure.

[Translation]

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, the government has missed an excellent opportunity to put the refugee appeal division in place, by not earmarking the necessary funds in its latest budget.

How can the government justify this lack of political will at a time when everyone is calling for the establishment of the appeal division? Once again, a promise made, refugees deceived.

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, last year 33 refugees were accepted into this country. That is an increase over previous years. I would say, therefore, that the hon. member's claim is not substantiated by the facts. If there are more refugees, it is a matter of a promise made, a promise kept.

[English]

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** Mr. Speaker, the investigative news program *W-FIVE* has just revealed that the Liberal government is still very much active in bringing young women to Canada as strippers, yet both the Prime Minister and the immigration minister led Canadians to believe the opposite. The Prime Minister told the House, "There is no official program.... It is over".

Who are Canadians to believe, *W-FIVE* investigators or the Prime Minister?

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the decision was made several months ago. The Prime Minister reiterated the position, then elaborated on by the Minister of Human Resources and Skills Development. There is no blanket assessment for any exotic dancers. The program does not exist.

Any application by temporary workers comes on a case by case basis. I think the people on *W-FIVE* indicated that was the case. The Prime Minister made a promise and he kept it.



*Oral Questions*

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** There is another contradiction, Mr. Speaker. The immigration minister told the House, “We looked at whether we wanted to continue to provide labour market opinion on strippers and the answer was clearly no”. But he told *W-FIVE*, “We are giving an analysis of this job market”.

*W-FIVE* has exposed the government as untrustworthy because officials have warned for years that bringing in strippers amounts to trafficking in vulnerable young women.

Why is the Canadian government still secretly complicit in the exploitation of women?

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, all of this rhetoric flies in the face of the reality. There is no such program. I made that clear in the House, as I did on *W-FIVE*. There is no such program. People can accuse the government of doing anything they want to accuse it of doing, but there is no program to bring in exotic dancers.

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**CITIZENSHIP**

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, Edmonton has been without a citizenship judge for more than eight months and now has a backlog of over 2,000 people waiting to become new Canadians. Instead of actually making a decision and appointing a judge, the government has been occasionally flying in judges from all over the country, but this move has not addressed the backlog.

My question is for the Minister of Citizenship and Immigration. Why has it taken eight months to make this appointment? When will the people of Edmonton have a citizenship judge?

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I thank the member for acknowledging the fact that the government is acting to address the issue by flying in members of the Citizenship Court to address an immediate need.

I am sure the member would also agree that he would want the government to put in place a merit based system whereby we make all the appropriate appointments and where people fit, with their competency, the requirement of the period. We are in the process of doing that. When that process is completed, we will then make the appropriate appointments.

• (1445)

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, the judge who was already appointed, Judge Bhatia, was an excellent judge. He was a non-partisan judge who did a fantastic job, and he is willing to do it again. In fact he is doing it on a voluntary basis as much as he can while the government dithers.

The fact is over thousands of people in Edmonton have had to wait to become official citizens of the country because the government has not acted and has dithered. It is the responsibility of the government to act in this situation.

Why do the people of Edmonton have to wait for eight months to get a citizenship judge? When will they finally get a citizenship judge appointed to deal with this backlog of people waiting to become new Canadians?

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I am delighted to see the new found love for immigrants by members of the Conservative Party.

However, we can see that at least they acknowledge the fact that—

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. All hon. members have considerable compassion for the member for Edmonton—Leduc who asked the question. He has to be able to hear the answer. The hon. Minister of Citizenship and Immigration has the floor. The member has to be able to hear him. I am having trouble. The hon. Minister of Citizenship and Immigration.

**Hon. Joseph Volpe:** I guess it was a bit of a soft and tender skin that I touched, Mr. Speaker.

The member opposite has acknowledged that what we do accomplish is the appropriate processing of all those who meet the qualifications, even if there are those who are in a volunteer capacity to do the swearing in. May I compliment all those Canadians.

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[*Translation*]

**EMPLOYMENT INSURANCE**

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, last year, the Liberal caucus and I were vigorously involved with the EI issue. Many caucus members consulted Canadians extensively and listened to the needs of seasonal workers in order to advise the government on the best way to help them.

Could the Minister of Human Resources and Skills Development tell the House how many workers the reforms announced following these consultations will benefit?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I salute the work that has been accomplished by the Liberal caucus in the area of employment insurance. I am well aware of the very keen interest the hon. member for Madawaska—Restigouche takes in the people of his region.

We have announced five specific measures to support those with more limited incomes in EI terms, and seasonal workers in particular. I am pleased to say that more than 220,000 individuals across the country will benefit from these measures.

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[*English*]

**HEALTH**

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, we used to worry about the creeping privatization of health care, but under the Liberal minister private health care is taking off at a gallop.

*Oral Questions*

Every day we hear another story of Canadians' emptying their wallets to pay for health services that should be covered by medicare. Every week there is another report of a private clinic opening in Canada. It does not take \$41 billion to enforce the Canada Health Act. All it takes is a phone call from the minister to stop privatization.

When will the minister make that phone call?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, instead of a phone call, many letters have been written to all the provinces where potential violations exist with respect to the Canada Health Act. That dialogue was resumed with them in late fall of last year, and it continues. We will be enforcing the Canada Health Act by going through the dispute avoidance resolution process.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, it is fine to talk about throwing around money and throwing around letters, but let us talk about promises to stop privatization.

During the Liberal convention the minister called the Canada Health Act medicare's charter and promised to enforce the act. I have already asked when the minister would stop the privatization of our health care system other than letters. He previously said "Just watch me".

Canadians are watching and waiting for the Minister of Health to actually enforce the Canada Health Act across the country, with no exceptions. When will the minister actually keep this promise?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, I repeat essentially what I said earlier. I reaffirm it. Obviously, a dialogue takes some time and a process takes some time. We shall get there.

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• (1450)

**NATURAL RESOURCES**

**Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC):** Mr. Speaker, speaking of promises, nine months ago the Prime Minister promised the people in Nova Scotia 100% of the offshore gas and oil revenues. This is another promise made but not kept. Not one red cent has flowed to the province of Nova Scotia, and there is not even legislation tabled to start it.

With only nine days left in the fiscal year, when will the Prime Minister table legislation to make the offshore deal work so Nova Scotia can finally get 100% of the gas and oil revenues?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the government negotiated in good faith with Nova Scotia and Newfoundland and Labrador and achieved a very important agreement for both provinces, keeping faith with the commitments that were made by the Prime Minister in the summer of last year.

The appropriate legislation will be presented to the House as part of the budget implementation process.

**Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC):** Mr. Speaker, after months of dithering the government made the same commitment to the province of Newfoundland and Labrador. The Prime Minister said, "Legislation will be brought in as quickly as possible".

Would the minister clarify for the House what does it mean when the Prime Minister says "as quickly as possible"?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, as the hon. gentleman would know, the legislation involves some very significant complexity. It is being drafted at the present moment. It will be presented to the House as quickly as it possibly can be.

**Mr. Dave Batters (Palliser, CPC):** Mr. Speaker, the new Atlantic accord now allows two provinces to grow their economies by retaining revenues derived from their non-renewable natural resources.

We in Saskatchewan want nothing more and demand nothing less. We do not want our have or have not status to be dependent on fluctuations in the price of oil.

Why is the finance minister the only elected politician in Saskatchewan, federal or provincial, who does not want to secure our future, grow our economy and give us equal treatment? Why will he not give Saskatchewan the same deal?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I am very proud indeed to be the only elected politician in Saskatchewan, federal or provincial, who has delivered \$710 million for my province in the last fiscal year under the current equalization system to correct past errors, to put a floor under the system, to stop the clawback and to ensure that Saskatchewan can enjoy its have status

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**EQUALIZATION PROGRAM**

**Mrs. Lynne Yelich (Blackstrap, CPC):** Mr. Speaker, today the finance minister's provincial counterpart and the opposition finance critic from Saskatchewan are in Ottawa to speak before the Senate finance committee and demand equal treatment for their province.

The government's approach to equalization has to be consistent and has to be based on a sound, fair formula. This inequity is unacceptable for the future of Saskatchewan and for all Canadian provinces.

There is a united voice in Ottawa today. Saskatchewan continues to make its case. Will the federal cabinet minister listen to what his own province is saying and will he take action?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I have already indicated a number of the steps that have been taken by the government to address the concerns of Saskatchewan. I acknowledge that those concerns are very real and very deep because the Conservative Party saddled Saskatchewan with an \$11 billion debt. That is what is dragging the province down.

The government is trying to lift that province up by improving equalization and ensuring that it is there for Saskatchewan when Saskatchewan needs it.

*Oral Questions*

[Translation]

**AGRICULTURE**

**Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ):** Mr. Speaker, the American market was supposed to reopen to cattle from Canada and Quebec today, but the temporary injunction obtained last week by some American cattle producers is further delaying the partial reopening of the American border.

What does the Minister of Agriculture and Agri-Food intend to do about this injunction, to ensure that the interests of cattle and dairy producers in Quebec and Canada are properly defended?

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I mentioned a number of things earlier. We will continue to vigorously work with the Americans to deal with the issue that is immediately before us, but as important, put in place the repositioning strategy to ensure that our producers, regardless of where they are in Canada, can restructure or reposition their industry in a way that they are profitable with or without a border opening.

[Translation]

**Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ):** Mr. Speaker, given that this new tactic on the part of American producers is likely to further delay the partial reopening of the border, has the Minister of Agriculture and Agri-Food planned to implement an aid package that takes into account not only cattle producers, but also the dairy producers affected by the slump in prices, and cull prices in particular?

• (1455)

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, specifically on that issue, as all colleagues in the House know, the Canadian Dairy Commission, in setting the price of milk last December, included in the price increase a specific amount to deal with cull animals for the dairy industry, and that has been of significant help and importance to it.

In addition to that, I met as recently as last week with my counterpart in Quebec, the new minister, and we continue to have discussions to see what we can do to supplement that initiative.

\* \* \*

[Translation]

**AÉROPORTS DE MONTRÉAL**

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, the Aéroports de Montréal ended 2004 with a net loss of \$10.3 million. Its revenues increased 15% between 2003 and 2004, but the rent that Aéroports de Montréal has to pay Ottawa increased by 306% over the same period. The incredible increase in rent is threatening the future of the airport closest to where the Minister of Transport lives.

My question is for the Minister of Transport: will he, yes or no, lower these unjustifiable rents?

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the subject of airport rents is under very active consideration at the

present time. The formula is one that I think everybody recognizes needs correcting. It is one that is not consistently applied among airports across the country.

The next scheduled rate increases are on January 1, 2006, and the government will act expeditiously to resolve this matter well in advance of that date.

\* \* \*

**TRANSPORTATION**

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, the finance minister may want to convince the transport minister, who said he was “very disappointed by the budget” on this very file.

The Liberal government has unilaterally decided to cut back and put at risk the last remaining ferry service between P.E.I. and Nova Scotia. Last year, over 20,000 commercial trucks, 176,000 passenger vehicles and 475,000 passengers depended on this service.

Why has the government irresponsibly decided to put at risk this crucial link between P.E.I. and Nova Scotia?

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I cannot believe the member would say something like that when the operator of the ferry will be in my department tomorrow negotiating a five year deal. We are now about to negotiate and sign a five year deal for that ferry. We will ensure that we have a fair deal and we will not negotiate in public. However, we have a commitment for five years for the ferry and we will deliver.

\* \* \*

[Translation]

**EDUCATION**

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, my question is for the hon. Minister of Canadian Heritage.

It has already been a year since the federal-provincial agreement on minority education ended, and the one-year extension of that agreement will also come to an end in three weeks. In all that time, there has been no hint of a new long-term agreement.

When will the minister be able to announce the new federal-provincial minority education agreement, in particular for my province, Ontario?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, I thank the hon. member for his question. The provincial deputy ministers of education are meeting today. Tomorrow the provincial education ministers will meet and our goal is to conclude an agreement by March 31, 2005.

*Routine Proceedings*

[English]

**INTERNATIONAL AID**

**Mr. Ted Menzies (Macleod, CPC):** Mr. Speaker, the Liberal government has been dogged by reports of cronyism, corruption and cover-ups for years. The Auditor General continually criticizes the financial mismanagement and the lack of accountability in the government's spending.

Media reports today confirm our worst suspicion, that Canada's promised tsunami aid money is still sitting in the Liberal government's coffers and not going to those in need.

Is this yet another Liberal promise made; Liberal promise not kept?

**Hon. Aileen Carroll (Minister of International Cooperation, Lib.):** Mr. Speaker, over \$37 million in relief to date already has been put in place in tsunami affected countries; \$26 million to UN aid control; the Canadian Red Cross, which we have funded, has shipped \$33 million worth of relief supplies; and in Indonesia, 1,500 wells in Banda Aceh. So far Canada has provided \$10.5 million to the world food program.

Promises made; promises kept.

• (1500)

**Mr. Ted Menzies (Macleod, CPC):** Mr. Speaker, speaking of promises, after \$250 million went missing in the sponsorship scandal, the Liberals promised they would change the way they did business.

In a recent report, the Auditor General revealed that the Liberals still cannot keep track of foreign aid grants. Contrary to repeated recommendations, tsunami aid will be delivered through unaccountable grants, with no money for value oversight.

Do Canadians, who gave generously to the tsunami relief, not deserve better than Liberal promises made and Liberal promises not kept?

**Hon. Aileen Carroll (Minister of International Cooperation, Lib.):** Mr. Speaker, I have walked through this change in Treasury Board rules that allow us to move from conditional into grants. I have explained that we are not giving grants to fly-by-night outfits, but rather to United Nations agencies and to international organizations with auditing systems that are totally in compliance with my sense of fiduciary duty.

I have again and again explained that those NGOs with which we are working, that have been accepted for matching funds, have all the systems in place that make me very comfortable to tell Canadians they can rest assured that we are being responsible with their money.

\* \* \*

[Translation]

**GOVERNMENT CONTRACTS**

**Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Department of National Defence and Public Works and Government Services Canada are about to kill Tannerie des Ruisseaux of Saint-Pascal-de-Kamouraska, which, incidentally, is the last tannery in Quebec and Canada.

How so? By considering waving the 55% Canadian content requirement for army contracts, when they are under absolutely no obligation to do so under NAFTA or the WTO. Could the Minister of Public Works and Government Services give us the assurance that he will enforce the Canadian content rule in the award of contracts for the manufacturing of temperate combat boots for soldiers, thereby ensuring that 50 jobs are maintained at Tannerie des Ruisseaux?

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I can assure the member that we will continue to respect the principles of industrial benefit within Canada. We will at the same time respect our trade agreements and ensure that our Canadian armed forces have the best possible equipment for the best possible value for the Canadian taxpayer. At the same time, we will ensure that regional industrial benefits are there for all regions of the country, including Quebec.

\* \* \*

[Translation]

**PARENTAL LEAVE**

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, last week, the government concluded a final agreement with the Government of Quebec concerning parental leave.

Can the minister explain to us what this agreement represents, both in terms of federal-provincial relations and socially, for Quebec parents?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I believe this represents a major victory for Quebec parents. We have always supported the innovative approach taken by the Government of Quebec, which is aimed at enhancing parental leave and broadening accessibility to it.

We were at last successful in concluding this agreement with Quebec. We had already made reference to a new era of cooperation with our partners and this is an example of what we can do and of how truly flexible our federation is, with the ability to adapt to the aspirations of all parties.

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**ROUTINE PROCEEDINGS**

[Translation]

**INTERPARLIAMENTARY DELEGATIONS**

**The Speaker:** I have the honour to table the report of the Canadian parliamentary delegation to Pakistan, from January 10 to 12, 2005.

*Routine Proceedings*

[English]

**GOVERNMENT RESPONSE TO PETITIONS**

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

\* \* \*

● (1505)

**COMMITTEES OF THE HOUSE**JUSTICE, HUMAN RIGHTS, PUBLIC SAFETY AND EMERGENCY  
PREPAREDNESS

**Hon. Paul DeVillers (Simcoe North, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

[Translation]

In accordance with its order of reference of Monday, December 13, 2004, your committee has considered Bill C-26, an act to establish the Canada Border Services Agency, and agreed on Thursday, February 24, 2005, to report it with amendments.

I would like to recognize the contribution of the members of the Subcommittee on Public Safety and National Security, who took part in this study.

\* \* \*

**PETITIONS**

## MISSILE DEFENCE

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, I have two petitions to present to the House on behalf of constituents from Haute-Gaspésie—La Mitis—Matane—Matapédia. The first one deals with the missile defence shield.

## MARRIAGE

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, the second petition deals with the definition of marriage.

[English]

**Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, I am honoured to present a petition in the House in which the petitioners express the view that marriage should be protected and remain as the union of one man and one woman to the exclusion of all others.

[Translation]

## RAIL PASSENGER SERVICE

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ):** Mr. Speaker, I am tabling today a petition signed by people from the riding of Gaspésie—Îles-de-la-Madeleine, who call upon the federal government to guarantee any subsidies necessary to maintain rail passenger service, including VIA Rail's *Chaleur* train in the southern

part of the Gaspé Peninsula, and any sums necessary to maintain the track used by this train.

## MARRIAGE

**Hon. Claude Drouin (Parliamentary Secretary to the Prime Minister (Rural Communities), Lib.):** Mr. Speaker, I am tabling in this House a petition sent by the Assemblée de Beauce 1043 regarding Bill C-38.

[English]

**Mr. Ken Epp (Edmonton—Sherwood Park, CPC):** Mr. Speaker, I would like to add yet another 71 names to the petitions that have been presented on the subject of marriage. These petitioners, mostly from my riding but also from areas just outside my riding as presently bounded, say that marriage is defined, and has long been defined, as the union of one man and one woman, and is the best situation possible for the raising of children and the foundation for families.

The petitioners urge Parliament to continue to keep the definition of marriage as it is now in federal law as the lifelong union of one man and one woman to the exclusion of all others.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am pleased to present a petition on behalf of a number of Canadians, including my own riding of Mississauga South. The petitioners would like to point out that the majority of Canadians believe that the fundamental matters of social policy should be decided by elected members of Parliament and not by the unelected judiciary, and that they support the traditional definition of marriage.

They call upon Parliament to use all possible legislative and administrative measures including the invocation of section 33 of the charter, known as the notwithstanding clause, to preserve and protect the current definition of marriage which is the legal union of one man and one woman to the exclusion of all others.

● (1510)

**Mr. Mark Warawa (Langley, CPC):** Mr. Speaker, I rise to present two petitions in the House. The first petition asks Parliament to pass legislation to recognize the institution of marriage in federal law as the lifelong union of one man and one woman to the exclusion of all others.

## AUTISM

**Mr. Mark Warawa (Langley, CPC):** Mr. Speaker, I also have two petitions dealing with autism, asking Parliament to amend the Canada Health Act to recognize autism for a required treatment and also for the creation of academic chairs at a university in each province to teach autism treatment.

## MARRIAGE

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, pursuant to Standing Order 36, I have six petitions totalling some 727 signatures praying that Parliament use all possible legislative and administrative measures, including invoking section 33 of the charter if necessary, to preserve and protect the current definition of marriage as between one man and one woman.

*The Budget*

## TAXATION

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I have petitions from aboriginal people around my riding as well as throughout Manitoba. They call on the federal government to repeal its position of charging taxes to aboriginal students on post-secondary education funding. In spite of hearing some rumours over the weekend that this was going to be repealed, we do not have any faith in the government following through on its promises, so it is important that these petitions keep coming in.

## MARRIAGE

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I have petitions from people throughout the riding of Churchill calling on the Government of Canada to maintain the definition of marriage.

\* \* \*

[Translation]

## QUESTIONS ON THE ORDER PAPER

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I ask that all questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

[English]

**The Speaker:** The Chair has a request for an emergency debate, but the member is not present. We will have to deal with it another day.

## GOVERNMENT ORDERS

[English]

## THE BUDGET

## FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

**Ms. Belinda Stronach (Newmarket—Aurora, CPC):** Mr. Speaker, I will be sharing my time with the member for Red Deer.

This is the most Liberal of budgets in structure and intent. It uses the language of tax cuts and reinvestment in the military to attempt to satisfy one group, and child care and the environment for another.

However, at its core, the budget is flawed and defective on two accounts.

First, it is built on an accounting shell game that seems out of step with the revolution in corporate good governance following scandals like Enron and WorldCom.

Second, it is focused on spending taxpayer money with very little attention to enhance economic growth, increase competitiveness and create national wealth necessary to sustain the spending. This is very Liberal and one of the essential points of differentiation between the government and the Conservative Party.

Let us have a peak at how the government constructs its numbers. It has for years been underestimating revenues and expenditures. Examples are personal income and GST revenues which are \$17 billion higher each year than reported, that is \$85 billion over five years, with social spending understated by \$17 billion a year.

For this current budget the government freed up \$6 billion in planning surplus room in the next five years by re-booking certain health care and equalization expenditures previously booked over the next five years in the current fiscal year.

There is another example. It re-spent \$2.5 billion worth of environmental funds that were booked in previous years but never spent, without revising its accounts.

There is another example. The \$12 billion to be saved from the expenditure program review will be diverted to other spending but treated as zero activity. In the real world, auditors would never allow this sleight of hand.

What the Prime Minister has not told us is that he has now spent the entire planning surplus in a budget that is back loaded heavily into the final year; the windfall surplus will not be used to pay down the crippling national debt. What will he do when the fiscal climate of the country changes and he has spent the entire planning surplus? The promisekeeper will be forced to break promises.

With regard to the second flaw, the budget spends a lot on health care, for example, trying to reverse time to make up for the money the Prime Minister himself cut out of the same health care system when he was finance minister. With the exception of some relatively modest expenditures on workplace training, I see no strategic focus in the budget on making the country more competitive to keep jobs here in Canada and to create new ones. The key elements of an economic growth agenda are education and competitive corporate taxes.

In Ontario, for example, the provincial government allocates roughly 43% of its budget to health care but only 6% to universities and colleges. It is in large measure lack of federal leadership that has made post-secondary education the poor second cousin in public policy and the country will pay a price for that lack of vision. As a reflection of Liberal priorities, the budget abandons education.

The government remains fixated on lowering the marginal tax rate on profits as its approach to the corporate tax regime. However the key to competitiveness for advanced technology manufacturers is ongoing investment in continuous innovation. This is where much of the future success of Canada must lie. The government should be acting here to also make the effective tax rate on investment more competitive but the budget is silent on this critical part of the puzzle.

Before I cede the floor, I would like to pay attention to a specific policy area where the budget fails to deliver the goods, and that is the Canada-U.S. relationship. This relationship is complex and huge and is the backbone of our prosperity. At its nerve centre is the border, which is also the Achilles heel of Canadian prosperity. If that border does not work effectively or is shut down, it causes businesses to fail and costs jobs here at home.

*The Budget*

Continuing blindly along in neglect, the budget promises some extra money for border personnel. This is helpful but the Liberals will spend more money on the Gomery commission investigating irresponsible government than they will put into enhanced border security each year of the budget. The real priority remains infrastructure. The border is fragile and very vulnerable.

● (1515)

What leads me to suspend belief in the Prime Minister's budget promises is that \$600 million was allocated to border infrastructure in 2001. By March 2004, not a penny had been disbursed on new infrastructure. In its place was a lot of talk, studies, round tables and panels. Without the political will to treat the border as the single most vital piece of hardware in our national economic security, budget amounts are meaningless.

I might add that I find it ludicrous that the government proceeded to assign budget allocations to the military, development assistance and the foreign service before having completed its long awaited international policy review. I can think of no better example of putting the cart before the horse. It is bad public policy to spend money in the absence of objectives and priorities.

The Minister of Finance had promised us accountability and transparency. We received neither in this budget. This is a classic Liberal election budget based on spending.

● (1520)

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, it is a pleasure to speak to the budget.

I would like to take one moment to recognize two young men from Red Deer who received all their education there. Anthony Gordon and Brock Myrol, who were part of our community, were in that tragic killing of RCMP officers that occurred. I spent some time with the local RCMP in our riding. They had a ribbon campaign on Saturday and the whole community is in sorrow over that terrible incident. I do want to recognize those parents from my community and those two young men who gave their lives for all of us.

Going on to the budget, Canada has no plan and no vision. We should be at the top on environmental issues and instead we have 300 boil water warnings at any given time. We have no water plan, no energy plan, no air plan and no land plan. In fact, the Liberals really do not seem to have a plan for much of anything except how they can spin things so they can get re-elected. We do not do anything about our watersheds or our brownfields.

We use the poster child of the Sydney tar ponds. I have been here for 11 years and in every budget I have heard that we will deal with this problem. All we do though is set up another study. The people in that area are still asking what we are going to do and when we are going to come up with a plan. We have some 50,000 other contaminated sites, 10,000 federal government sites, and the government has no plan. It should be embarrassed to come out with a postdated budget like it did with no real plan.

The minister talked to me last week and said that we would have a Kyoto plan this week. It is now 3.30 p.m. on Monday and I still have not seen that plan. I do not know if there ever will be a plan but obviously that is typical for how the government reacts.

The back-loaded budget that we have is basically one of "Trust us. Just wait. We will come up with something". Yes, the government will come up with something. When the next election comes it will drag out all that money that it postdated and we will be into that campaign.

A tax relief of \$16 per year is not a tax relief. It will not revitalize our economy nor will it result in capital and corporate investment. It will not result in anything. If a corporation is looking at investing in alternative energy, in new technologies and in environmental integrity for our country, it needs to know the direction in which the government is going, not this wishy-washy, feel good, pat ourselves on the back type of budget.

I get rather annoyed when I hear people telling me it is a green budget. Mr. Speaker, this budget is no more green than the chair you are sitting in, which is a nice colour green and you look good there.

The national debt is \$500 billion. Let us look at the interest payments and imagine what we could do with that money. However there is no plan to deal with that. We just hear the government telling us how wonderful it is for bringing down the debt to GDP. Actually it is just that Canadians are out there producing more and the government is simply spending. The \$210 billion of spending is an embarrassment when we look at how there is nothing in the budget.

I and many others got into this business because of our kids and our grandchildren and because of the future we wanted for the country. When we see this unfocused, wasteful budget that we have in front of us, it certainly does not make us enjoy those flights back and forth very much.

We obviously look at the Gomery inquiry and we see just the tip of the iceberg. In my riding this past week, and in two or three other ridings that I visited, people are saying that the government is covering up things, covering up what it really wants and that it has no vision and does not know where it is going.

Let us look at the climate change issue. In 1992 we signed on and said yes. We agreed in Rio that there was a problem, there was climate change and that we should deal with it but what did we do? We waited until 1997 and nothing happened. We have absolutely no plan. Nothing was done.

● (1525)

In 1997 Canada ratified Kyoto without even having a plan. The only plan that the then prime minister had was that we had to beat the U.S. If the U.S. goes for 5% below 1990, he said, let us go for 6%. Obviously the provinces were shocked when the then environment minister came back and said, "Yes, we signed on". There was no plan, there was no understanding of the economic impacts and obviously there was still no understanding of what that really meant.

*The Budget*

In 2002 Kyoto was ratified. There was still no plan. The prime minister himself stood up at meetings and said, "We must have a plan. There is no plan". Here we are in 2005 and we still do not have a plan. Our only plan seems to be that the government has now set up a clean fund. A clean fund worth a billion dollars at arm's length is just another foundation. This is just another word for a foundation.

Yes, we are going to buy credits. Where are we going to buy credits? Probably if people are good Liberals they may well have credits for sale that could be purchased domestically.

Internationally, of course, we are going to monitor environmental integrity in Ukraine, Russia and Chile. We cannot monitor the environmental integrity in this country, let alone the environmental integrity in Ukraine, Russia or someplace else. The Liberals must consider voters absolutely stupid to believe that they could monitor this kind of hot air credit.

The government has allocated \$3.7 billion. Now we have had another \$3 billion put forward. I try to explain these billions of dollars to people. If we were to spend a thousand dollars an hour, a million dollars would last 21 days. A billion dollars lasts 31 years at that same spending level; a billion dollars is a lot of money. There has been \$5 billion of back-loaded money committed, \$1 billion of it to a clean fund that will simply be a slush fund for the Liberal government.

What results do we have? Let us look at the results. Committed to was \$3.7 billion and now \$5 billion. We have Rick Mercer running around in a program of \$48 million initially, which is going to increase. In 1997 we were somewhere in the neighbourhood of 15% to 18% above 1990 levels. By the year 2000 we were 20% above 1990 levels. Today we are 30% above 1990 levels. We have spent that money and we are going the wrong way.

I do not understand how the members of this government can stand up and say, "We have environmental integrity. We care about the environment. We have a green budget". It is just not green, there is just no plan and it is just going nowhere.

What does the Prime Minister do on the day that Kyoto comes into effect? By the way, Kyoto is now a word outlawed in the budget because of course someone might actually ask what it is. What does the Prime Minister do? He announces that we are going to have COP 11, the conference of the parties, number 11, in Montreal. Let me tell members what happened at COP 10. At COP 10, 123 countries got up and trashed the Americans. Then they said, "The Canadians are a bunch of laggards. They are doing nothing; they are just talk. They have the one tonne challenge, big deal. That is 20 megatonnes and we need to get to 300 megatonnes".

Thus, what do Canadians think will happen in Montreal in December? I predict that it will be somewhat the same. It will give the European Union and many of those other countries a launching pad to go after the Americans. So much for working together. So much for a relationship when that sort of thing happens.

My biggest fear is the little bit in annex 1 of the budget wherein the government talks about taxation being used to get people to submit to its carbon system. That is scary because the scenario would be that CO<sub>2</sub> becomes a noxious substance under CEPA. If it becomes a noxious substance under CEPA, that would then give the

government, simply by regulation, the ability to tax carbon everywhere.

For us in western Canada that would be the national energy program too. That would be a carbon tax. There is no other word for it. On Thursday the minister gave me his verbal commitment that there will be no carbon tax. I say that here because I want that on the record.

● (1530)

I could go on for a long time, as members know, but let me conclude by saying that there is no plan. Also, the threat of a carbon tax scares me. The cost of carbon has now escalated to \$11.90 and it is going higher. The jobs and the investments are what will be hurt in this country. The budget, then, is a disgrace, and it is certainly a disgrace to call it a green budget.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have served with the member on the environment committee. I know that he is very much concerned about the environment and specifically about the Kyoto file.

He has mentioned a few items within the budget, but I should remind the House that we have in the budget: \$1 billion over five years in the clean air fund; \$250 million to create a partnership fund for projects; \$225 million over five years for home retrofits; \$200 million over five years for the sustainable energy, science and technology strategy; \$200 million over five years for the wind power file; and \$97 million over five years for a renewable power production incentive. The member is also aware of the voluntary program of the automobile industry to reduce its emissions by 5.1 megatonnes by 2010. These are all important things.

The member does raise very legitimately the whole question of the credits. We know that as far as individual Canadians go our largest contribution to greenhouse gas emissions is the use of our automobiles. We all have a role to play there and that is why we have the one tonne challenge.

However, probably the one that we have the problem with, and I know the member and I think he can probably comment on this, is the issue of large emitters. It is really the area that we have to deal with. That is where the matter of credits and the purchase of credits comes in. We need to deal with that. This is not an easy move to make, because we are talking about major industry. I wonder if the member could speak about the challenge that large emitters present to us in terms of meeting our overall Kyoto commitments.

**Mr. Bob Mills:** Mr. Speaker, I am very aware of all the figures in the budget. The problem is the back-loading, as I mentioned. The problem is also whether we will ever see some of that. We have had so much money allocated that never gets spent because there is no vision. There is no game plan of how we are going to get there.

Let me address the issue of the large emitters. I believe in cooperating with provinces and with these large emitters. By doing so, we can achieve even better targets than what the Kyoto protocol is all about. But what if we buy carbon credits from somewhere else?



*The Budget*

Let us take a company in my riding. Its charge is going to be \$6 million a year. That \$6 million is going to be transferred to buy a piece of paper in the Ukraine. How are we going to monitor that?

Would it not be better for that company to invest that \$6 million into new technology or into developing a technology, into CO<sub>2</sub> sequestering, which is really possible now, or into some clean coal technology or some of these new innovative things, these alternate energies? There is the wind power process, and I agree very much with that process. We have biodiesel, biomass and all those things. Would it not be better to invest the \$6 million there and then be in a position to transfer that technology to China, India, Mexico and Brazil, the countries that are the big emitters now because they are using old technology?

For us to simply penalize Canadian companies makes absolutely no sense to me. Let us use that money domestically. Let us develop these processes here. Let us clean up our environment here but then make the technology available to those other developing countries. That is the way to go, not with a European carbon trading system. Carbon has gone from \$3 on January 1 to \$11.80 as of last Monday. The Russians hope it is going to go to \$35. The Canadian government has guaranteed a price of \$15 for heavy emitters. We can just imagine if it goes to \$20. That \$5 commitment has to be picked up by the Canadian taxpayers and we are talking about billions and billions of dollars. It is not the way to go.

The way to go is through technological development here. It will help our environment, but more important, it will go to the really big emitters in the other countries, in China and so on. If we do not have them on side we will go nowhere.

•(1535)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, the hon. member is quite vociferous on these environmental issues. I have seen him acting this way in committee.

I am a bit confused about one section of what he said. A few weeks ago we had a motion before this House to enforce mandatory fuel emissions standards, which I thought he was in favour of and which would have gone a long way to meeting our targets. The government said not to worry about it, that it was in negotiations. Those negotiations have since broken down according to recent reports in the media, so first, I am wondering if he has changed his position.

Second, the commentary at the beginning of his speech leads one to believe that he will not be supporting this budget because it is so blatantly bad for the environment. I was wondering if he could let us know which way his vote will be going in a couple of days.

**Mr. Bob Mills:** Mr. Speaker, obviously when we start mandatory regulations and when our major market is the U.S., we have to take some reality with this as well. I think that off the shelf we can probably save 20% of our emissions. I think the auto industry should be encouraged to take those off the shelf technologies. I hope the government is putting that kind of pressure on the industry so that it does so. With regard to a mandatory regulation at this point in time, though, the industry has a choice and its choice would be to leave.

As far as the vote goes, obviously I am opposed to this budget. I do not think it does what it should do. When one is opposed to something one votes against it.

**ROUTINE PROCEEDINGS**

[English]

**COMMITTEES OF THE HOUSE**

## TRANSPORT

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order. There have been discussions among all parties and I think if you were to seek it you would find unanimous consent for two motions with respect to committee travel. For the first motion, I move:

That, notwithstanding the order made on Tuesday, February 8, 2005, in relation to its study on Canadian airport systems, trucking issues and port security, seven members of the Standing Committee on Transport be authorized to travel to Halifax, Saint John, Montreal, Toronto and Niagara in March 2005 and that the necessary staff do accompany the committee.

**The Acting Speaker (Mr. Marcel Proulx):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

[Translation]

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** moved:

That, in relation to its study on Air Liberalization and Canadian Airports System, 7 members of the Standing Committee on Transport be authorized to travel to Winnipeg, Calgary, Vancouver and Surrey from April 3 to 23, 2005, and that the necessary staff do accompany the committee.

(Motion agreed to)

**GOVERNMENT ORDERS**

•(1540)

[English]

**THE BUDGET**

## FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I am very pleased today to rise to speak on the extraordinarily successful budget that the finance minister presented to the House last month.

I will be splitting my time with the member for Cape Breton—Canso.

*The Budget*

I would like to remind the House that this is Canada's eighth consecutive balanced budget, the longest unbroken string of surpluses since Confederation. It strengthens and secures our social foundations with record investments in health care, early learning and child care, and our seniors.

With deference to the member for Red Deer, who did say he could go on a long time but fortunately did cease, it does move us toward a green economy and more vibrant and sustainable communities. It puts into action this government's determination to play a larger, more significant role in the world.

At its core, this budget is about delivering on our commitments to Canadians. This is exactly what the Prime Minister, the finance minister and the government have done.

I am very proud of this budget. Members of the House I am sure would appreciate and indeed would be surprised if I did not say that it is a great time to be Minister of National Defence in this government. With nearly \$13 billion in new money for the Canadian Forces, this budget provides our men and women in uniform with the most substantial funding increase in more than 20 years.

It clearly demonstrates this government's commitment to reinvest in our military and our men and women in uniform. As such, it represents a real turning point for the Canadian Forces. Indeed, this budget provides us with the solid foundation that we need to make some of the most significant changes to our armed forces in more than a generation.

[*Translation*]

With the allocation of almost \$13 billion in new defence funds, we will be able to start implementing a long term plan to increase Canadian Forces personnel and to improve their support and their transformation.

This budget allocates \$3 billion to honouring the government's commitment to increase the regular force by 5,000 members and the reserve by 3,000 members. This increase in the number of troops will go a long way to alleviating the burden of the very high operational tempo of the past decade.

These new members of the Canadian Forces will allow us as well to better defend our country and Canadians. Furthermore, they will provide us with the additional resources that we need to increase the scope of our action in the world, as was the case in Afghanistan, in the Balkan states, in Haiti and elsewhere.

The February 23 budget also provides for the allocation of over \$3 billion to resolve "sustainability" issues that are facing the Canadian Forces. These new funds will be used to improve training, to repair the infrastructure, to eliminate supply shortfalls and to reinforce the care provided to the troops.

The budget also provides over \$2.5 billion to buy new equipment and new capabilities, including medium range helicopters, new trucks for the army, multipurpose aircraft for Arctic use and specialized facilities for our elite anti-terrorist squad.

Our men and women in the military are among the most dedicated and qualified professionals in the world. This new equipment and our other recent acquisitions, such as the mobile gun system, will

give the Canadian Forces leading edge tools to do their work both here and abroad.

Finally, the budget sets aside almost \$4 billion to support the acquisition of additional new equipment and the tasks mentioned in the new defence policy that the government will announce in the next few weeks.

• (1545)

[*English*]

The budget represents a significant investment in our military and our future. It has been made possible in large part because of the government's determined efforts to find efficiencies and invest in priorities.

As part of the budget process, a cabinet committee on expenditure review scrutinized every line of government spending to ensure that tax dollars are being used effectively and efficiently, and to ensure that they are focused in the areas that matter most to Canadians.

I would like to take this opportunity to congratulate the Minister of National Revenue and the cabinet committee for finding \$11 billion in savings across government, that is now being reinvested in programs and services that are high priorities for Canadians, most notably, in the Canadian Forces.

Members should understand that finding these savings was absolutely critical to the \$13 billion in new direct defence funding in the budget. In fact, I am pleased to point out that we received more than 100% of the savings that have been found as part of this process. Clearly, the Canadian Forces are net beneficiaries of this reallocation exercise and clearly, they are a key priority for the government.

However, this exercise is not just about more money for defence, although I am very pleased by the result. This is also an exercise in creating a more efficient government. It includes a more efficient Department of National Defence and Canadian Forces. Over the next five years we have identified over \$600 million in savings, not from cuts, as the misinformed would have us believe, but from doing things smarter and better, and by focusing on our priorities and our core business.

For example, we will achieve savings by replacing older aircraft with new fixed-wing search and rescue aircraft. We will achieve savings by improving the way in which we manage our supply chain. We will achieve savings in the area of administration. All of which we got credit for in the expenditure review exercise. All were appropriate and responsible measures for the Canadian Forces and for Canadian taxpayers.

*The Budget*

This is a very exciting time, and in many ways a historic one, to be the Minister of National Defence. Everything is now in place for real and lasting change for our military. We have vibrant new leadership in the Canadian Forces with innovative ideas rooted in the operational experience of the past 10 years. Soon, we will be releasing a defence policy that lays out a bold new course for the Canadian Forces and with the budget, we have a solid financial foundation upon which to build.

We have the resources we need to strengthen our presence and our capacity in defence of Canada and Canadians. We have the resources we need to play a more significant leadership role in the world, one in which our voice will be heard, our values seen, and our efforts felt. We have the resources we need to fundamentally transform the Canadian Forces, to make them more effective, more relevant and more responsive to the new and extremely dangerous and complex threats that we face.

When the new chief of the defence staff was asked about the February 23 budget, he said:

An investment and a commitment to rebuild the Canadian Forces to give us the necessary resources and to allow us to start right now. And not ringing the hands but rolling up our sleeves and getting on with the work we have to do—

The budget represents a real turning point for the Canadian Forces. As the Minister of National Defence I am pleased to say, on behalf of the Canadian Forces, that we can now roll up our sleeves and get on with the work of building the finest military in the world with the support of the House and the resources it will vote for in the budget when we carry it through the House.

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I wonder if the minister would care to comment on when we are going to get the defence policy review. I remember, as a member of the defence committee, being told that we would have it by mid-November. I thought at the time the government meant mid-November 2004, but I must have been mistaken because we are now in March 2005 and we still do not have the defence policy review.

Yet, the budget has laid out considerable changes and expenditures in the Department of National Defence. This has all been done in a context in which we do not have the promised policy review. Earlier in the day we were talking about promises made and promises broken. We have had the promise of a policy review for a long time.

In terms of the 5,000 new peacekeepers, does the department have a plan for ensuring this happens in a hurry? I say in a hurry because we have a lot of senior, experienced and very capable peacekeepers in the Canadian army right now, but they are not going to be there forever. They are going to retire. It is critical that this happen as soon as possible so that the new peacekeepers can have the benefit of the experience of those who have been peacekeepers in Bosnia, Cyprus, Afghanistan, Haiti, or wherever. That is another concern I want to put on the floor for the minister.

I happen to have a very high opinion and great expectations for the new chief of defence staff. I noticed at the time of the budget that he was out in the foyer in uniform commenting on the budget. I am not raising this in any particular antagonistic way, but he was commenting on the budget like he was from a chamber of commerce

or the CLC or some other NGO. Presumably he was saying nice things about the budget.

I wonder if the minister of defence would have been so content with the presence of the CDS if he had been out there slagging the budget. I am a bit concerned about the politicization of the role of the CDS. I wonder if the minister has given any thought to that as well.

• (1550)

**Hon. Bill Graham:** Mr. Speaker, I have total confidence in the integrity of the new chief of defence staff. I agree with the hon. member that he is a fine officer. I think the hon. member would agree with me that the Canadian Forces will move well ahead under his direction.

When he came to speak on the budget, we did not know what he was going to say. He might have had some criticism to say about it, but I was confident that, because of his presence, he would be able to explain, to those who wanted to know, the details of how it would affect the forces as he goes ahead in the course of transforming it. His job was not to praise the budget one way or another but to explain how it would affect the Canadian Forces. I am extremely pleased that he was able to take it in a positive light.

I recognize what the hon. member has said, but the fact of the matter is that he was there to explain to the public and to reporters exactly what the budget meant to the Canadian Forces. It was a good idea to have somebody there who could really speak to the practical consequences of the budget in order to help us understand it.

I am happy that the hon. member is here as well in the House because he raised some good questions. I too am anxious that we acquire 5,000 new troops as quickly as possible and also the 3,000 reservists. To be honest with the House, there is a discussion going on in the department about how quickly we can do this. Our answer is as quickly as possible.

There is \$500 million in fresh money in the budget and a considerable amount of this is allocated to the process of hiring new people. The hon. member will appreciate that the recruitment process will take a year to probably get geared up and then we will be able to move into a much faster process. I expect this will happen over a very reasonable period of time.

As far as the defence review is concerned, I am as anxious as the hon. member to get the review, which the hon. member and other members of the House will appreciate. It will show a way forward for our Canadian Forces, both in terms of our defence of Canada, our defence of North America, and our increased presence in the world. I can assure the hon. member this will be out shortly.

I can also assure the hon. member that the government's international policy statement will be coming out shortly. We are anxious to share with the House, as we go forward, our commitment to a stronger international presence for Canada under the great leadership of our Prime Minister.

*The Budget*

•(1555)

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, it is certainly a pleasure to join in the debate on the budget.

As well, it is a pleasure to share my time with the Minister of National Defence, a member who certainly is held in high esteem in the House. I congratulate him on his job in presenting the case for the men and women of the Canadian armed forces to the Prime Minister and the Minister of Finance as he secured an additional \$13 billion in new funding, the single largest increase in military spending in the past 20 years. As indicated, those dollars will go toward the acquisition of new equipment and quality of life issues for the men and women of the armed forces. Certainly this will allow the armed forces to play a significant role on the world stage and will support our position as a global leader. I congratulate the minister.

I would like to comment on what was not in the budget. For the first time since coming to the House my colleague from Sydney—Victoria and I were very pleased to see that the Sydney tar ponds were not mentioned in a budget document. Contrary to the intervention by my colleague across the way, the member for Red Deer who is the Conservative Party critic on the environment, that promise was made and kept in 2004 when the Prime Minister, the Minister of Public Works and Government Services and the Minister of Finance blended their forces to come up with \$280 million in federal money to work with the province of Nova Scotia in addressing the problem of the cleanup of the Sydney tar ponds.

That money has been booked. That money has been peeled out. The project has been brought forward by the province of Nova Scotia. It is being juried now by the Minister of Public Works and Government Services and the Minister of the Environment. There will be a decision made as to the assessment process of the project that is being put forward and then the cleanup will continue.

Make no mistake that even as this process transpires, there is work being done on the Sydney tar ponds. Projects common to whatever technology is used are being advanced. Over \$40 million will be spent in the next two years to build such things as cofferdams, projects that will assist with that cleanup process. Much has been done. The fundamentals are in place and that cleanup will proceed.

I will make comments on three broad issues. Obviously the people of Cape Breton—Canso, like all other Canadians, have an interest in the federal government making sure that sound fiscal management is adhered to. We are no different from any other Canadian.

Recording an eighth consecutive balanced and surplus budget is significant. It is the first time since Confederation. This has allowed the federal government to apply \$60 billion in surplus funds on the accrued debt, which has enabled us to release an additional \$3 billion annually to go into programs such as health care, transportation and infrastructure. All of those programs have benefited from sound fiscal management by the government.

Again in this budget we see responsibility in the establishment of a contingency reserve fund of \$3 billion. That is significant and important. It allows the federal government when national emergencies arise, such as SARS and what took place with hurricane Juan in Nova Scotia, to step in and play its part in helping communities, cities and provinces deal with those emergencies.

The health care accord was signed and the money is being booked in this budget. Again, for years we heard that the number one priority of all Canadians was the health care system and making sure that a sound financial structure was in place to ensure that all Canadians had universal access to health care services.

•(1600)

For the people in Nova Scotia it means an additional \$1.6 billion over the next 10 years in their health care system. This goes to core service funding. This goes toward acquisition of new equipment. In my own community the Cape Breton Regional Hospital has been able to secure an MRI unit. We established a bone densitometer unit in the hospital. In Inverness in Richmond County we have been able to secure digital X-ray machines. Now an X-ray can be taken and can be e-mailed anywhere in the world to be read by a specialist. There is benefit. As well, moneys have been identified to try to address wait times.

The budget identifies the money that Canadians expect to see in their child care and early intervention systems. Our Minister of Social Development continues to meet with the provinces and deal with this important issue. He will embark on a round of bilateral agreements. We are hoping that very soon Nova Scotia will be ready to sign on to this federal deal and that the community services minister, David Morse, will be able to apply those moneys where they are so very greatly needed.

We look at the current plight of the Town Day Care Centre in Glace Bay in trying to establish a new day care facility. We hope that there is latitude and conditions in the bilateral agreement so that investment in such facilities can take place.

Several aspects of the budget speak directly to the people in Atlantic Canada and to the people of Cape Breton—Canso. I want to identify a couple of those important aspects.

There is one thing that the Atlantic caucus pushed for strongly. We were very pleased that the Prime Minister recognized that we have had success in this area. He knows that further success can be realized through investments through the Atlantic Canada Opportunities Agency. We have had tremendous success through our ACOA programming over the last number of years. We believe that the \$700 million that was booked in this budget will continue to build on that success.

I look at some of the opportunities that have been seized and realized. EDS, Stream International, Dynogen and Techlink are companies that have come to establish in the Atlantic region, in Cape Breton specifically. They have been able to grow the number of jobs within our community.

*The Budget*

Only 10 short years ago our unemployment rate hovered around 24% or 25%. Currently with the investments that have been made and the strides taken in growing the job market, unemployment is down to on either side of 14%. It has been down as low as 14%. It is at about 14.5% to 15% right now, which is progress. More Canadians are working. More Canadians are contributing to the system. We have done this by trying to address research and development in innovative industries.

There is a great success story in Mulgrave. Ocean Nutrition has come in and has created about 120 jobs right in Mulgrave. The company develops omega-3 fish oils.

The \$350 million that has been booked for EI reform will benefit those who work in seasonal industries. Again, in rural Cape Breton, rural Nova Scotia, the industries that drive the economic engine, tourism, forestry, and of course the fishery, are seasonal in nature. These are not seasonal workers; these are seasonal industries. The changes in the money that has been booked for those industries will certainly give some confidence to the people who work in those industries and to people in those communities.

On the guaranteed income supplement, \$2.7 billion will make a difference in the households of those seniors on low incomes. There is \$400 for each individual, \$700 a couple.

•(1605)

I believe that those changes and the programs that were identified in the budget will make a significant difference in the lives of Canadians from coast to coast, including the Canadians whom I represent in my constituency.

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, I will ask my colleague across the way this question since the minister of defence got out on me just a little too quickly and I did not get an opportunity to ask him. It is interesting that the Liberals found that so many millions of dollars in defence can be saved because they are going to buy some new planes and get rid of some of the old planes.

In 1992 I think new helicopters were coming and it cost the taxpayers \$500 million to get out of that deal. We would have probably been taking some of the last deliveries on the helicopters right about now. I understand there is about 30 hours of service for every hour of flying time. Think of how many hours have been wasted from 1992 to 2005, and it is going to be 2007 or longer before we see any of these things. Yes, I can see where there can be savings. That is something we as an opposition party were stressing for many years. Thanks for finally realizing that all of those moneys can be saved by spending a little of the new money.

It was mentioned how great it is to have a new MRI and various things. In Ontario it is just a wee bit different. The Ontario government has added a new hefty health tax. At the same time it is closing down physiotherapy and is laying off nurses. I do not think that the moneys are being provided equally nor are the arrangements that the federal government has with the provinces quite the same. I applaud the new MRI and those types of things but we in Ontario are having a little bit more difficulty. We have MRIs but we do not have people to run them.

**Mr. Rodger Cuzner:** Mr. Speaker, I do not know whether it is a new-found commitment to the military on the part of the party across the way. Obviously the \$13 billion put forward in the budget is significant.

I would encourage the member to pick up the book by Roméo Dallaire, *Shake Hands with the Devil*. It is an interesting read. On page 38 he speaks about the cuts that took place in the late 1980s under the Conservative government. He talks about the drop in morale. He said:

I had never seen morale drop so fast and so violently in a group of experienced officers as it did on that day in March 1987.

He was reflecting on when Perrin Beatty, the then minister of national defence, brought forward a budget and his document on national defence.

—Beatty tabled a toothless and even hypocritical document. Over the next two years, the Conservatives hacked and slashed what was left of our acquisition programs. I finally left Ottawa in disgust in the summer of 1989.

Short memories maybe, but if we think back to when the budget document was tabled, all Canadians will remember the \$13 billion that was invested in our military, the greatest and most significant investment in the military over the last 20 years.

**Mr. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, this is a very curious budget. Most of what is the budget is not in the budget.

When we look at the numbers, only 7% of the spending commitments in the budget are in this budget year. Ninety-three percent of those commitments are in subsequent years. Therefore, all is not what it appears to be.

The Minister of National Defence and the hon. member talked about turning the corner and a new found commitment to the military. We still will have to wait a little while longer to turn that corner. That new found commitment is still out there several years before I think the government intends to find it.

While 7% of the budget is spending in this year, when it comes to the military, less than 4%, or less than one twenty-fifth, of the great commitment of the government to spend actually will happen in this budget year. Everyone knows that next year we will have a new budget that could in fact have very different numbers.

I want to know from the member what that means for Canada and what that means for the Canadian military. Will we lose that?

The member comes from a constituency with a lot of working people. I thought many of them would relate to a letter which I received recently from a constituent. It says: "Help. Both myself and my husband reside in Bradford and have three children. We work full time, pay more than our fair share of taxes and are still trying to make ends meet. Paycheque to paycheque is now the norm for us, for a lot of middle class people. We don't have any extras to do anything with our kids. I even have to pay extra tax to have my middle child tutored because she is finding the curriculum to be somewhat difficult. We don't even qualify for the child tax credit as we earn too much. Yet at the end of the day we pay so much in taxes that our net income is equivalent to our deductions. We both make good money, if you want to call it that—

*The Budget*

•(1610)

**The Acting Speaker (Mr. Marcel Proulx):** The hon. member must realize that we are running out of time. This is a five minute question and comment period only. I will give a chance to the hon. member for Cape Breton—Canso to answer, briefly.

**Mr. Rodger Cuzner:** Mr. Speaker, there was prudence exhibited through the budget presentation. I know my colleague across the way comes from a business background. What we heard from businesses, educational institutions and from provinces was that they wanted numbers they could count on over a long period of time.

Probably the most significant budget tabled in the House in a number of years was the budget of 1995. It projected three year reductions in income tax. This budget would be the second most significant budget presented in that time due to the five years out. It gives people the long term ability to plan and go forward.

**Ms. Bev Oda (Durham, CPC):** Mr. Speaker, I appreciate the opportunity to speak to the federal budget on behalf of my constituents in the riding of Durham. The budget covers a wide range of issues, however, it does not provide real benefits in the short term and does not provide concrete steps for the delivery of value for my constituents' taxpayer dollars.

Compared with the Americans, Canadian productivity accounts for an income gap of \$6,078 per person. This means that a family of four in Durham has some \$24,000 a year less income to spend than the same family in the U.S.A. The tax relief in the budget of only \$16 for the typical taxpayer will certainly not help Durham taxpayers who are increasingly challenged to stretch their hard earned dollars. As average Canadians, they have seen their real take home pay increase by only 3.6% over the past 15 years. However, must be noted that over the same period government revenue increases soared by 40% and the cost of government bureaucracy has increased by 77%. Yet in Durham we have seen little improvement in government services or efficiencies.

As the small and medium sized businesses in my community discussed with our leader, Stephen Harper, in Port Perry, they want to see deeper cuts in business taxes and the elimination of the capital tax now, not delayed for years. They want a reduction in the cost of regulation and in unnecessary and duplicate paperwork. This would enhance their ability to thrive and introduce more jobs into Durham.

Although the increase in the guaranteed income supplement for low income seniors is most welcome, it does not amount to very much for Durham seniors. In Ontario the GIS is integrated with the provincial guaranteed annual income system for seniors or GAINS. If the GIS goes up by \$1, GAINS goes down by 50¢. The largest increase in the GIS that a senior would be eligible for is less than \$18 per month. We must work to ensure that these types of clawbacks on the supports given to seniors are eliminated. Those on fixed and low incomes must be able to meet the rising costs of their senior years, stay in their homes longer and enjoy the rewards of a life of hard work.

With most of the money for child care, climate control and the gas tax transfer delayed until the end of the decade, with no plans in place as to how exactly this money will be spent, the question remains: How will my constituents see benefits from this budget?

The budget has driven a local politician to state, "From Ontario's point of view, from Durham's point of view...I was very disappointed. Our two big concerns are healthcare and transportation and transit. There's virtually nothing to address those issues". And I agree.

There are no effective plans to address the acute doctor shortage across Canada and in Durham. The loss of one doctor closed the local surgery program for an entire community. A growing community like Durham needs increased health care services, not decreased.

It needs transit and infrastructure improvements to meet the day to day needs of getting to work, school and recreational activities. Yet we still await details on any plans or concrete commitments to our municipalities on the gas tax transfers.

Right now the Durham regional government and local municipalities in my riding have more questions than answers. A local mayor rightly observed that "the funding has too many strings attached. It's another example of the same old paternalistic attitude that municipalities really don't know what to spend our money on and the federal government does".

We see this same attitude reflected in the government's approach to institutional state-run child care centres. In Durham we have 6 child care centres, 3 nursery schools and another 160 centres supported locally. According to the region's social services department, more and more parents are applying for subsidies given the rising cost of licensed day care. For these families, for those who want options as to how to meet their day care needs and those who choose to raise their children at home, there is nothing in the budget for them. Of the \$5 billion promised for child care, only \$700 million will be put into a trust fund for this upcoming year. With no agreement with the provincial governments, Durham families have no idea of how they will benefit from the promise of a Canadian child care program

•(1615)

I would like to inform you at this point, Mr. Speaker, that I will be sharing my time.

**The Acting Speaker (Mr. Marcel Proulx):** That is fine, but may I remind the member that she is not to mention names of members of the House, but rather by title.

**Ms. Bev Oda:** Mr. Speaker, Durham farmers will get no more cash from the budget. The farmers in my riding are incurring more and more debt as each month passes. Agriculture Canada is forecasting another year of negative total net income.

We now know that the U.S. border will not be opened any time soon. Only six weeks before planting begins, the budget provides only \$130 million for an industry facing losses of up to \$6 billion. The \$26 million a year in cash advances for livestock production does not even come into effect until the 2006 production year. Durham farmers will not be satisfied with the \$100 million in recycled and re-announced promises, not for farmers but for industry initiatives.

*The Budget*

The environment is very important to those in Durham. However, they are astounded that there is not a definitive plan to meet the Kyoto protocol now in its implementation period. Since 1997, \$3.7 billion has been set aside for environmental initiatives. Some \$658 million has not even been allocated, while \$1.2 billion remains unspent sitting in a bank account.

For the military, only \$500 million will flow in year one and \$600 million in year two of a total \$12.8 billion announced. Here again \$5.8 billion is not new money but recycled money from old promises not yet fulfilled.

Although we may welcome some of the initiatives announced, my constituent and I have little confidence the promised benefits will flow to Durham and its residents in the near future. Last week in my riding I was constantly asked these questions. How much of the budget money announced would really flow in this budget year. How would they know that their municipalities of Clarington, Scugog and Uxbridge would see real dollars? What are the plans behind much of the money promised? Will the government fulfill the promises made on February 23?

I believe that more work must be done to answer these questions and to benefit all Canadians. We have shown that in a minority government much can be accomplished. Some of the opposition's agenda items have been initiated in the budget, initiatives we have been fighting for each day in the House, initiatives such as tax relief for low and middle income Canadians, reduction of corporate taxes, funding of national defence, an increase in RRSP limits, care giver tax credits, removal of the CAIS cash deposit requirement for farmers and more stable funding for the arts and cultural communities. However, many of these measures do not go far enough or fast enough.

We will continue to hold the government to account, set the agenda and call for focused, responsible plans. I will continue to work with my colleagues on behalf of my constituents in the riding of Durham.

• (1620)

[Translation]

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I have a question for the hon. member. Like her, I wish more was done for the agricultural sector. I am in a good position to talk about this: my riding is very dependent on agriculture.

However, the budget provides \$17.1 billion for the ruminant slaughter loan loss reserve program, precisely to increase our slaughter capacity. This is a very important issue, especially in a region under supply management, one where quotas are important.

Second, the hon. member raised the issue of the CAIS program. In fact, I believe she praised the government in this regard. The provinces' consent will be necessary, of course.

Third, while more help is necessary—I agree—one should not suggest, however, that no assistance was provided in the past little while. For example, the dairy producers saw a rise in milk prices, which was supported by the government, the dairy caucus, of which I am a member, and many others, precisely because cull has lost a great deal of value. I wonder if the hon. member might have a few unbiased points to add.

[English]

**Ms. Bev Oda:** Mr. Speaker, the hon. member's question gives me an opportunity to speak to the agricultural sector. As I have told the House on many occasions, I have a large agricultural sector in the rural area I represent. It is made up of not only dairy farmers, but a feather industry, crops and grain, as well as the cattle industry.

He asked a question about the \$17.1 million for slaughter. We all know a program was put forward but we also know that it takes time to build those processing plants in order to make sure they are up to speed.

We saw the introduction of a processing plant in Kitchener and it has yet to go into full production. It is getting close to that but there are some questions around the testing of it, et cetera. That is not to say that some work has not been done, but we certainly have not been able to meet the needs with the speed that the agricultural community requires.

With regard the CAIS program, we are pleased to hear that following a motion put by our opposition party to eliminate the cash deposit requirement, the government has included that in the budget. However it will not happen immediately.

As was said earlier today, we all know the CAIS program, essentially, does not work. The CAIS program does not immediately put the money at the gates of the farms where it is needed. The CAIS program needs to be improved. It needs to be less onerous on the farmers. We also have to make sure that those cheques arrive when they are needed, not months later. We found last year that people were still waiting. We were discussing 2004 needs but people were still waiting for 2003 cheques to arrive. With that kind of delay, that is not addressing an immediate crisis, an immediate need at the farm gates where families are feeling the challenges of increasing debts.

The dairy farmers, as the hon. member has mentioned, have seen some redress. However, to raise the price of milk, we still have the cull cows on the farm. They are still in the field. How will we address that for the dairy farmers as well?

As we have said, for the farmers and the agricultural community, it just seems to be compounding and we are still waiting for the government to deliver cash to the people who need it now. We can have the building of slaughter capacity and programs that will come into place in 2006 and beyond, but what will happen in this budget year 2005-06?

*The Budget*

•(1625)

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, at the outset I would like to compliment my colleague from Durham for her comments and note that the way she handled the question on agriculture certainly shows the depth of not only her knowledge on this issue but the depth of her concern for the producers in her riding and others all across the nation.

I could not agree more with the thrust of what she was saying. I expressed my frustration in a member's statement this afternoon prior to question period. What I heard in her remarks was her frustration and the frustration we in the Conservative Party of Canada have because of the government's inability or inattention to the critical issues of agriculture in our country.

In the limited time that I have to respond to the Liberal budget this afternoon, I want to touch on several issues. I would first like to state that it is somewhat gratifying to say that we in the Conservative Party of Canada were right when we told Canadians during the June 2004 election that they were being misled by the federal Liberal government about the state of our country's finances. We knew the Liberals were awash in tax dollars skimmed from Canadian workers and yet during the election the Liberal government cried poor. It said that there was no money to spend on the Canadian Forces, on health care and on our crumbling infrastructure. It said that there was certainly no money to offer Canadians tax relief.

However, as we have known now for some months and as was confirmed in the budget, there is a massive surplus. I cannot say this enough. What Liberals call a surplus, Conservatives consider overtaxation. However this budget has ensured the continued overtaxation of Canadians. Much of the substantive investment needed to provide for the future security and prosperity of our country will not happen until some time in the future.

Our military, for example, as my colleagues have remarked, will continue to wait as it has for the past 11 and a half years that the Liberals have been in power. This is more a budget for the year 2008 than it is for 2005.

Unfortunately, the money taps are set to flow for the Liberal non-plan for the environment, to which my colleague from Red Deer just finished speaking at length, and its grand scheme for institutionalized state run child care. With scant detail or any sort of plan for these grandiose programs, the stage is being set for more government boondoggles and spending scandals.

I have a great deal more to discuss in terms of this budget's deficiencies but I would like to take a moment or two to address the adoption tax credit which was included in budget 2005.

It is no secret that I believe recognition for adoption and adoptive parents under Canadian tax laws is long overdue. I fought the government over the past four years to achieve this recognition through my private member's bill, which was most recently designated Bill C-246. Just last April, the same finance minister who has now included this tax provision for adoptive parents in his budget, sent his parliamentary secretary to the chamber to refuse government support for my proposal to offer tax relief to adoptive parents.

The Liberals changed their minds and I can tell the House that I am very happy for the Canadians who are currently set to undergo the emotionally and financially rigorous adoptive process, but the credit should not and does not go to the government. The credit goes to the hard work and dedication of the people in this country's adoptive community. They refused to give up. They wrote, e-mailed, faxed and called Liberal backbench MPs and cabinet ministers. They refused to go away. I am proud of their efforts and their success.

Ironically, it is those very same parents who are now being shut out by the government. My private member's bill would have offered tax relief retroactive to two years. The budgetary measure just announced is not retroactive. It applies to adoptions finalized in the 2005 taxation year and beyond.

What would two years retroactively have cost the government, the same government that is awash in our tax dollars? It would have cost \$10 million maximum. My excitement over this achievement for adoptive families has been greatly dampened.

I am also disappointed that the tax relief will amount to a maximum of \$1,600 per family. That is not much when one considers that domestic adoptions can cost more than \$15,000 and international adoptions can total \$30,000 or more. We are still hopeful that there may be further relief offered through provincial personal tax credits. We have no way of knowing that at the moment. Adoptive parents have been able to obtain so few details on this adoption tax credit beyond what is in the budget documents.

•(1630)

Were the provinces consulted before the federal government announced this measure? Will the tax credit apply to each adopted child or each adoption order which can include more than one child?

It now appears obvious that this was a very last minute decision by the government and Canadians have been asked to be patient. The information on this tax credit should be readily available now since information on other tax measures introduced in the budget can already be accessed. The government says that there is no rush because tax returns will not be filed for this taxation year until next spring but prospective adoptive parents are making decisions today about their lives and their families.

Before I move on to other matters in the budget, I would like to commend the people in this strong and vibrant adoptive community and thank them for demonstrating to this seasoned politician that people can make a real difference.

Speaking of real differences, I wish there were more of them in this budget.

I would like to draw attention to seniors. This is one group we have heard from in our ridings over the years, and certainly Prince George—Peace River is no exception. I have heard from seniors on fixed incomes who are struggling to make ends meet. The price of their home heating fuel, for example, keeps going up as do the costs of other things. They cannot meet those increasing costs because they do not have the corresponding increase in revenue that perhaps other Canadians might enjoy.



*The Budget*

When I look at page 90 of the budget plan 2005, I find that it proposes to increase the maximum monthly GIS for seniors, which is the guaranteed income supplement, by \$36 for a single senior. Half of this increase would only take effect on January 1, 2006, which is almost a year away. The remaining installment would take effect on January 1, 2007. What are we talking about here? Despite billions of dollars in overtaxation, when it comes to the most needy, our poor seniors, we are talking about \$18 a month, and even that does not kick in until 2006. There is nothing for this year.

Let us move on to page 148, the tax relief that the government brags about. What we find is that it will raise the personal tax exemption, something which our party has talked about doing for years. We must applaud the government for this tiny step it is taking but then the devil is in the details, as always. When we read the details, what do we find? On page 149 of the budget plan it states that the basic personal amount will be increased over a five year period, as follows: \$100 in 2006; an additional \$100 in 2007; then it jumps to \$400 in 2008; and \$600 in 2009. As we have seen with almost everything to do with this budget, it is back-end loaded. It is some time in the future. People would have to wait again.

What else should we look at? On page 258 we see the federal tax revenues. Let us have a look at how much the government will realize. It is absolutely frightening what we see here. The table on page 258 of the budget plan shows that budgetary revenues would grow from the current year of roughly \$196 billion to \$237.8 billion by 2009-10.

Where will most of that money come from? That is a good question. I can tell members that despite the claims to the contrary, when we look at page 261 and the chart there, it will come from personal income tax. The revenue flowing to the government in the 2004-05 fiscal year, according to the numbers here, will be almost \$90 billion and it will grow to \$120 billion. That is the money that the government will suck out of Canadians' pockets in the way of personal income tax. The money will just flow into the coffers to be spent on the government's grand plans, rather than returned to Canadians in the form of tax relief.

• (1635)

What we have found is there is almost no reference to the agricultural crisis, as has been indicated. There is no reference to the softwood lumber crisis. There is no reference to the mountain pine beetle epidemic which is ravaging the forests of British Columbia.

In summary, this is a typical Liberal budget which tries to have a little for everyone but continues to overspend and overtax. However, as our leader has already made clear, we have chosen to act responsibly. Even though we cannot support the budget, we will ensure the survival of Parliament because we also believe that it is in the best interests of Canadians to ensure that this Parliament continues. They are not prepared to spend another \$300 million on another election at this point in time. However, the government should not necessarily breathe easy. What we have seen in the budget plan is a pretty failed attempt to redress so many of the wrongs that it has perpetrated on Canadian people in the past.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have listened to the member, and he has raised a number of very important points. Much of it has to do with extending out the programs in the

budget. We understand that we could not implement programs fully in one year. Some obviously do take a period of time, and I would think many of the military projects will take more than a year. I think he would concede that.

However, I want to dialogue with the member with regard to the tax side. The member probably is aware that there are something like 14 million taxpayers who file tax returns and pay taxes. A hundred dollars in their pockets is \$1.4 billion in expenses or reduced tax revenue each and every year. To have a much larger increase in the annual tax savings of Canadians obviously becomes a very significant amount of money when we consider the number of taxpayers.

I want to address the point he has raised that personal income tax revenue will increase from some \$90 billion to \$120 billion from now until 2009. That also is reflective of the fact that there is a growing economy anticipated with more people working and paying their share of taxes, not that taxes are going up by that amount. I just want to be sure that he would reaffirm to the House that he is not suggesting that somehow income taxation has gone up. With the indexation that was put into the Income Tax Act, the tax burden of Canadians over that same period will go down.

**Mr. Jay Hill:** Mr. Speaker, I appreciate the Liberal member's point of view. However, I think he is missing two relevant points. First, it is not the government's money. There is a fundamental difference in how we view this money. I heard one of my colleague's say while the member was speaking that it was not the government's money. This is taxpayer money. That is a fundamental issue. It is supposed to be viewed as a sacred trust.

That is why I said in my speech that a surplus that Liberals dream to spend is overtaxation to a Conservative. We have this strong philosophical difference on how we look at a surplus. The Liberals call it a surplus and they dream up different ways to spend it. We look at it as, despite the wildest spending the government could dream up over the last year or two, it still has not spent everything that it took away from Canadians. It still has not managed to blow it out the door.

We say that money belongs to the taxpayers. It should be returned to them. Yes, we understand very clearly that even a small tax cut, a small amount of tax relief, amounts to a billions of dollars when we spread it over every working Canadian. However, we have to start from the fact that it was their money.

Second, ten minutes is just simply not enough to address every issue that we would like to raise. However, the member mentioned military spending, and I want to talk about that. I used to be the defence critic for our party, and it is an issue that is near and dear to me.

*The Budget*

One thing I looked for in the budget was an issue that I have raised for over a year now, with petition after petition from across the country. It deals with on base military housing, how it is deplorable and how it is substandard. These people put their lives on the line for our nation. These people today are serving in Afghanistan and other trouble spots around the globe. These people we house in some of the worst housing in the nation. I would have hoped that it would have been addressed in the budget and that the government could have at least indicated it would freeze the rents of our on base housing. However, no, it keeps raising the rents on deplorable housing that in many cases is absolutely substandard.

Another thing I wish to note is this. The government has bragged about how much money it will put into our military over the next five years. When we look at page 222 of the budget plan, the reality is that it does not start to kick in until 2008 and 2009. For the last couple of years of the government's five year plan, \$10 billion of the \$12.8 billion will be spent in the last two years. The next three years will be about \$2 billion in all its programs.

It is a shell game. We all understand that. We can all see through it. Every Canadian can get a copy of the budget plan 2005. They can read it for themselves. They know that it is a shell game. It is a fantasy of the government and Canadians will not fall for it.

• (1640)

**The Acting Speaker (Mr. Marcel Proulx):** Order, please. It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Charleswood St. James—Assiniboia, Health; the hon. member for Nanaimo—Alberni, Justice; the hon. member for Ottawa West—Nepean, Government Programs.

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I would like to advise you that I will be sharing my time with the hon. member for Glengarry—Prescott—Russell.

I am pleased to have this opportunity to speak about the impact of the 2005 budget on Canada's transportation needs.

At the outset, I want to congratulate the Minister of Finance for bringing down a budget that delivers on the important commitments the government has made to Canadians on key social and economic priorities. This is a budget that responds to a very wide range of public policy issues. It is a budget that provides tax relief and a budget that invests in social policy. It is a budget that supports our military and a budget that will help build the competitiveness of Canada's economy.

The budget affects transportation issues in many different ways. In Canada transportation is a key of so many different agendas. We cannot think about international trade without looking at the role of transportation. We cannot think of urban infrastructure without thinking about transportation. We cannot think about climate change without considering the importance of transportation. We cannot think about security issues without highlighting transportation. The budget addresses many of these broad issues and in doing so, it has an impact on Canada's transportation policy.

Let me begin with transborder issues. Under the Canada-U.S. smart border declaration signed in 2001, Canada is committed to

improving the border infrastructure. The federal and provincial governments, along with other partners, have announced more than \$1 billion in improvements to our border to date. From the federal government, investments of \$513 million have been announced through the border infrastructure fund and strategic highway infrastructure program in the past four years. The focus has been on the busiest commercial border crossings where 78% of our tracked traffic crosses the borders. Let me give an example.

The Government of Canada is contributing \$90 million toward a package of road investments in the Lower Mainland of British Columbia. These projects are expected to improve the flow of traffic to and from the region's border crossing to the United States.

The border infrastructure fund was initiated in 2001 with \$600 million. It is one of several important infrastructure programs. In 2000 we launched the \$600 million strategic highway infrastructure program that would invest heavily in our national highway system and intelligent transportation systems. In 2001 and again in 2004 the government launched the \$4 billion Canada strategic infrastructure fund for large scale projects including highway improvements and urban transit expansions. In 2003 we launched the municipal infrastructure fund which has a strong emphasis on green infrastructure.

This budget confirms that these infrastructure programs will be renewed as required. This is good news for the municipal and provincial governments that have been partnering with us to improve their infrastructure.

In Quebec, for example, the Canada strategic infrastructure fund is contributing toward the completion of Highway 30 which will help reduce congestion on the Island of Montreal. In Toronto some \$103 million of the Canada strategic infrastructure fund will help the Toronto Transit Commission modernize and expand bus, street car and subway services. In Saskatchewan the Canada strategic infrastructure fund and the strategic highway infrastructure program are contributing toward the twinning of the major east-west highways. In the Northwest Territories the Canada strategic infrastructure fund is investing \$65 million to build the infrastructure that will support oil and gas development and diamond mining.

These are the kinds of projects that build a competitive economy in Canada. These are the kinds of investments that the budget highlights.

The budget will have a major impact on Canada's transportation networks as a result of new moneys available to municipalities. The gas tax sharing, the rebate of the GST and the green municipal funds will provide Canadian communities with more than \$9 billion over the next five years. These are revenues that cities can use to upgrade their transportation infrastructures.

*The Budget*

•(1645)

Clearly, this budget is a green budget. It includes significant new funds for the environment, particularly climate change. The government committed to improve energy efficiency and our efforts to do so in the area of motor vehicles is extremely important. Transport Canada's advanced technology vehicles program and the motor vehicle fuel consumption program, which is a cornerstone of our voluntary agreements with the auto industry, are an integral part of sustainable transportation. Both have been successful and have produced solid results at a reasonable cost to the public.

As a result of the work done with the advanced technology vehicles program, vehicles such as the Mercedes-Benz smart car have made their North American debuts in Canada.

There are still many opportunities to continue to improve both programs and to enhance the environmental sustainability of light duty vehicles sold in Canada. I look forward to the continued growth of these programs as we address our Kyoto commitments.

Perhaps the most significant impact this budget will have on transportation will be the contribution to Canada's security. In the war against terrorism, Canada's infrastructure cannot be vulnerable. That is why, following the September 11 attacks, Canada has upgraded its security measures. This budget has dedicated \$1 billion to support key national security initiatives, including a total of \$326 million over five years to further enhance transportation security.

In the past, many of the high profile security measures involved airport security. The budget provides \$16 million over five years for assessment and development of systems to collect information about air travellers for national security purposes. This includes \$14 million allocated to Transport Canada as part of the department's commitment to the Public Safety Act, 2002.

As the House is aware, the Department of Finance initiated an air travellers security charge to cover the cost of increased security measures. I was pleased to see that air passenger traffic has grown faster than expected in the wake of the terrorist attacks. As a result, more revenues have been raised by the security charge than anticipated. I applaud the Minister of Finance's decision to lower the charge accordingly. We hope that the reduction in the security charge will stimulate further demand for air services.

One of the most important areas where Canada requires a secure transportation infrastructure is in the marine transportation mode. In fact, since 2001 the government has dedicated \$629.5 million for projects to help improve Canada's marine security. These projects include measures to protect marine infrastructure, increased surveillance of maritime traffic, and measures to improve our ability to respond to emergencies.

This budget provides an additional \$222 million to further enhance the security of Canada's marine transportation system. The details of the initiatives will be announced shortly, but the budget documents make several of the priorities clear. Funds will go toward such measures as new mid-shore patrol vessels for the Great Lakes and the St. Lawrence Seaway, as well as new emergency response teams for these waterways. There will be funds as well for additional regulatory inspections of ships and port facilities.

This budget also provides \$88 million over five years for Canada to work with our American partners on their container security initiative program. This U.S. initiative enables their customs officials to work with officials in other countries, share information and verify inspections. We will improve the partnership by making our intelligence surveillance systems more compatible. We will be able to share information on high risk cargo destined for North America. We will make our marine transportation safer and more secure.

I have outlined some of the ways in which this budget will have a positive impact on Canada's transportation system. Transportation issues lie close to the heart of Canada's economic competitiveness, our social well-being, and our safety and security. I urge this House to join me in supporting this budget.

•(1650)

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, I wanted to address my question to the Minister of National Defence, but he left before I was able to ask it.

The hon. member, in his opening comments, mentioned that he and his government supports the military. Last week I saw a parent and a step-parent. One of these people has a young man who is serving overseas and the other has a young man who is about to serve overseas, and who will be going over within three months. Both parents asked what was in the budget for their children. One parent said that the government is sending his child overseas to serve and protect this country with equipment that is older than his son. The son is 33 years old. The father said that in the event that his son does not come home, his blood will be on the government's hands.

I would like the minister, who said that the government supports the military, to explain it to the father whom I am sure will be watching.

•(1655)

**The Acting Speaker (Mr. Marcel Proulx):** May I remind the hon. member that there is an order that keeps us from saying who is or is not in the House.

Second, we are now in a question and comment period following the speech from the hon. parliamentary secretary, so your questions and comments are addressed to the parliamentary secretary.

**Hon. Jim Karygiannis:** Mr. Speaker, I take the question with interest. As an individual who has travelled very widely and has visited our forces, going back 16 or 17 years ago when I was first elected, in Cyprus, Afghanistan and other parts of the troubled world, I would like to assure the hon. member that our forces have the best equipment. They are well respected. The will of the government is to work with all of the stakeholders, especially our partners. We are there to provide not only security, but the much needed respect that the Canadian Forces bring is paramount.

*The Budget*

Let me share something with my hon. colleague across the way. A few years ago, when we decided to send our forces to Afghanistan, the Conservative Party members were jumping up and down, raising the roof and hollering at the top of their lungs that the Canadian Forces did not have the best equipment because they did not have brown fatigues. The following year I was in Afghanistan when it was Canada's turn to take control. Not only were the Canadians still wearing the green fatigues, but all the other forces were in green fatigues because they wanted to be mistaken for Canadians. This is the respect that our Canadians have abroad.

By standing in his place and saying that the government does not provide for our men and women in the armed forces, the hon. member is misleading the House.

**Mr. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, five years ago government program spending was \$120 billion. Since the government likes to take the long term perspective, it projected that program spending would be \$230 billion in five years. That would be an increase from \$120 billion to \$230 billion in the space of 10 years. That is a virtual doubling of government spending. It is entirely out of control.

I know that the member for Scarborough—Agincourt has many hardworking families in his community who are not happy to see their taxes funding that kind of out of control spending. In fact, we made a strong call for tax cuts. I stood in my place and called for tax cuts in the prebudget debate. The Liberals say they are acting on it, but like so many things in the budget, the action is not really there. In this budget year there is not one penny of tax cuts for hardworking families. The Liberals have made much of the tax cuts that are coming in the future and they are right. It will be \$16 next year.

I would like to know if the member for Scarborough—Agincourt could tell us what he is telling families to do. How much time do they have to plan? What should they do in that year? How will they spend that \$16 tax cut? Will it really provide them with support?

I remind the House again of my constituents who write to me saying that they make good money, if you want to call it—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. member has to realize that we are running out of time. The parliamentary secretary, very briefly please.

**Hon. Jim Karygiannis:** Mr. Speaker, I will just reiterate what I said in my speech. The air traveller security charge has been lowered. There are many more people travelling. We realized that we needed to lower the charge and we have done so. To my hon. colleague across the way who unfortunately is not paying much attention, I would point out that we did lower taxes.

• (1700)

[*Translation*]

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I am pleased to participate briefly in this debate and lend my contribution and support to this budget of the Canadian government. And I can tell you I am not the only one.

[*English*]

I have a press release issued on the day of the budget from David Stewart-Patterson of the Canadian Council of Chief Executives. He said:

I am encouraged that the government has recognized the importance of a competitive tax regime, and in particular of keeping Canadian corporate income tax rates significantly below those in the United States—

This was the corporate executive telling us how advantageous our tax regime is for job creation in Canada.

I have a press release from the Canadian Trucking Alliance congratulating the government. I am glad I am following the Parliamentary Secretary to the Minister of Transport who will know of this as well. It says:

CTA applauds budget funding to increase efficiency at key border points.

It is very important. I know the hon. member for Stormont—Dundas—South Glengarry, who represents the riding beside mine and is right on the border, would be pleased in this element of the budget as well.

We have on one side big business and truckers saying they like this budget. Now we have an ecological group, the Ontario Federation of Anglers and Hunters and here is the title of its press release:

Ontario Federation of Anglers and Hunters applauds invasive species, sea lamprey and Great Lakes funding in federal budget

So now groups defending the environment like the budget. Everybody likes the budget.

Fasken Martineau Canada Report is entitled “Liberal government minority budget—a balanced balancing act”. In other words, the Minister of Finance has exactly hit the mark with this budget. These are not my words, they are the words of Fasken Martineau Canada Report, one of the most prestigious law firms in Canada, as the hon. member for Stormont—Dundas—South Glengarry obviously recognizes.

I have just come from a wonderful event right here on Parliament Hill where the Canadian Diabetic Association was host to MPs from all parties. It was not asking us for anything. It was thanking us for what was in the budget. I see many faces here who were in that room and some of them are still there having a cocktail with these people who are here representing people who are suffering from diabetes and who thank not only the government but indeed all members of Parliament for their successful lobby in obtaining funding that recognizes this disease. This is from a medical group.

Therefore, we have medical groups, prestigious law firms, ecological groups, the trucking industry and the business council all recognizing the delicate balancing act that the government has engaged in with this very successful budget.

[*Translation*]

We also have every reason to be pleased at the community level. For example, I am glad of the infrastructure program and its municipal rural infrastructure fund, which is very important for the riding I have the honour and privilege to represent.

*The Budget*

Another very important measure is a \$10 million investment in the eastern Ontario development fund. This is a very popular program with the 16 CFDCs in the ridings of eastern Ontario. I know the hon. member for Stormont—Dundas—South Glengarry did not agree with this program when it was set up last year in response to a request made by mayors. Today, he signs letters of support for groups who request them. I know how much he has changed, especially since he has been supporting this initiative, and I appreciate that.

The budget provides a \$17 million increase for the loan loss reserve program for ruminant slaughter plants. Certainly, we should do more to help the farm community. It is important to increase this slaughter capacity, because there is no other solution for the cull cows problem. Maybe it was just too easy in the past, because there was an almost endless market with a very elastic demand for each cull cow that we had to eliminate. Obviously, this market was in the United States. Our slaughter capacity has all but disappeared, at least in my region, because of the more stringent standards of recent years. It seemed the American demand would last forever. Unfortunately, the border was closed to our cattle a little over two years ago.

When the border first closed, it was possible perhaps to understand the initial step taken by the Americans to ensure food safety and all the rest. However, after the World Health Organization said that Canadian beef was as safe as American beef, the approach adopted by the United States is no longer unreasonable. Last week's decision by the district court judge in Montana to grant an injunction to a group of dissident American cattle producers and to ensure that the border does not reopen today to young cattle exports for slaughter, is totally unacceptable.

In terms of agriculture, there was also—it must be said—an increase in the price of milk. I was a member of my caucus' dairy committee just before Christmas. Canadian milk producers came to see us and asked for our support because they wanted to ask for the increase. They wanted to go forward with it. They had our support. It was unconditional. We knew that consumers would complain a bit and they did. However, after the initial reaction, we knew that consumers would be prepared to accept that we all had to support Canadian milk producers. And they did.

• (1705)

[English]

In regard to the CAIS program, I very much welcome the initiative of the minister in doing away with the premiums. This is subject of course to negotiations with the provinces because this program is 60% federal and 40% provincial. That program was subject to an agreement signed on behalf of all parties by the then minister of agriculture, Lyle Vanclief. The program is still too slow. I will be the first to say that we need to increase the rapidity of the delivery of the service to Canadians. We need to remove the premiums which were offensive to a number of people. Both of these things will go some distance in helping the agricultural industry.

Crops is one area where supplementary help will be needed sometime this year. As it stands now, it looks as though we are going to have terrible crop prices this year and that will be very difficult for my constituents to manage.

[Translation]

In closing, I want to thank the Minister of Finance for the \$2.7 billion increase over five years for the New Horizons program for seniors. This program is very popular in my riding and now it will be even better.

There is also the ten-year plan to strengthen health care, for some \$805 million. Once again, this is one sector where we can never do too much.

In conclusion, I want to thank the government for its seventh consecutive balanced budget. The best thing we can do for Canadian consumers is assure them that the government is not going into debt and that, consequently, it will not compete with them on monetary markets. This helps to keep interest rates low. This is probably the best thing we can do for consumers: ensure that they are able to get a mortgage or a car loan at lower interest rates. Thanks to good management, we can provide real assistance, and I congratulate the minister and his predecessors.

• (1710)

[English]

**Mr. James Bezan (Selkirk—Interlake, CPC):** Madam Speaker, I want to take exception to some of the comments made by the hon. member in his speech on the budget. He said, “everybody likes the budget”, but he failed to mention that the Canadian Federation of Agriculture is very disappointed with the budget. The Canadian Cattlemen's Association and the Grain Growers of Canada were very mute in the prospect of what is left in agriculture with this budget.

The member even mentioned that he is concerned about what is in the budget for the crop sector. The crop sector has gone through some devastating years. There has been drought after drought in Canada. There are now terrible prices in commodities for all grains and oilseeds. Farmers do not have the money in their pockets today to put the crop in the ground.

The member mentioned that the minister was making headway in removing the premiums in the CAIS program. Unfortunately, the federal and provincial ministers at their meeting which was held just this past week in Ottawa decided to leave the premiums in place. I was hoping the minister would follow through on the promise made, but it is a promise not kept in eliminating the CAIS premiums. All they are doing is delaying the time to put premiums in and that is unacceptable in the farming industry today.

I am a farmer and a cattle producer. The reality is that the border is still shut. We do not know when it will open. Although President Bush and Secretary Johanns are onside with us and want the border opened, the U.S. Senate is not. We have very little input on how the rule making process will be handled in the U.S. Senate and Congress in making it a reality that the border will open some day. In the interim, we have to continue making an investment in the agriculture industry.

*The Budget*

The loan loss reserve program has not been used yet. It cannot be used because there is no agreement in place between the lending institutions and the government. The Canadian Bankers Association said just two weeks ago at the Standing Committee on Agriculture and Agri-Food that the agreements are not in place. If the program does not exist, how can we use it to benefit anybody in the industry? We have to expand plants, build new plants, and deal with the mature animals and it has to happen today. It should have happened months ago. We are 22 months into this problem, and we still do not have adequate capacity to deal with the problems.

I would like to know how the government is going to carry through on the promises that are laid out in the plan. Like the member said, the Canadian Diabetes Association is applauding the government this year. Last year it was pointing the finger and saying that the government had promised back in 1999 that it was going to give it support and it never did. Now the association is saying it is in the budget.

How is the government going to ensure that it carries through on its plans not just for the Canadian Diabetes Association but for agriculture as well?

**Hon. Don Boudria:** Madam Speaker, on the issue of the premiums, of course I am not a party to how the minister will resolve the issue if the provinces will not back down from their position of not agreeing to reduce them. I have my own suggestion. I suppose the minister could probably reimburse the federal portion thereof, but of course that would not reimburse the provincial portion.

Is it too quick to do something like that? I think so. We still need some time in order for everyone, including the farmers, to convince the provinces to back down and to do what the federal government is doing, which is to remove the premiums overall. I think that would work far better. Anyway, it would put more money in the pockets of farmers.

In the end, if the provinces will not do it, perhaps one good way of pressuring them would be to remove the federal portion only. It would put some pressure on the provinces if they have to be embarrassed into doing it, but hopefully not.

On the vote in the U.S. Senate, that is regrettable. The United States federal legislature, the Congress, is composed of two portions. The U.S. Senate has a very rural part to it and is much more protectionist than the House of Representatives. Most independent observers claim that a similar vote in the House of Representatives would get nowhere because the consumer groups would be able to put a lot more pressure in that regard.

All that being said, there is only one good long term solution, which is to reopen the border. Nothing else will be as good as reopening the Canada-U.S. border.

• (1715)

[*Translation*]

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Madam Speaker, I will be sharing my time with my colleague from Beauport—Limouilou.

We have before us a government that has presented a budget that is totally unacceptable, to Quebec in particular, since some of its orientations run counter to the consensus that exists in Quebec. There is consensus on a number of issues, and I will try to provide an accurate picture of the situation.

One of these is the consensus in Quebec on equalization payments and fiscal imbalance. In this budget there is no measure to correct fiscal imbalance in any way whatsoever. More serious still, we are dealing with a Minister of Finance who, as recently as last week, was still giving us evidence of his arrogance in a speech to the Quebec City chamber of commerce.

The Minister of Finance said that fiscal imbalance did not exist, because the federal government invests heavily in areas of Quebec jurisdiction. That is precisely where the problem lies. Rather than looking after its own areas of jurisdiction, it is constantly invading those of the provinces and of Quebec, thereby creating fiscal imbalance.

We had evidence of this—and I am going back more or less to 1995 here—when the federal government pulled out of cost-shared programs. So who got left holding the bill? The public. The Government of Quebec provides a number of programs and services to its citizens, and that is totally normal. As soon as one level of government opts out, Quebec has to try to take up the slack. That is more or less what fiscal imbalance is all about.

The Minister of Finance showed a great deal of arrogance in claiming that there was no such thing, and that he preferred to invade provincial areas of jurisdiction. It is outrageous. We have another example of the government's arrogance when its transport minister dares to say that a reasonable unemployed person will find this budget acceptable.

Last week, the Minister of Transport was in Jonquière. He did not meet with any jobless people, understandably. If he was looking for reasonable ones, I am sure he would not have found any. The way this government is managing employment insurance is a total disaster.

This is unfortunate, because we had indications to the effect that this government was getting ready to propose a number of reforms that might have been interesting. We will recall that last December a unanimous report containing eight recommendations was agreed to unanimously by the Standing Committee on Human Resources, Skills Development, Social Development and Status of Persons with Disabilities. Unanimous means of course that the Bloc Québécois voted in favour of these eight recommendations, as did the Conservative Party, the NDP and the Liberal members on this committee.

Three weeks ago, the same committee put forward once again about 20 proposals to improve the employment insurance system in Quebec and in Canada. They were not agreed to unanimously; this time, our Conservative colleagues preferred to vote against them. However, once again, members of the government party voted in favour of these proposals.

Along comes the budget and so much for the committee vote.

*The Budget*

Concerning a comprehensive reform of the employment insurance system, the Minister of Transport, second in command in Quebec, clearly told us that the reform is over. What does this mean? It means that we have to forget about an independent fund. The most outrageous thing in all this is that the Minister of Human Resources and Skills Development has recognized this, quite unwillingly, I am sure. She said that an independent actuary will now determine the level of premiums to ensure that it does not exceed a certain amount of what is needed for the system to work.

What she is recognizing essentially is that the level of premiums was much too high. Instead of serving adequately people in need, people who lost their job, who have to wait a minimum of two weeks before receiving an employment insurance cheque, who must live through the black hole, who work in seasonal industries and who suddenly find themselves without any income, they do something else.

• (1720)

They made the decision to divert \$46 billion from the EI fund for other uses that are of no benefit to contributors. It is outrageous.

The budget provides \$300 billion to help seasonal workers. First, this kind of money is not adequate. Second, this help will apply just in areas where the unemployment rate is over 10%. The minister is proud to tell us that those eligible will get benefits for five more weeks. I would like to clarify this. Unless I am mistaken, it is “up to five more weeks”. It is quite different.

Something particularly outrageous—and it is one of the major problems with this EI plan—is that only 45% of all contributors are eligible for EI benefits, which means that 55% are not.

Just imagine what it would be like if this was an insurance company, and if 55% of the claims of the insured customers were denied. It would be outrageous. But the minister is satisfied with this and she does not do anything to correct the situation. How arrogant. It is just another example of this government's arrogance.

If there is one thing on which all Quebecers can agree, it is the need for a new Program for Older Worker Adjustment, a new POWA. There is nothing about it in this budget. Instead, the Parliamentary Secretary to the Minister of Finance confirmed in a CPAC broadcast, “No, the old folks are so happy they ought to be dancing in the streets”. In terms of the Guaranteed Income Supplement, it will mean an extra \$36, five years from now. There is no reason for older workers to be dancing in the streets. I am ashamed to hear a fellow member of Parliament saying such things.

There is nothing for the self-employed. There is nothing for immigrant workers who are not eligible for benefits. This government's management of employment insurance—and the budget—is simply scandalous.

With regard to agriculture, there is not much. The cull cattle problem which affects Quebec has been overlooked. They talk about \$17 million spread across Canada. It is not fresh money; it is money taken from other budgets and rearranged. There is nothing for Quebec's farmers.

There is nothing about Kyoto. It is the same thing. Money is allocated for Kyoto, but there is no mandatory plan for industry.

Instead, subsidies to oil companies and the auto industry continue, while there could have been very simple measures in the budget, such as income tax credits for public transit passes. But that is not in the budget.

An effort could have been made toward wind power. Moreover, there is no tax credit for the purchase of hybrid vehicles. And yet, these are relatively simple measures to apply, at least they seem so to me. This aspect has been completely overlooked in the budget.

I think it is not only sad but scandalous. It is not as if this government did not have the means. In fact, all the serious analyses tell us that over the next three years, the government's surpluses will not be \$15 million, but \$34.6 billion. It has often been said in this House that the Conference Board of Canada—and God knows it is not a den of separatists—estimates the federal government's accumulated surpluses over the next 10 years will amount to \$166 billion.

During that time, it is not solving the problems of employment insurance, the fiscal imbalance, equalization, agriculture, nor older people. It is a complete failure; it is lamentable and scandalous.

• (1725)

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I want to make a comment about surpluses and ask the member a specific question relating to EI. I know he is very knowledgeable on that side and maybe he will be able to answer.

Often in debate it has been said that, to the extent that surpluses exist, it reflects the overtaxation of Canadians. I would simply like to point out to members that to the extent that there is a surplus, which is determined about six months after a year is completed, which is how long it takes before the financial statements of the Government of Canada are finalized, that under the Financial Administration Act the amount of the surplus goes toward paying down the debt.

Therefore, to the extent that a surplus exists, it is still applied to the reduction of debt which, since 1997, actually has resulted in annual savings to Canadians of about \$3 billion of interest expense.

It is important that we continue to keep our eye on the debt. We used to pay about 42¢ on the dollar for debt servicing. It is now down to something like 22¢, which is important to keep in mind. The debt does have to be serviced and Canadians want us to not only not go into deficit but to in fact create surpluses to pay down a little of the debt as we go along.

I know the member has raised this issue before, which is the issue of the percentage of people who pay EI premiums who are not entitled to benefits. The member is aware that the program is built on the basis that people must put in a certain number of hours to qualify for any benefits. Obviously someone who only works for one day cannot automatically collect full benefits. What percentage would the member expect not to qualify for benefits with a reasonable waiting period before one would qualify?

[*Translation*]

**Mr. Guy Côté:** Madam Speaker, I sincerely think that the government should take steps to allow as many people as possible to receive employment insurance benefits when they lose their jobs.

*The Budget*

Previously, a new entrant to the labour force could have to wait for up to two years before he or she could apply, because a minimum of 910 hours of work were required. Granted, the government has taken a baby step by reducing the requirement to 840 hours. But that is clearly not enough. Why not have a uniform requirement? Why not set it at 600 hours or 400 hours?

The whole idea is for workers to contribute to the employment insurance program so that, when they need it, they can continue to have an income. They are not asking for handouts; it is just a matter of allowing recipients to continue paying their mortgages, feeding their children and having a decent living. As many people as reasonably possible should have access to benefits. Ideal conditions have to be put in place for that to happen.

My hon. colleague opposite talked about paying down the debt. We are not against paying down the debt. But we do object to this House not being able to debate the matter. The Minister of Finance said he wanted to have a contingency reserve, a reserve for economic prudence, a reserve to allay anxiety and that, if he did not need this money, he will put it toward debt repayment. Should he decide to put \$1 billion, \$2 billion, \$3 billion, \$4 billion or \$5 billion toward paying down the debt, the Minister of Finance should have the courage to make it an item in his budget. Such is democracy. This way, we could have a debate about it in this House.

Instead, what does the government do? It creates budget items to be used for other things. It puts money into foundations. This year, some \$7.7 billion invested in foundations has yet to be spent. That is \$7.7 billion that escapes the scrutiny of parliamentarians. Even the Auditor General cannot check how this money is used.

The government must take steps to promote the distribution of wealth and to help those who need help. That is what is important.

• (1730)

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Madam Speaker, I thank you for this opportunity to address this important issue, namely the budget.

A government's budget is an extremely important political speech. Beyond the rhetoric, the election promises and the meaningless statements, a government's budget spells out what a government will do or will not do. It clearly shows the government's degree of compassion and, for example, how it understands the situation of the provinces or of the poor. This is shown by the budget, depending on whether or not moneys are allocated.

I want to talk more specifically about social housing. I think that this issue clearly shows the cynicism of this government and how it reneged on its commitments and promises.

Today, some government members used a beautiful slogan to depict the situation. They said, "Promise made, promise kept". In the area of social housing and as regards the unemployed, including older workers and the issue of assistance to refugees, where the government could have funded an appeal court and allow refugees to integrate, the promises were not kept. We have older workers, tenants and unemployed people who were all misled by this government, which had promised them a lot but delivered very little and, in some cases, did not deliver at all.

In the case of social housing, there is nothing, *nada, rien*. Not a cent, not one red penny, for social housing. Promises were made. In the last election, \$1 billion to \$1.5 billion over five years was promised for affordable housing, for help for the homeless, for housing renovations. That commitment was repeated in the throne speech.

Even without any figures being included, the throne speech did repeat the government's intentions. So that makes two mentions before the budget, which is where it really counted. Despite the enormous pressure from the public and despite the needy households of Canada and Quebec, nothing was forthcoming.

Instead, what we find is up to \$12.8 billion—close to \$13 billion—in increased military spending. Yet there is nothing whatsoever for the 1.7 million Canadian households spending more than 30% of their income on housing. More than 600,000 of that number pay more than 50% of their income. And then there are the 150,000 homeless in this country. What is there for them? Nothing, *nada, rien*. This is immoral and scandalous.

The content of these budgets, rather than the PM's campaign promises—and rather than his rather vague smile, which leaves one wondering whether or not he has any clue about the realities of Quebecers or Canadians—and the actions of his government, are what lead us to clearly understand that he is not clued in to other people's realities, that he has never been out of a job. I must admit that we had wished for that to happen on the political level.

It is obvious that all of them, including the minister responsible for this portfolio, have never had to suffer. They have never been in a tight spot, with debts to pay, wondering how they would pay for medicine or food. When those people, who are swimming in a surplus of numerous billions of dollars, have a budget to prepare, they do not even feel obliged to meet their own commitments, to provide even the barest minimum, which is still far from meeting needs.

At times like these, people are justified in being cynical, not about politics but about a government that is incapable of even being consistent with its own statements, with the values it claims to espouse. Obviously those values are only an act, since they can be forgotten when it comes to budget time and those most in need are forgotten. This is why we feel it is scandalous.

I am not the only one saying this. There is nothing in this budget for the homeless and the prevention of homelessness. If a society can be judged for anything, it is how it treats the children and most vulnerable citizens. Judging by this, the government is not worth much.

Pierre Maheux, of the Réseau Solidarité Itinérance du Québec, said he was "scandalized by the lack of funding for homelessness initiatives and social housing in the federal budget.... With, by Ottawa's own admission, 150,000 homeless people in Canada, it is unacceptable that the federal government is not funding homelessness initiatives".

He also repeats that this contradicts the commitments made. These groups believed those promises.



*The Budget*

Today, I got a call from Micheline Deschênes, of Hébergement urgence Lanaudière.

• (1735)

I think that my colleague from Terrebonne—Blainville knows her; she has one such resources in one of the main municipalities in her riding. This woman was at her wits' end: on April 1 in Joliette, if nothing is done, she will have to cut the number of available beds from 14 to 6 for people in dire need, in addition to having to lay off four staff members. This is something concrete in the ridings.

She had hoped that a budget announcement would ensure, by next year, the continuation of the SCPI 3 program. That way the service could have once again been maintained. It must be said that these people work miracles each year to make ends meet. But no, she is left with nothing. There is no hope for the people of Lanaudière.

We could say that again. I have here the comments of people throughout Quebec. I have just returned from a tour on housing with many of my colleagues. We heard these sad stories everywhere: buses for the homeless unable to operate, due to a lack of gas and resources; shelters being built, but which no longer receive funding for the resources to accept and provide support to people.

Is fighting poverty not the greatest challenge that a society can meet? This government is good at giving candies to some and at spending ineffectively, as it does regarding climate change.

Unfortunately, this government is also great at smothering the provinces, the unemployed and the poor. This is most unfortunate. I hope it will be judged very severely for making these choices which, in my opinion, are truly immoral.

I have here a note from a spokesperson for the Sherbrooke tenants association, Normand Couture, who says:

It is shameful. There is nothing for social housing. In the previous budget speech, the minister had not even mentioned the word "housing". This time, he said it once, but it had nothing to do with social housing.

Indeed, the minister talked a bit about housing in this budget, saying that everything was fine, that there were no longer any problems and that many housing units were being built in Canada. The minister even denies that there is a poverty issue and a lack of housing units.

This government is rolling in surpluses. I listened to the Liberal member, who said it was wonderful that the government was generating surpluses and reducing the debt. However, this is done without any debate. Moreover, he said things that were totally inaccurate. This government would not have to automatically use these surpluses to reduce the debt if it had decided by March 1<sup>st</sup>—and this is from the Auditor General—how it will use this money. In fact, it does so to some extent in this budget.

But there is no debate. The government uses the surpluses to reduce the debt and it smothers the provinces. This type of surplus, which is always hidden, was accumulated at the expense of the unemployed. If I am not mistaken, the government took \$46 billion or \$47 billion from the employment insurance fund, at the expense of those who need housing units. This is outrageous.

Meanwhile, Canada Mortgage and Housing Corporation has a \$3 billion surplus in its coffers. That is, \$3 billion in profit. Nowhere

in its mandate does it say that this corporation will make a profit, instead of fulfilling its mission to house Canadians and Quebecers at a better price and make housing accessible. Nowhere does it say that this corporation will make a profit at the expense of the most needy. That is not the plan, but that is what happens in reality, and it is immoral.

If nothing is done, this corporation, on its own, will have accumulated a surplus that many governments, people, corporations and provinces throughout the world can only dream of having. This crown corporation, whose mandate is to provide housing to the people at a better price, will have generated a \$6.1 billion profit by 2008, if we let it get away with the fund. This government could have funded its promises from these general surpluses. But no, it prefers to put money into military spending, to please the Americans, to make them swallow its decision not to join in the missile defence shield project.

I can readily imagine a private chat between the Minister of Finance and the Minister of Labour and Housing, in which the former tells the latter not to worry, that he is taking the money from him to invest in the military sector, that he might get it back later and that they need only tell the people that there is still a little money in the other budget. In that way, the public will once again be deceived and led astray. But the people are beginning to understand this government. It is not possible to keep fooling all of the people all of the time, year after year.

• (1740)

They are going to learn a costly lesson. The storm has already begun and is not over yet.

**Mr. David Smith (Pontiac, Lib.):** Madam Speaker, I would like to ask a question of my colleague opposite. This is a fine speech full of hot air by a good old Quebec whiner, but unfortunately, it is without merit.

In Quebec, housing is the Quebec government's responsibility. The Société d'habitation du Québec works in cooperation with the federal government. They are partners. It is so nice to work in cooperation and to respect the jurisdictions of the provinces.

We, on this side, work in cooperation with our colleagues in Quebec City to ensure that we can cooperate and develop the needs of our beautiful province, which is Quebec, in my case.

**Ms. Diane Bourgeois:** Go back to school and study your history.

**Mr. David Smith:** No, listen, I know what I am talking about, because I do some in my riding.

**Ms. Diane Bourgeois:** You do not know your history.

**Mr. David Smith:** Listen, Madam, you will have an opportunity to vent later.

*The Budget*

My question is this: I would like to know if my colleague opposite recognizes that it is better to work as we are doing, that is in cooperation with the Province of Quebec. For example, let us take the family program on which we just signed a fine agreement. There are points for the province, guaranteed funds, so that Quebec will be able to develop its own program. As for day care services, Quebec has done some extraordinary work. This is all very well; we recognize this. We will participate with the province. We will transfer funds to Quebec so that it can invest. Is this the road that he would take or does he think, as a sovereignist, that he would prefer to have his own country?

**Mr. Christian Simard:** Madam Speaker, the member's self-importance is equalled only by his ignorance of the files. It is unbelievable!

Until recently, I worked as director of a group of technical resources for a federation of housing cooperatives. You do not know that housing is firstly a provincial jurisdiction. Well then...

**The Acting Speaker (Hon. Jean Augustine):** Order, please. I would ask the hon. member for Beauport—Limoilou to direct his comments to the chair.

**Mr. Christian Simard:** Madam Speaker, I was indeed directing my remarks to you. However, the call would also have to be made to our colleague, who was engaging directly with us, a few seconds ago.

The colleague, unfortunately, does not know what he is talking about. Indeed, where I come from, people say that he has his foot in his mouth. This matter involves \$3 billion. Indeed, we want a transfer in the area of housing. Then, we will be in a position to develop, in Quebec, consistent, comprehensive and interesting policies without having to beg for crumbs from the federal government.

Nonetheless, this government is still there. We pay it 25% of our taxes. We are entitled to have it invest properly in the right places and to have it not hoard the money.

The member talks about partnerships with the Quebec government in the area of affordable housing. He is not aware—maybe he is, but I do not know which planet he lives on—of what will happen in the next budget of the Government of Quebec if there is no announcement in the federal budget. Quebec invests 50% of the funds. However, if the federal does not invest the other 50%, what will happen?

**M. David Smith:** Thousands of dollars are already there.

**Mr. Christian Simard:** Pardon me, but it is all committed, all spent. If the member is unfamiliar with his files, he should at least listen. When someone does not know something, he should listen and try to learn.

Consequently, even if there was an announcement today in the budget, it will take at least 18 months before actual delivery. To this end, the government has made no announcements. Quebec has made exemplary strides in providing social and affordable housing. Now, it cannot act alone since, unfortunately, the amount was not transferred to the Quebec government. There are groups everywhere—my colleague from Terrebonne—Blainville went on a tour

with me—proposing innovative and creative projects. These people are helping the most vulnerable members of our society.

**An hon. member:** There are some in the Pontiac region.

**Mr. Christian Simard:** There are some throughout Quebec. These are creative projects that require nothing more than community entrepreneurship. This is called the social economy. Here is another concept that must be much too evolved for my colleague opposite. It is an economy created with the people for the people, not for a profit, but to allow workers to live with dignity, to provide social and priority services to people, such as a roof over their heads. This is very noble and dignified.

A government has to make budgetary choices that respect this nobility and dignity. However, this government is too involved in its political calculations, its vendettas against Quebec and its desire not to be effective but to record zero deficits and hide surpluses at the expense of the poorest members of our society.

• (1745)

[English]

**Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.):** Madam Speaker, I am very pleased to speak to budget 2005.

While listening to the member from the Bloc I wondered if it was petty politics that was getting in the way in terms of affordable housing. I know that in the province of Ontario we have a Canada-Ontario affordable housing agreement that is working very well and which my constituents are taking full advantage of. We have a number of very good affordable housing projects that are emerging in Etobicoke North.

I would like to set the stage for the discussion on the budget. We heard a lot this past weekend at our Liberal convention about promises made and promises kept. It seems to me that this is exactly what budget 2005 is doing. It is delivering on a whole range of promises.

I will speak about the budget in that perspective. First, I thought I would prepare a bit of the context. If we look at this budget we have to realize that this is the eighth consecutive surplus budget that this government has brought in. It is something that is almost unsurpassed. It is something that the world is looking at and marvelling at in terms of the industrialized nations of the world. We are setting all sorts of new records. In fact, we are achieving that also with great economic growth and job creation.

While we do not like to see any unemployment, it is at the lowest level in many years at around 7%. Growth has been consistent at around 3%. We are paying down the debt. The government has paid down roughly \$65 billion and we still have a long way to go, but in doing that the government is not having to service the debt to the tune of some \$3 billion each and every year. The important point that I think we must make is that this is \$3 billion in savings each and every year. More will be forthcoming as we pay down more debt.

*The Budget*

Therefore that in excess of \$3 billion a year is being redeployed to health care, post-secondary education, affordable housing, the military and toward enhancing our security. We must be mindful of these savings. We have a very positive fiscal environment in Canada.

What we must be somewhat concerned about is the economy in the United States where we have budgetary deficits and we have the risk of the trade deficit, the current account deficit. That is something we must be mindful of, which is why I am glad our finance minister put some contingency and some reserves into the budget. With 86% of our exports going to the United States, we must be careful that its economy is working on all cylinders.

As I have said before, this budget is delivering on many commitments. I would now like to come to discuss the budget in that context. I will start with the government laying out the fact that we did not want to get back into debt. We did not want to get into deficits again. We said in the throne speech that our objective was to reduce the debt to GDP ratio to 25% within 10 years.

I can say that in this budget we are looking at a debt to GDP ratio that is expected to decline to 38.8% in 2004-05, down from a high of 68.4% in 1995-96. The government has indicated that it is committed to achieving its target of reducing our debt to GDP ratio to 25% by 2014-15. We are already down to under 40%, which is delivering on that promise.

The government talked about the virtuous circle of budgetary surpluses, high employment, strong economic growth and that was having some very positive effects.

The government in this budget has said there will be a balanced budget or better in 2004-05 and in each of the next five fiscal years. That would make 13 consecutive budgetary surpluses, which is almost unprecedented.

The budget also delivers on another commitment we made in our election platform and in the throne speech about a new deal for cities.

• (1750)

The budget would implement the government's pledge to share the equivalent of \$5 billion worth of gas tax revenue over the next five years. When this is fully implemented it will equate to about \$2 billion each and every year, a portion of the gas taxes going to cities and communities across Canada. That builds on the GST relief that the government provided to municipalities and communities.

In the city of Toronto, for example, the GST relief alone is providing \$50 million each and every year. The province of Ontario will benefit, I am sure, in the order of some \$700 million once the sharing of gas taxes is fully implemented.

The government in its platform and in the throne speech talked about our commitment to the Kyoto accord and dealing with climate change. In this budget we are seeing something that I and others have argued for, which are some economic instruments, tax incentives and policies that will help Canadians and industry move toward the goal set out in the Kyoto accord. Part of that is \$1 billion over five years to establish the clean fund to promote new technologies to reduce greenhouse gas emissions.

We also in this budget will be putting in \$200 million over five years to support the sustainable energy, science and technology strategy and a further \$300 million to green municipal funds. I could go on. There are other initiatives, including some money to provide incentives for the development of wind power. This is what I believe we need to do. We need to look at alternative energy sources so that we can meet our Kyoto targets.

I would like to see more in the area of community landfills. We take our garbage to landfills and methane gas is collected under the landfills, much of which goes straight into the atmosphere. We know that methane is about 20 times more damaging in terms of greenhouse gases and CO<sub>2</sub>. I am hoping this \$1 billion fund, for example, will attract a number of proposals from municipalities so they can convert methane gas from landfills into electricity and avoid methane gas going into the environment.

In the throne speech we talked about strong investment being the primary generator of growth in good jobs for the future and the government fostering a good business and investment climate. In this budget we have continued on with the tax cuts that were made in the mini budget in 2000, a \$100 billion in tax cuts. I know on the other side of the floor members say that was not a tax cut. I have news for them. That was the largest tax cut in Canadian history and we are building on that.

The budget is reducing, for example, the corporate surtax. In fact, the corporate surtax is being eliminated and the 21% general corporate income tax rate will be reduced to 19%, maintaining Canada's tax rate advantage relative to the U.S.

Why is it important that we have a competitive corporate tax environment? It is important because if we want to attract investment we need to make sure that our corporate tax environment is a healthy and competitive one. When we have investment, it creates jobs and that means more jobs for all Canadians. We have also moved closer to having capital cost allowance rates more aligned with the economic useful life of assets. As Martha Stewart would say, that is a good thing.

The government talked in the throne speech about opportunities to further reduce the tax burden on low and modest income families. What does this budget do? It delivers on that commitment. Now the amount of income that all Canadians may earn without paying federal income tax will increase to \$10,000 by 2009. If my memory serves me correctly, that will take some 800,000 Canadians off the tax rolls.

We also said that we would develop policies to foster Canadian capabilities in enabling technologies, such as biotechnology, information technology and communications technology. There is a whole range of investments being made in budget 2005 that are delivering on that commitment, including a renewed investment of \$165 million in Genome Canada.

*The Budget*

●(1755)

Many companies in my riding of Etobicoke North are involved in biotechnology, genomics and proteomics. This is the road to the future. This is where the high paying, high value-added jobs will be created as we move forward into this next millennium.

I will go on with many of the commitments which our government is delivering on in budget 2005.

We said in the throne speech that Canadians have told their governments year after year to renew medicare, to stop the bickering and to work together. Well, guess what? Budget 2005 delivers a 10 year plan to strengthen health care with a \$41 billion investment in new federal funding over 10 years. With that are greater accountability measures to make sure that the provinces report on their waiting times and on the results they are getting from the health care system so that people in Ontario can compare the value they are getting for their tax dollars in health care with what they are doing in Prince Edward Island or in Yukon.

We also said in the throne speech that the time had come for a truly national system of early learning and child care. Budget 2005 delivers on that commitment with a \$5 billion investment over five years to build a national early learning and child care initiative. In my riding of Etobicoke North I have many women in particular who come to my riding office and say that they need day care because both parents are working and they need to take advantage of day care. Up until now we have not been able to do much because it required federal-provincial cooperation. Now the government has said that it will go it alone and just do it. I congratulate the government for doing that.

In the throne speech we said that Canada's seniors had earned the right to be treated with dignity and that as one step the government would increase the guaranteed income supplement for Canada's least well off seniors. In budget 2005 that is exactly what the government did. We increased the guaranteed income supplement which will make a big difference. I have many seniors in my riding of Etobicoke North on fixed incomes and this increase in the guaranteed income supplement will be very beneficial.

We said in the throne speech that we would foster cultural institutions and policies that aspire to excellence. In this budget 2005, \$688 million over four years has been committed for the tomorrow starts today initiative. I know how important this is for a city like Toronto. I have been down to the national ballet school and have talked to the people with respect to the new opera building. This kind of support for our cultural institutions is important and it is important to the city of Toronto.

In the throne speech we talked about enhancing Canada's security and investing more in our military. I was very pleased to see that our government will be putting \$7 billion in new budgetary funding over five years to the Department of National Defence to support a \$12.8 billion cash investment in our Department of National Defence.

At the convention this weekend, my riding association, together with others, talked about putting Canada closer into the middle of the pack of the OECD countries in relation to military spending and what our NATO partners were doing. This type of investment does not quite get us in the middle of the pack but this goes a long way

and it means that we can be peacemakers and peacekeepers around the world where we are very much respected.

In the area in which I am working now, national security and public safety, we said in the throne speech that we have these new security threats and Canada has to respond. This budget commits \$1 billion over five years in support of key national security initiatives. I was very happy to see that. We have also made some significant investments in our international development assistance following up on a commitment that was made again in the throne speech.

●(1800)

I have hit just some of the budget highlights, but there are many other commitments we are delivering on in terms of the pledges we made to Canadians. When politicians make promises, whether they are federal politicians or provincial politicians, I think it is important that we live up to those promises, that we commit to those promises. If we say we are not going to increase taxes, then we do not increase taxes.

We have heard a lot from the premier of Ontario and the Ontario finance minister, Greg Sorbara. In one sense I can sympathize with them, because in 1993 when this government came to office here in Ottawa we inherited a \$42 billion deficit created by the Tories.

We had a huge challenge. In fact, the international community said that our country was a fiscal basket case. What did we do? We did not look around for excuses. We did not look around for scapegoats. We got down to the job at hand. Our finance minister at the time, now the Prime Minister, made sure that we had a consensus of Canadians. He built that consensus. We eliminated our deficit in a few short years and we have built from strength to strength from there.

We have to accept our responsibilities. We have to act with maturity. We have to commit ourselves to the task at hand. We cannot look for scapegoats; that is what our government did not do. We got down to the business of dealing with the deficit. In that vein, I should say that if we look at the amount of transfers going to the province of Ontario over the last 10 years, we will see that Ontario's share of the health and social transfers has risen from about 36% of total transfers to nearly 39%. I think that is movement forward.

As I recall, it was the government members from Ontario on this side who fought to make sure that the Ontario transfers were on a per capita basis. In fact, because of the policies of the Tories they were moving in another direction and that would have created an uneven playing field for the citizens of Ontario. Members from Ontario on this side fought for the principle that transfers should be based on per capita. That is why the Ontario share of the health and social transfer has risen over that same period.

I empathize to some extent with one of the points that the premier and his finance minister Greg Sorbara are making as they get on with the job of focusing on the deficit in Ontario and dealing with expenditure and programs instead of reaching out and trying to lay the blame somewhere else. I am not sure that is the kind of mature responsible action we like to see, but I do empathize with one point they make, and that has to do with the settlement services for new immigrants.

*The Budget*

I have raised this issue with the ministers responsible. I think we have to understand that in Toronto and Ontario we get a very large percentage of the new immigrants to Canada. We are blessed with that. My riding is hugely multicultural. I tease my constituents that I never have to travel because it is all here. I can go to events with the Guyanese or with people from Ghana, South Asia, Somalia, the Balkans, Italy and eastern Europe. They are all in my riding, so I can just stay there and watch this parade going on. Immigration raises some challenges with respect to settlement. It raises issues around language and culture. I think that is something we do need to fight for.

I would also like to see something done with respect to the airport rents, because I am concerned about the Greater Toronto Airports Authority and other airports across Canada. We need to do something to help our airline industry remain competitive. I would like to see something in the next budget on that.

I was very pleased to see the excise tax on jewellery being phased out. It is something that our House of Commons finance committee argued for and the finance minister delivered on.

In the next budget, I would also like to see something more on capital gains, on securities donated to private charitable organizations.

• (1805)

Apart from those small points, I think the budget was an excellent one. It delivered on all the commitments that we made to Canadians. There will be more in the next budget and the budget beyond that as we build upon these strengths.

**Mr. Mark Warawa (Langley, CPC):** Madam Speaker, I listened closely to the presentation by my hon. colleague across the floor. I do agree with one point and that is the responsibility of members of Parliament and all politicians to keep their promises.

I want to ask a question regarding our seniors and the increase in the guaranteed income supplement. The member made a passing comment indicating that seniors deserve our respect, that they have earned it, and we all acknowledge that.

I was excited to see that increase until I did the math. I want to ask the member about it. If we do the math, we see that \$18 is going to end up in our seniors' pockets. Can the member in all good conscience say that will meet their needs? These people have given their lives to our country. We need to honour them.

I think most of us here have parents in that age group. We need to honour and respect them. As for making an announcement that an increase will be provided and then making it an increase of just \$18, is this the way to respect our seniors? We need to provide an increase. This \$18 increase will not cover their increased costs for rent, hydro, gasoline or their medical costs. Can the member in all good conscience say that giving them this \$18 will solve their problems? Can he say that this is the way to respect our seniors?

**Hon. Roy Cullen:** Madam Speaker, I am not going to quibble over dollar amounts, but my understanding is that the increase for single seniors will be \$36 and for senior couples it will be \$58.

The member does make a good point; it is not a significant amount in reality. I wish the government could do more in a whole

range of areas, but the reality is that we have a certain fiscal framework.

I do not know if the member realizes that even those increases, however modest he might think they are, impact enormously on the government's expenditures. It is the same when the personal exemption is increased. Raising it by the amount we have takes an enormous amount to generate that kind of benefit. I hear what the member is saying, that there are other areas we could look at in terms of old age security. If we look at increasing the old age security generally, we will see that the numbers are even more numbing.

I think the member has made a good point, but I am sure that these amounts will be well received by seniors who are getting the guaranteed income supplement. These are the seniors with very low incomes. I am sure that as we move forward we can do more. I would like to see us also deal with the clawback. We do not have time to get into that now, but it focuses more on middle income seniors. I think it creates some anomalies.

I hope that in future budgets we can build on some of the things we have done in this budget.

• (1810)

[*Translation*]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Madam Speaker, I would like the debate on the budget to start over. I have been listening to speeches since this afternoon and I could certainly talk for twenty minutes or so on it.

The Minister of National Defence, among others, has told us that the Liberals have achieved fiscal balance for the past seven years. I do not see things the same way. For me, balance is when two things are of equal weight on a scale. But what has been happening here has been a matter of robbing Peter to pay Paul, or rather Jean to pay Ralph, who has been awash in money for a long time. There has been no attempt to redistribute the money to those who really need it.

I think that this government is totally out of touch with reality. Unfortunately, it must be admitted, the working class, that is those who need help, has been totally ignored by this government. The Liberals have forgotten all about the country they are living in.

Take, for example, the committee that has looked into employment insurance. It was made up of Liberal MPs and members of all the parties and came up with eight unanimous recommendations. My colleague has already mentioned it. There were twenty other recommendations as well by the majority. But this government has never addressed the issue, nor has it respected the decision of a parliamentary committee. This makes no sense. It defies committee recommendations yet claims to present a balanced budget.

Paying off the debt is secondary. A debt is, in my opinion, the inability to earn enough to pay off what is owed. This is not the case with Canada. There is such a huge surplus. The provinces and the unemployed have been strangled to such an extent that surpluses abound. The unemployed need money. The regions have lost in excess of \$66 million. The budget is spread over five years. It is the first time I have ever seen such a thing—and I was not born yesterday.

*The Budget*

Are the Liberals prepared to guarantee that they will not change this budget when next year comes? That is what I wonder.

**Hon. Roy Cullen:** Madam Speaker, I thank the hon. member for Abitibi—Baie-James—Nunavik—Eeyou for his question.

[English]

I find his question a little difficult to comprehend. I think he was discussing the technical advisory committee for persons with disabilities. In fact, some of the recommendations made by that advisory committee really run into problems in terms of provincial and territorial jurisdiction, such as the disabilities supports, income support and labour market programming, which are primarily in the area of provincial jurisdiction.

Nevertheless, I am told the government is working with the provinces and territories to try to reach some agreement on that. In fact, in the budget we have introduced a number of additional measures with respect to persons with disabilities and they build on many of the measures that have been introduced over many years.

In response to the member's question, I think the budget delivers many measures that assist low income Canadians. The tax reductions are targeted at low income Canadians and middle income Canadians. In fact, because of these measures, thousands and thousands of Canadians will no longer have to pay any tax.

There was discussion before about there being nothing about housing mentioned in the budget. The government has responded in a very big way with affordable housing and also with many initiatives to deal with the homeless.

Are we happy with the level of child poverty or poverty in general? Of course not. That is why the government is very active in trying to build a very sustainable economy and a good fiscal framework so that more jobs, more investment and more income can be generated and so that more can be done for people of low and modest incomes, people with disabilities and the homeless.

I think that on balance in Canada we have a very high standard of living generally. We continue to increase our standard of living. We are envied around the world, in fact, for the lifestyle that we have in Canada, but of course we can do more and I am sure that the government will in the years ahead.

• (1815)

[Translation]

**The Acting Speaker (Hon. Jean Augustine):** It being 6:15 p.m., it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the amendment to the amendment now before the House.

[English]

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Hon. Jean Augustine):** All those in favour of the subamendment will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Hon. Jean Augustine):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Hon. Jean Augustine):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Hon. Jean Augustine):** Call in the members.

• (1855)

[Translation]

(The House divided on the amendment to the amendment, which was negated on the following division:)

(Division No. 41)

## YEAS

## Members

André	Asselin
Bachand	Bellavance
Bergeron	Bigras
Blaikie	Blais
Boire	Bonsant
Bouchard	Boulianne
Bourgeois	Broadbent
Brunelle	Cardin
Carrier	Christopherson
Clavet	Comartin
Côté	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Davies	Demers
Deschamps	Desjarlais
Desrochers	Duceppe
Faillie	Gagnon (Québec)
Gagnon (Saint-Maurice—Champlain)	Gagnon (Jonquière—Alma)
Gaudet	Gauthier
Godin	Guay
Guimond	Julian
Kotto	Laframboise
Lalonde	Lapierre (Lévis—Bellechasse)
Lavallée	Layton
Lemay	Lessard
Lévesque	Loubier
Marceau	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
McDonough	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Paquette
Perron	Picard (Drummond)
Plamondon	Poirier-Rivard
Roy	Sauvageau
Siksay	Simard (Beauport—Limoilou)
St-Hilaire	Stoffer
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Vincent	
Wasylycia-Leis — 71	

## NAYS

## Members

Abbott	Ablonczy
Adams	Alcock
Allison	Augustine
Bagnell	Bains
Bakopanos	Barnes
Batters	Beaumier
Bélanger	Bell
Bennett	Benoit
Bevilacqua	Bezan
Blondin-Andrew	Boivin
Bonin	Boshcoff

Boudria  
Breitkreuz  
Brown (Oakville)  
Bulte  
Cannis  
Carrie  
Casey  
Catterall  
Chan  
Comuzzi  
Cullen (Etobicoke North)  
D'Amours  
DeVillers  
Dhalla  
Dosanjh  
Drouin  
Duncan  
Efford  
Epp  
Finley  
Fletcher  
Fontana  
Frulla  
Gallant  
Godbout  
Goldring  
Goodyear  
Graham  
Grewal (Fleetwood—Port Kells)  
Guergis  
Harrison  
Hiebert  
Holland  
Ianno  
Jennings  
Kadis  
Karetak-Lindell  
Khan  
Komarnicki  
Lapierre (Outremont)  
Lauzon  
Lee  
Lukiwski  
Lunney  
MacKay (Central Nova)  
Macklin  
Maloney  
Marleau  
Martin (LaSalle—Émard)  
McCallum  
McGuire  
McLellan  
Menzies  
Miller  
Minna  
Moore (Port Moody—Westwood—Port Coquitlam)  
Moore (Fundy Royal)  
Murphy  
Neville  
O'Brien  
Obhrai  
Owen  
Paradis  
Patri  
Peterson  
Phinney  
Poilievre  
Prentice  
Proulx  
Ratansi  
Regan  
Reynolds  
Rodriguez  
Saada  
Savoy  
Schellenberger  
Scott  
Silva  
Simms  
Smith (Pontiac)  
Solberg  
St. Amand  
Steckle  
Szabo

Bradshaw  
Brison  
Brown (Leeds—Grenville)  
Byrne  
Carr  
Carroll  
Casson  
Chamberlain  
Coderre  
Cotler  
Cuzner  
Day  
Devolin  
Dion  
Doyle  
Dryden  
Easter  
Emerson  
Eyking  
Fitzpatrick  
Folco  
Forseth  
Fry  
Galloway  
Godfrey  
Goodale  
Gouk  
Grewal (Newton—North Delta)  
Guamieri  
Harper  
Hearn  
Hill  
Hubbard  
Jean  
Johnston  
Kamp (Pitt Meadows—Maple Ridge—Mission)  
Karygiannis  
Kilgour  
Kramp (Prince Edward—Hastings)  
Lastewka  
LeBlanc  
Longfield  
Lunn  
MacAulay  
MacKenzie  
Malhi  
Mark  
Martin (Esquimalt—Juan de Fuca)  
Matthews  
McGuinty  
McKay (Scarborough—Guildwood)  
McTeague  
Merrifield  
Mills  
Mitchell

Myers  
Nicholson  
O'Connor  
Oda  
Pacetti  
Parrish  
Penson  
Pettigrew  
Pickard (Chatham-Kent—Essex)  
Powers  
Preston  
Rajotte  
Redman  
Reid  
Robillard  
Rota  
Savage  
Scarpaleggia  
Schmidt (Kelowna—Lake Country)  
Sgro  
Simard (Saint Boniface)  
Skelton  
Smith (Kildonan—St. Paul)  
Sorenson  
St. Denis  
Stronach  
Telegdi

Temelkovski  
Thompson (Wild Rose)  
Toews  
Torsney  
Tweed  
Valeri  
Van Loan  
Volpe  
Warawa  
Wilfert  
Yelich — 209

Thibault (West Nova)  
Tilson  
Tonks  
Trost  
Ur  
Valley  
Vellacott  
Wappel  
Watson  
Wrzesnewskyj

PAIRED

Nil

**The Speaker:** I decalre the amendment to the amendment negatived.

## ADJOURNMENT PROCEEDINGS

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

[English]

HEALTH

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, this late proceeding is due to a question that I asked in November which dealt with the Auditor General's report in which the Auditor General outlined again numerous examples of Liberal mismanagement and waste.

In this case, specifically, Health Canada paid 400% more for certain drugs and spending increased by \$88 million over the past two years. The Auditor General had pointed out to Health Canada on three previous occasions about the waste in drug programs and the Liberal government continues to do nothing.

Only after the fourth recommendation from the Auditor General in November 2004 did the government finally respond in any way to her proposal. Why it took so long still remains a mystery. However, based on the past record of Liberal inaction, how are we to believe that it will follow on its promised responses?

One of the most important issues is that of analyzing drug use trends, especially by looking at claims processing databases for high-risk patterns of drug use. This is especially important for high-risk groups like seniors.

The government's response to this issue was:

—electronic health records and electronic prescribing practices, as per the National Pharmaceutical Strategy commitments of First Ministers, will provide further tools to identify high-risk patterns of drug use and communicate information to health care professionals.

I agree wholeheartedly that electronic records are an important tool to limit drug problems. Almost 24,000 people die each year because of adverse events in large part due to complications resulting from errors in drug prescription.

To address this very problem of inadequate information, Canada Health Infoway was established several years ago by creating electronic records for all Canadians. Yet despite receiving \$1.2 billion, the government foundation has only committed a small fraction of this to its goal.

*Adjournment Proceedings*

The objective was to create electronic records for every Canadian by the year 2020. I wonder why, if people continue to die due to poor drug information, the government has not moved the deadline earlier, say to 2015 or 2010 or even two years from now. Why wait if people are dying? Why not commit all the money rather than let it sit in a bank account beyond the scrutiny of external audit? It is inexcusable that the Liberal government would use this foundation, which is supposed to create a program that will save lives, as a tool to hide money and fudge its surplus budgets.

People should not have to fear trips to the hospital. If the Liberals are serious about the Auditor General's recommendations, Infoway would be a good way to ensure that electronic records for every Canadian are implemented so we can regulate and follow the federal drug program.

Could the member tell us why the Liberals continue to waste and mismanage money at the cost of people, their lives and their quality of life?

• (1900)

**Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.):** Mr. Speaker, I welcome the opportunity to speak to the Auditor General's audit on federal drug plans. In particular, this is an issue that is fundamental to good governance. I am referring to accountability and value for money.

The public is very clear that its tax dollars should be spent on programs and services that improve the lives of Canadians. It is our jobs as elected representatives to ensure that the Government of Canada is responsible when it comes to public expenditures. It should come as no surprise then that the Auditor General should choose to look at the federal management of prescription drug benefits and the possible misuse by clients of prescription drugs paid for under Canada's non-insured health benefit program.

Health Canada has been actively working to address these matters and, while there remains much work ahead, we have already accomplished a great deal to bring us closer to these goals. The active agenda adopted by Health Canada to manage in an efficient manner the NIHB has meant that this program continues to serve the people it is intended to help while keeping expenditures low.

Let me tell the House of the progress we have made and the actions we intend to take.

On the matter of better coordination, we see that federal departments are working together to more effectively explore cost saving drug use and greater system efficiency. In addition, we are working with the provinces and territories to implement changes to improve the delivery of prescription drug insurance, as witnessed by the recent commitments of first ministers to develop a national pharmaceutical strategy.

Further, Health Canada will continue to be actively involved in the current federal, provincial and territorial pharmacy management group, and we have worked with our federal colleagues to develop a common action plan to implement the Auditor General's recommendations.

As we all know, first nations and Inuit populations are disproportionately experiencing both population growth and chronic

disease. This makes cost management a key challenge for the NIHB program. However the need to contain costs must of course be balanced with ensuring access to quality health services and considering potential impacts on our relationship with health care providers. To this end, Health Canada has continued to encourage the use of lower cost drugs and to promote the use, where appropriate, of generic drugs.

Further, the Auditor General herself has recognized the department's own rigorous pharmacy audit program, and let us remember that despite the greater need and the rapid growth of client groups, the costs of the NIHB have risen at rates comparable to those of drug plans in other jurisdictions.

In future, the department will improve cost benefit analysis to obtain the best price for drugs and the most efficient delivery practices. We will continue to implement cost saving strategies and streamline service delivery in accordance with the national pharmaceutical strategy.

The Auditor General has also raised concerns regarding the misuse of prescription drugs, an issue that Health Canada has been working on since the Auditor General first raised it in 1997. I am pleased to tell the House that Health Canada has adopted a comprehensive drug utilization review program and has recommenced quarterly safety reviews which are an important part in addressing client safety.

I have much to go through and I see that I am running out of time but I should say, as the member knows, that the Auditor General has appeared three times on the question of this report to House committees and has indicated that she is optimistic on the moves taken by Health Canada and other federal agencies to implement her recommendations.

• (1905)

**Mr. Steven Fletcher:** Mr. Speaker, the fact is that the Auditor General has highlighted this point on three separate occasions over the period of almost a decade and the Liberal government continues to do nothing. It says now that there has been progress but why is it taking so long? Why have the Liberals not done anything? The reason is, of course, as we all know, that the Liberals seem to embrace lack of accountability, mismanagement and the waste of Canadian taxpayer dollars.

The member talks about the Auditor General. The member knows that the Auditor General appeared in front of the health committee as recently as today and I asked her if she thought that the Auditor General having the ability to audit the foundations that deal with issues of health would be helpful. She said absolutely and—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. Parliamentary Secretary to the Minister of Health.



*Adjournment Proceedings*

**Hon. Robert Thibault:** Mr. Speaker, as to the question that the federal government has received recommendations from the Auditor General is correct, and in three separate reports is correct, but that the federal government has not acted is incorrect.

To date, the federal government has not fully implemented all of the recommendations. It has not met all of the objectives that the Auditor General has suggested, but important steps have been taken, such as reducing the climbing costs. Now that the privacy of information questions have been resolved, an action plan has been put together to the satisfaction of the Auditor General. I think the member will find in the blues of the committee that she used the term "cautious optimism" that things are going forward.

The foundations are audited. They can come to the House and some of them perhaps should. They can be asked to appear before committee. Some of them perhaps should be audited by the Auditor General.

## JUSTICE

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Mr. Speaker, on December 7 I asked the Minister of Justice a question about an RCMP document which indicated that some 600 women, many of them just girls, are lured into Canada's illicit sex trade each year. It is estimated that reporting only identifies one in ten women so victimized.

Against this dismal backdrop the minister of immigration has been providing incentives to foreign women to apply as exotic dancers leaving them extremely vulnerable to further exploitation.

The question I asked was when was the government going to get serious about Canada's illicit sex trade and take action to stop the exploitation of these most vulnerable women and children?

I recently toured facilities in my own community of Nanaimo on Vancouver Island at the request of John Horn, the director of the Nanaimo Working Group on Homelessness. We toured the Salvation Army New Hope Shelter, the Tillicum Haus society's safe house for aboriginal youth, and also one of the Haven Society houses. There are several in the area. It is a transitional housing program for women at risk of homelessness due to poverty, drugs and the sex trade. It provides supportive sustainable housing in a secure and healthy home environment in which to initiate change.

It is estimated that even in Nanaimo some 2,000 women a year seek shelter relating to abuse in the home. We are trying to deal with these problems. This problem is across the country especially in large urban areas. Gangs are exploiting women.

Against this backdrop, at the Liberal convention the agenda seemed to be to legalize prostitution, to legalize marijuana and to change the definition of marriage. Canadians are frustrated by the lack of attention to this serious exploitation of the most vulnerable among us.

Why is the government not taking action to protect women from being exploited? Why does it not look at raising the age of consent from 14 years of age? Women are being abused by pimps and by those who lure them with drugs into a vulnerable position and then continue to exploit them. We are not satisfied that the government is taking this issue seriously.

● (1910)

**Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I would like to thank the hon. member for his question on the government's response to combat the trafficking of women and children for the purpose of sexually exploiting them, particularly through the sex trade. The question addresses a very serious issue and I rise tonight to confirm the government's commitment to address it through concrete measures.

During the Prime Minister's address to the United Nations General Assembly in September 2004, he spoke of the need to remain vigilant in the face of new forms of abuse, such as international trafficking of people and children in the sex trade.

In October 2004 in the Speech from the Throne, the government committed itself to table legislation to better protect against trafficking in persons. As well, in March 2004, the Minister of Justice identified trafficking in persons as one of his priorities.

All of this signals the Government of Canada's commitment at the highest level to strengthen our response to human trafficking in all of its forms. The government has been working to address human trafficking, both at the domestic and international levels, by focusing on what we call the three Ps: prevention, protection of trafficking victims, and prosecution of traffickers.

For example, within the past year, and in support of prevention, the government's activities have included: the launch of a new trafficking information website that is located on the Department of Justice website, an anti-trafficking poster to raise awareness about the problem in Canada, and an anti-trafficking information pamphlet available in 14 languages for potential victims, which has been widely disseminated within Canada and abroad through our Canadian embassies.

The government has also partnered with others, including the Canadian Ethnocultural Council and the British Columbia Ministry of Public Safety and Solicitor General, to co-host round tables at the community level to educate and increase public awareness about the situation of victims of trafficking, especially youth, children and women, and to explore strategies to prevent and combat trafficking in persons.

The protection of victims is a matter of shared responsibility between the federal, provincial and territorial levels of government and as such, at the recent January meeting of the federal, provincial and territorial ministers responsible for justice, provincial and territorial ministers expressed support for the efforts of the federal Minister of Justice to strengthen the criminal justice system's response to trafficking in persons with a view to ensuring that traffickers are held accountable and victims are better protected against it.

Trafficking victims may receive protection at the federal level under the Immigration and Refugee Protection Act. For example, they may be a person in need of protection. Conventional refugees are eligible to remain in Canada for humanitarian and compassionate considerations.

*Adjournment Proceedings*

Traffickers can be prosecuted under the Immigration and Refugee Protection Act, which came into effect in 2002 and created a new trafficking in persons offence that is punishable by a maximum penalty of life imprisonment and/or a \$1 million fine.

Traffickers are also being prosecuted and convicted under the existing Criminal Code offences that address trafficking related conduct, including prostitution related offences. On this important note, I want to emphasize that the existing criminal law prohibits prostitution of all persons under the age of 18 years.

As well I would note again, the government is commitment to table legislation to better protect against human trafficking, to which, I am sure, all of us look forward.

● (1915)

**Mr. James Lunney:** Mr. Speaker, the parliamentary secretary talks about speeches at the UN and throne speeches, but we need action. He talks about posters and websites.

In B.C. there is an organization called New Opportunities for Women Canada Society, NOW. Catherine Williams-Jones is the executive director. I would encourage the parliamentary secretary to get out and hear her when she comes to Ottawa in a few weeks. She estimates that of the 2,000 women and children with which the program has worked, only two have claimed that they were not sexually abused as a child.

We do not need more speeches and round tables. We need action to protect young people against child pornography. We need tough action from the government. We need action against those who exploit young people under age 14 and target them, who ply them with drugs like crystal meth and ecstasy, and date rape drugs. Then they compromise them, get them addicted, and continue to exploit them. We need actions on these matters.

There are inadequate penalties in place. We need adequate penalties for the johns and pimps, not conditional sentences. There is inadequate enforcement in these matters. The Liberal Party—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. Parliamentary Secretary to the Minister of Justice and Attorney General of Canada.

**Hon. Paul Harold Macklin:** Mr. Speaker, the government is taking very seriously the problem of trafficking of women and children to sexually exploit them through the sex trade. The government has committed itself at the highest levels to strengthen our domestic response to combat the trafficking of persons and indeed, to work with the international community for a global response.

That commitment is being realized through many initiatives to prevent human trafficking, to protect its victims, and to ensure that traffickers are held accountable through prosecution. These initiatives include: raising public awareness about the issue; exchanging best practices in combating human trafficking; supporting victims of trafficking who are primarily women and children; and enforcing and strengthening our legislation response to human trafficking.

The government is working closely with the international community to ensure comprehensive and cross-sectoral responses to combat this global practice. The government acknowledges that more needs to be done and the government's commitment is to work together with domestic and other global partners to ensure a concerted long term and comprehensive response.

[*Translation*]

**The Acting Speaker (Mr. Marcel Proulx):** Since the hon. member for Ottawa West—Nepean is not present in the House to raise a question during the adjournment debate, her notice is deemed to have been withdrawn.

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

(The House adjourned at 7:19 p.m.)





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