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OFFICIAL REPORT
(HANSARD)

Thursday, April 14, 2005

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, April 14, 2005

The House met at 10 a.m.

Prayers

• (1000)

[English]

POINTS OF ORDER

APPOINTMENT TO NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, perhaps you will allow me to put before you very briefly the government's position with respect to a discussion that took place concerning the member for Red Deer and the question of privilege that he raised.

In his presentation we believe he omitted a number of facts that are relevant for your contemplation of the matter. Therefore I will very briefly place them before you for you to consider when rendering your ruling.

The essence of the hon. member's complaint was that a debate and vote of the House of Commons was ignored by the government when it proceeded with the appointment of Mr. Glen Murray to the national round table on the environment and the economy. We believe the following facts were omitted.

On March 8, 2005, the clerk of the Standing Committee on the Environment and Sustainable Development wrote to the assistant clerk of the Privy Council for orders in council indicating that the committee had, on a recorded vote, called for the Prime Minister to withdraw this appointment. At that time the committee had made no report on the matter to the House and, indeed, the letter specifically stated:

The Chair advised members that even though the motion passed, the committee does not have the power to revoke an appointment. No further meetings have been scheduled on this appointment so the Chair feels that the matter is disposed of.

On March 18, 2005, the government chose to proceed with the appointment and pass the relevant order in council. The information provided to the government at this point by letter and not by report to the House was that the committee had completed its work on the matter in the full knowledge that it did not have the power to revoke the appointment.

Subsequently, on March 24, 2005, the committee reported its motion to the House and some time later the hon. member proposed a motion of concurrence that the House then adopt it. All of this took place after the appointment had been made and in the full knowledge that the committee did not have the power to revoke the said appointment.

The assertion that the government's action was a contempt of the House we believe, therefore, is completely unfounded. The government took its action in passing the order in council because of its apparently reliable official information that the committee had completed its consideration of the matter. It was only subsequent to the passing of the order in council that the committee decided to reopen the question. In other words, the hon. member is claiming that a contempt of the House can be constructed by some sort of retroactive decision, an assertion that we believe is contrary to every principle of parliamentary practice.

• (1005)

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I rise on the same point of order. I would ask the member to table those documents so that we can have access to them before *Hansard* comes out.

The Speaker: By documents, is the hon. member referring to the parliamentary secretary's speaking notes?

Mr. Leon Benoit: Exactly, Mr. Speaker.

The Speaker: That is an unusual request. If it were a letter or document that the hon. member was referring to I think I would be more sympathetic, but of course it is up to the parliamentary secretary if he wishes to table his remarks. They will be available to all hon. members in *Hansard* tomorrow.

Hon. Dominic LeBlanc: Mr. Speaker, if the hon. member is referring to the letter I mentioned in my comments, I would be happy to table that letter. The problem is that the letter, in our view, is a matter of record. It is part of the committee proceedings. It is a letter from the clerk of the committee to the Privy Council, which, as I say, was adopted at the committee.

The letter is only in one language. If the member wants to ask for unanimous consent, I would table that letter but, Mr. Speaker, this is entirely within your domain as it was a letter from a clerk of the committee to the Privy Council.

Routine Proceedings

Mr. Leon Benoit: Mr. Speaker, I was asking the parliamentary secretary to table his speaking notes so that the member for Red Deer can respond to them. I know the member for Red Deer will have some concerns with what was said. We will have to wait until tomorrow to read *Hansard*. I am asking the parliamentary secretary if he could present them today so that we have them sooner.

The Speaker: I am sure that if the member for Red Deer wants them he could ask the hon. member for a copy or get a copy of the blues when they are available within the next few hours. However there is no frantic rush about it because the Chair is not going to rush into making a decision. I will take the matter under advisement.

If the hon. member for Red Deer comes back to the House in a reasonable time with further submissions, I would of course hear him. I am always glad to hear submissions on these kinds of matters from hon. members.

ROUTINE PROCEEDINGS

• (1010)

[*English*]

CHARTER OF RIGHTS AND FREEDOMS

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, on April 17, 1982, the Canadian Charter of Rights and Freedoms became the centrepiece of our Constitution and the cornerstone of our democracy, a transformative act that impacted not only on our laws but on our daily lives and where individuals and groups now enjoy a constitutionally protected panoply of rights and freedoms.

On that day Canadians affirmed that the values of respect, fairness and democracy reside at the very core of our shared national identity.

[*Translation*]

Unlike the rest of the charter, section 15, the equality provisions, did not come into force until 1985. For three years, Canada's jurisdictions—federal, provincial, and territorial—reviewed and revised their laws in order to ensure that they complied with the new equality rights.

And so, on April 17, 1985, the rights and freedoms cherished by Canadians, such as the fundamental freedoms of thought, belief, opinion and expression, the right to life, liberty and security of the person, the right to vote, were joined by the equality rights protection.

I therefore rise today to recognize the 20th anniversary of section 15 of the Canadian Charter of Rights and Freedoms.

[*English*]

Section 15 marked a milestone in Canada's evolution as a nation. Since April 17, 1985, it has enshrined our shared commitment that all Canadians are equal before and under the law, that every individual has the right to protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Over the years, analogous grounds, such as sexual orientation, marital status and aboriginal place of residence, have been included reflecting our Constitution as a living tree and resonating with our evolving understanding and aspirations.

For 20 years this principle, that all Canadians are equal before and under the law, has guided legislators and judges in their work to ensure that our legislation and our laws respect and uphold the charter rights of all Canadians.

[*Translation*]

In fact, the inclusion of section 15 in the charter has been emulated by many countries around the world with Canada emerging as a world leader in the promotion and protection of human rights.

[*English*]

In many ways, section 15 of the charter has become a fundamental expression of Canada's commitment to a society in which the inherent dignity and worth of every individual and the equal worth and dignity of all persons are recognized and affirmed; where protecting and promoting equality are fundamental to the pursuit of justice; where discrimination against any individual or group diminishes us all; where equality is an organizing principle for the establishment of a just society in which every person is deserving of equal respect, recognition and consideration; and where equality is at the core and the heart of a society that is promotive and protective of human dignity.

[*Translation*]

I invite all Canadians to take a moment to mark this important anniversary and to learn more about the significance of section 15. It has shaped our very identity as a country. It embodies the values that lie at the heart of our Canadian identity. It is a moment worth celebrating.

[*English*]

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I am pleased to join with others in the House today to mark the 20th anniversary of the coming into force of section 15 of the Charter of Rights and Freedoms.

Beginning with Conservative Prime Minister John Diefenbaker's Bill of Rights in 1960, and with the passing of the Charter of Rights and Freedoms on April 17, 1982, there was a fundamental shift in the framework of our democracy. Instead of the federal Parliament and the provincial legislatures collectively having unlimited legislative power, the Charter of Rights and Freedoms restrained those legislative bodies from enacting legislation or taking action that would violate the principles set out in the charter.

In order to determine whether the activities of government contravene these principles, the charter assigned that responsibility to the judiciary. Section 15 of the charter, the equality provisions, provided the citizens of Canada with a constitutional mechanism that required governments to enact laws and carry out their activities in a way that promoted human rights and protected the people of Canada from unwarranted interference by government. Its purpose is to prevent governments from carrying out activities or making laws that make inappropriate distinctions in respect of the people it serves.

This provision came into force three years later than the rest of the charter in order to provide legislative bodies time to ensure that their practices and legislation complied with that provision. However, although the charter, and specifically section 15, has become a fundamental expression of Canadian values, it is important to note that constitutional documents are not a guarantee of ethical government.

And so it is that 23 years after the coming into force of the charter and 20 years after the coming into force of section 15, Canada is faced with an unprecedented example of our federal government abusing the trust of its people. Beginning with the findings of the Auditor General and the hearings of the public accounts committee last year, and continuing with the ongoing hearings of the Gomery commission, the Canadian people have seen the corrupt activities of its government, activities committed in a systemic and ongoing manner over the course of the decade, exposed for the entire world to see.

At the same time that our government was casting itself as a world leader in the promotion and protection of human rights, the sad truth is that its activities undermined the basic principles of a responsible democracy and the very principles set out in the Charter of Rights and Freedoms.

The actions of our government over this past decade are a shameful reminder that the mere expression of lofty constitutional principles is not sufficient to prevent corruption and abuse in our democratic institutions—

• (1015)

Mr. Paul Szabo: Mr. Speaker, on a point of order, as a parliamentarian, I understand, as all parliamentarians understand, that these are difficult times, that there are proceedings going on, but in the member's statement there have been references twice now to the corruption of the government. First of all, it is unparliamentary to even suggest that. Second, it is simply not the case. I would ask that the unparliamentary language being used by the member and all members in this regard cease, please.

The Deputy Speaker: I appreciate the comments from the hon. member for Mississauga South, but it is a question of debate. There is no accusation toward an individual member. It is just a comment; it could be debatable, but it is not unparliamentary. I would ask the hon. member for Provencher to continue.

Mr. Vic Toews: Mr. Speaker, let me repeat that last paragraph. The actions of our government over this past decade are a shameful reminder that the mere expression of lofty constitutional principles is not sufficient to prevent the corruption and abuse of our democratic institutions.

I, too, would invite Canadians to take a moment to mark this important anniversary. However, I would invite them not only to learn about the significance of section 15, but also to ponder the irony of marking this anniversary at a time when corruption has never been as evident.

I believe this disgraceful state of affairs is a clear reminder that ultimately it is not the words found in a constitutional document or the power of the judiciary that will ensure the continued growth of our democracy. The growth of our democracy and the assurance that Canada will take its rightful place as a world leader can only be

Routine Proceedings

accomplished through the determined will and actions of each individual citizen to hold its government accountable.

[*Translation*]

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, we are rising today to celebrate the 20th anniversary of section 15 of the Canadian Charter of Rights and Freedoms, for which the Supreme Court decisions in Andrews and Law have set out the outline and analytical framework.

We in the Bloc Québécois are staunch defenders of the principle of equality for all before the law. The right to equality is a demand rooted in the history of Quebec, and is actually part of it.

Need I remind the House that the Quebec Charter of Rights and Freedoms, an ambitious, generous and progressive charter, is turning 30 this year? The right to equality is enshrined in its section 10, speaking volumes about the humanist and progressive values of Quebec's society.

But today we are celebrating the 20th anniversary of section 15, as well as the adherence of the courts to the principle of equality, the courts having adhered to it with openness and humanity, often going beyond the letter of the charter.

On this anniversary, the Bloc Québécois cannot, however, overlook the fact that the charter is an integral part of the Constitution Act of 1982, which was imposed upon Quebec and which every successive government in the Quebec National Assembly has refused to sign.

This 20th anniversary is also a time to look at equality between men and women. At a time when we are debating same sex marriage; when the federal government has yet to pass pay equity legislation; when Canada has still not signed the convention on child labour; when the government is voting against bills that would eliminate discrimination against EI recipients; when social condition has not yet been included in the Canadian Human Rights Act, is there really cause for celebration after 20 years?

Let us recognize that more remains to be done. The recent events that have disrupted democratic life in Canada and Quebec remind us of our duty to be vigilant, to ensure that the decisions made by this government are made with the collective interest in mind, and not the benefit of a few, to ensure that our decisions help better the living conditions of our fellow citizens, and not exclude, ostracize or sideline any of us.

The right to equality must not be taken lightly or casually. On this 20th anniversary of section 15 of the Charter of Rights and Freedoms, I take the opportunity to reaffirm that the Bloc Québécois intends to remain, as it has always been, its staunchest defender.

• (1020)

[*English*]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Madam Speaker, like the other speakers today, I am proud to rise to speak with regard to the 20th anniversary of the coming into force of article 15 of the Charter of Rights and Freedoms.

Routine Proceedings

I cannot help but think back and note that I was going through law school at the time it came through. Then, debate was on as to whether we were going to have a charter. One of the memories I have is of someone I think we can call one of the patrons of the concept of having a Charter of Rights and Freedoms, particularly the provision with regard to equality rights, a law professor by the name of Frank J. Scott, at McGill.

He was a proponent of rights for all people within this country, a concept which was very much shaped by the results of the Holocaust during the second world war, which influenced the need for a constitutional framework to protect and guarantee rights. For instance, he led the fight against the Province of Quebec in regard to its impact on the Jehovah's Witnesses during the 1950s. He was the main leader in that regard. More important, I think, he was a major influence on a subsequent prime minister, Pierre Trudeau, who ultimately was the author of the charter, the person who pressed forward to develop the charter and implement it.

Over the last 20 years, the effect of the charter has been to change our society. I believe that our judges and our judiciary generally have acted responsibly in using the charter, specifically section 15, to advance equality rights in the country.

It is clear that we are not done. This is an evolving process. Certainly there are any number of provisions in our statutes and our practices that need correction. Ultimately, the equality rights that are guaranteed in section 15 will move us forward, I believe, and will advance the cause of equality rights in the country and eradicate discrimination as far as it is humanly possible.

I salute the authors of this charter and, in particular, the role that Professor Scott played. I look forward over the coming generation of lawyers and the judiciary to seeing the charter used responsibly but effectively to guarantee rights for all Canadians.

* * *

● (1025)

[Translation]

COMMITTEES OF THE HOUSE

INDUSTRY, NATURAL RESOURCES, SCIENCE AND TECHNOLOGY

Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.): Madam Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Industry, Natural Resources, Science and Technology, relating to the certificate of appointment of Peter D. Clark to the position of executive director of the Standards Council of Canada.

* * *

[English]

TRADE COMPENSATION ACT

Mr. Brian Jean (Fort McMurray—Athabasca, CPC) moved for leave to introduce Bill C-364, an act to provide compensation to Canadian industry associations and to Canadian exporters who incur financial losses as a result of unjustified restrictive trade actions by foreign governments which are signatories to trade agreements involving Canadian products.

He said: Madam Speaker, the title of my private member's bill is "Trade Compensation Act". The intent of this act is twofold: first, to repay Canadian industry exporters their legal fees if they are subject to unjustified trade restrictions by a foreign power; and second, for the government to provide loan guarantees if a foreign government indeed requires a security deposit until the conclusion of a trade disagreement.

This bill is directed primarily toward those exporters who deal with foreign powers, specifically in this case toward farmers, on BSE, and toward softwood lumber.

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

* * *

TELECOMMUNICATIONS ACT

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.) moved for leave to introduce Bill C-365, an act to amend the Telecommunications Act (Voice over Internet Protocol).

He said: Madam Speaker, I would first like to thank the seconder of my private member's bill, the member for Halton. I would also like to thank the legislative counsel from the Legislative Services Branch of the House of Commons for having expedited the preparation of this bill.

In summary, the purpose of this bill is "to reduce legislative controls with respect to the economic aspects of the new telecommunications service called Voice over Internet Protocol, while recognizing the need for legislative controls of the non-economic aspects of the service", such as basic 9-1-1 service, access by law enforcement agencies and services for the hearing impaired.

This is an issue of choice for consumers. If we want to nurture the thriving, innovative and competitive communications industry, we need to let the market forces take root. Many countries around the world have decided not to price-regulate voice over IP communication services. Here in Canada, we should not be in the business of picking winners. We need to ensure that Canada's telecommunications policies are modern and consistent with the government's objective to stimulate innovation and economic growth through smart regulation.

[Translation]

In Quebec alone, some businesses are already providing telephone services through Voice over Internet Protocol. Consumer demand is driving the development of this technology. The best thing to do is let the consumer choose.

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

* * *

● (1030)

[English]

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.) moved for leave to introduce Bill C-366, an act to change the name of the electoral district of Bonavista—Gander—Grand Falls—Windsor.

He said: Madam Speaker, based on the advice of my constituents, I would like to introduce this bill in the House to change the name of the electoral district to its original name, Bonavista—Exploits. I would also like to thank the member for Halton for seconding this bill.

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

* * *

PETITIONS

MARRIAGE

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I have two petitions to present to the House.

The first one is on the notwithstanding clause. The petitioners want 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. They also point out that it is the duty of Parliament to ensure that marriage is defined.

They therefore call on Parliament to use all possible legislative and administrative measures, including the invocation of section 33 of the charter, commonly referred to as the notwithstanding clause, to preserve and protect the current definition of marriage as between one man and one woman to the exclusion of all others.

The second petition also has to do with the subject matter of marriage. The petitioners wanted to point out to Parliament that marriage is the best foundation for families and for raising children, and that the institution of marriage as the union of a man and a woman is being challenged.

The petitioners therefore also point out that marriage is the exclusive jurisdiction of Parliament and therefore call upon Parliament to recognize the institution of marriage in federal law as being the union of one man and one woman to the exclusion of all others.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Madam Speaker, I am proud to present, on behalf of constituents from Lloydminster, a petition on marriage.

These petitioners recognize that marriage is a union of a man and a woman to the exclusion of all others. They note that in fact that definition was passed in this House with a huge majority back in 1999. They acknowledge that Parliament is the body that should be determining the definition of marriage. They ask that Parliament carry out its responsibility and define in legislation marriage as the union of one man and one woman to the exclusion of all others.

NATIONAL DEFENCE

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Madam Speaker, I have five petitions to present today.

The first petition is from my constituents of Okanagan—Shuswap who call upon Parliament and the Government of Canada to oppose U.S. plans for missile defence. The petitioners request that the United Nations be required to permanently ban missile defence systems and space-based weapons worldwide by October 24 of this year, or convene a mandatory space preservation treaty signing conference thereafter for that purpose.

Supply

MARRIAGE

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Madam Speaker, the last four petitions, that I am fully in support of, are from hundreds of my constituents of Okanagan—Shuswap.

The petitioners urge Parliament to 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 the union of one man and one woman.

Mr. Brian Pallister (Portage—Lisgar, CPC): Madam Speaker, it is my privilege to present 10 petitions, primarily signed by the fine constituents of Canada's most beautiful constituency, Portage—Lisgar, in the centre of the country.

These petitions all deal with the issue of marriage. There is a total of approximately 13,070 signatories to these 10 petitions, each of which supports marriage as it has traditionally been defined. It asks us to acknowledge that the Supreme Court has recognized Parliament's jurisdiction in defining marriage. It also asks us to support the notion that marriage is the union of one man and one woman, and that it is a fundamental building block of society and represents the best environment for raising of children.

They ask us as members of Parliament to respect, uphold and support the traditional definition of marriage as being between one man and one woman to the exclusion of all others. It is my honour to present these petitions to the House today.

* * *

• (1035)

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Hon. Jean Augustine): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

OPPOSITION MOTION—SPONSORSHIP PROGRAM

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ) moved

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery commission

He said: Madam Speaker, today we are going to debate the worst scandal in contemporary Canadian political history. It involves the Liberal Party, which currently forms the government.

The Liberal Party ran its last three election campaigns with dirty money, tainted by corruption, the misappropriation of public funds, bogus invoices, tactics just short of money laundering and—there is no denying—what were at the very least questionable practices.

Supply

This culture of corruption was born from the desire of the Liberal Party leadership to fight the Bloc Québécois and sovereignists. It was not about democratically debating the future of Quebec and Canada. All the senior Liberal Party officials said, “It was about winning the war”; and they are still saying this today.

This government spent millions and millions of dollars during the 1995 referendum on the sovereignty of Quebec, money that was then laundered and which even the then Auditor General was unable to trace. It was about operation Option Canada, by which public funds were used in violation of Quebec legislation to intervene in the referendum debate.

From that point on, the Liberal government chose to break all the rules, supposedly to fight sovereignty. The current Prime Minister was finance minister at that time. So he took part, by secretly allocating funds, in this first serious violation of the most fundamental rules of democracy.

The current President of the Privy Council, the member for Westmount—Ville-Marie, was personally responsible for these operations. The president of Option Canada was Claude Dauphin who, one year later, became the right-hand man of the current Premier of Quebec.

A little later, in 1996, the government held a special cabinet meeting on Canadian unity where it was agreed that the Quebec Liberal Party needed help—not the federal government, not federalism and not Canada, but the Liberal Party. The Prime Minister was there and not once have we heard him condemn this failure to stay on course. He has preferred to hold his tongue and be an accessory.

The Liberal Party of Canada started using dirty money in 1997. The Prime Minister himself, as candidate for LaSalle—Émard, did not hesitate to campaign with this dirty money, and all the Liberal Party candidates used this Liberal Party money.

Quebec was bombarded with flags, ads and sponsorships. We never heard a single complaint from the Prime Minister.

In 2000, the Bloc Québécois repeatedly asked very pointed questions about the sponsorship program. The Prime Minister and all the Liberal members were seated in this House and they heard every question, unless they plugged their ears so as not to hear them.

In 2000, five years ago already, the Bloc Québécois platform stated:

The Liberal government's propensity to award contracts for advertising, communications or for organizing ministerial tours brings sizeable profits to the Liberal Party of Canada.

That is what we wrote and that is what we campaigned on, among other things. The list of agencies followed, including Groupe Everest, Groupaction and Lafleur Communications, to name a few.

In 2000, we repeatedly urged the Liberal government to call an inquiry. The government always refused.

Despite all these questions, despite all the newspaper articles, the Prime Minister told us he knew nothing about any of this. In 2000, the Prime Minister and all the Liberal candidates in Quebec again campaigned with dirty money from the corruption.

Between 2000 and 2004, things became much clearer. We asked hundreds of questions, 440 questions to be precise, but the Liberals—including the Prime Minister—refused to take action.

● (1040)

In 2004, the Prime Minister had an opportunity to not campaign with dirty money, but he refused to take responsibility. He went against the promise made by his lieutenant, to never campaign with tainted money.

As a result, the Liberal Party of Canada campaigned in 2004 using dirty money, for the third consecutive time. The Prime Minister was the triumphant leader of the Liberal Party of Canada at that time. He accepted no responsibility, but today claims the moral authority to lead this government, which is corrupt to the core.

If the Liberal Party of Canada today finds itself up to its neck in mud, that is because it has refused to follow the rules of democracy. The Liberal Party of Canada has not respected the rules of democracy, and when a political party breaks the rules to such an extent, it must be sanctioned. And those who must shoulder the responsibility and face the sanction are the Liberals, and first and foremost their leader, the member for LaSalle—Émard.

The Liberal Party of Canada and its leader have used four defences so far. Their first argument: they were the ones who took action, for example setting up the inquiry and firing Gagliano, Pelletier, Ouellet and LeFrançois. The second: the Prime Minister states that he knew nothing, that he did not do it, that someone else did the deed. The third: the Prime Minister and his lieutenant talk about a parallel group. The fourth: they confirm that the dirty money does not show up in the books of the Liberal Party of Canada. Each of these arguments shows that this Prime Minister and his party are refusing to accept responsibility.

I would like begin with the first argument, the creation of the inquiry and the firings. The Prime Minister stresses the point that the Liberal government took action. He repeats the litany of creating the inquiry, firing Gagliano, Pelletier, Ouellet and LeFrançois, and recovering the stolen money, which incidentally he has not done. What the PM does not say is that each and every time, the Liberal government had to be backed into a corner first.

As for the commission of inquiry, for example, on October 10, 2002—over three years ago—the Bloc was calling for that commission. The present Minister of Finance refused, insisting that it would be much better to let the RCMP take care of everything. I have here the actual words of the present Minister of Finance:

Mr. Speaker, I gather that the hon. members have some difficulty with the work of the Auditor General. They must have some difficulty with the work of the RCMP.

Quite frankly, if members are interested in getting to the root of this matter, they would be best advised to rely upon the official and authoritative investigations that are already underway, on the one hand by the Auditor General, and on the other hand by the RCMP.

That is what he said when we were calling for a commission of inquiry. And here are the same people today boasting of having set it up, without being urged to do so. On June 13, 2003, in this House, that is what the present Minister of Finance said in response to a question on the creation of such a commission of inquiry.

Supply

As for the recall of Ambassador Gagliano, the hon. member for Mercier, from the Bloc Québécois, had previously asked the government not to appoint him ambassador. Later we demanded that he be recalled on numerous occasions, for example, on December 13, 2003, when the hon. member for LaSalle—Émard had already become Prime Minister. We had to wait a long time before our wish was granted. The Bloc Québécois and the opposition had to call for the dismissal of Jean Pelletier before the Prime Minister would agree to take action.

As for recovering the stolen money, that is the least we could expect, and once again enormous pressure had to be placed on the Prime Minister before he finally took action. Since August 6, 2002, the Bloc has demanded the recovery of the public money embezzled by the cronies of the Liberal Party of Canada. Furthermore, the Bloc Québécois first called for the abolition of the sponsorship program in 2002, one year before this government acted. On every occasion, pressure from the opposition, the media and public indignation has had to be brought to bear before the Liberal government and the Prime Minister would take action.

Next, the Prime Minister said that it wasn't him, that he knew nothing. The Prime Minister and his faithful lieutenant the hon. member for Outremont have tried and are still trying to distance themselves from Jean Chrétien and the Liberal cronies. "It wasn't me," the Prime Minister tells us.

• (1045)

He says that he was outraged by Jean Brault's revelations. The Prime Minister defends himself by saying that it was he who dismissed Ambassador Gagliano. He did not know anything, but he fired an ambassador. Now that is really something. It really is a first in the history of humanity. The ambassador was appointed because of the sponsorships and then he was fired for the same reason.

I dare say that if the Prime Minister dismissed Mr. Gagliano, it was because he knew something that justified the decision. In a letter sent to Liberals, the Prime Minister emphasized that he had fired Messrs. Pelletier, LeFrançois and Ouellet because of their involvement in the sponsorship scandal. That is what he said. How, in that case, was he able to go to the polls saying that he did not know anything?

He tells us that he did not know anything. But the Prime Minister was there all those years, at the very heart of the Liberal government and the Liberal Party. It was the Prime Minister, when he was finance minister, who controlled the purse strings. It was he who was primarily responsible for the public finances used in the sponsorship scandal. He was the vice-president of the Treasury Board and as such he was responsible for reviewing programs and their effectiveness.

The Prime Minister was and still is a member of Parliament under the Liberal banner in Quebec. In November 1999, at the height of the corrupt activities of senior officials in his party in Quebec, he attended a little party held to mark the 15th anniversary of Alfonso Gagliano's entry into politics. He paid tribute to him in a video. In 1999, the Prime Minister was very much an admirer of Mr. Gagliano.

By 2000 he had heard—or maybe he preferred to cover his ears and hold his nose—the hundreds of questions asked by the Bloc

Québécois about the sponsorship scandal. The member for LaSalle—Émard knew at that time that he was going to campaign with dirty money. Did he himself not buy campaign signs from Mr. Corriveau during the 1997 and 2000 campaigns?

In 1997, the Prime Minister received \$15,935 from the Quebec wing of the Liberal Party of Canada to use in his campaign. Did he campaign in 1997 with dirty money? Everything leads to that conclusion.

During the last campaign, the Prime Minister had a chance to reply to the many unanswered questions about the sponsorship scandal. During the leaders' debate, I asked him at least three times who was part of the political leadership he talked about when creating the Gomery commission. He refused to reply. So far, he has not denied any of the facts or testimony heard before the Gomery commission.

So the Prime Minister campaigned in 1997 with this money. He had an opportunity to answer these questions, and did not. He refused to answer. He knew. He had to know or he was hugely incompetent. He turned his back on his duties. He refused to see, to hear and to smell the stench rising from the activities of his dear Liberal Party of Canada. The Prime Minister did not have the moral authority to put a stop to it while there was still time. How can he claim today that he has the moral authority to govern? I am convinced the Prime Minister knew very well what was going on.

His third line of defence was that a parallel group was involved. No parallel group behaved improperly; it was the leaders of the Liberal Party of Canada. There is no parallel group, as the Prime Minister would have us believe. There is only the Liberal Party of Canada. This is his party, and he is its leader. The Quebec wing of this party is his wing. He has always belonged to it.

He has been a member of it since 1988. For 17 years, he has been one of the gang, but he refuses to assume his responsibilities.

The Prime Minister's final argument is that the dirty money does not appear in the Liberal Party's books. In addition to denying his responsibility as the leader of the Liberal Party, the Prime Minister is refusing to face reality. His faithful lieutenant and his Minister of Public Works and Government Services state that the money does not appear in the books of the Liberal Party of Canada. Is anybody surprised? That was the whole point of the exercise: false invoices, cash, paybacks and money laundering. This is the very essence of corruption.

Dirty money must not appear on the books. This is the allegation against the Liberal Party of Canada under the leadership of the Prime Minister. The dirty money went to the Liberal Party of Canada in an effort to buy elections in Quebec.

• (1050)

This Prime Minister has a responsibility to act, to establish a trust account and to deposit in it an amount equivalent to the dirty money used by the Liberal Party of Canada. So far, this means more than \$2 million, based on a single testimony. Obviously, this is just the tip of the iceberg. The Prime Minister must do that to ensure the public that the Liberal Party of Canada will not once again use dirty money to campaign in the next election.

Supply

He would be well-advised to act quickly, because I can promise him one thing: if the Liberal Party does not put that money in trust before the next election, we will remind the public every day that the Liberal Party of Canada is campaigning with sponsorship money.

As a Quebec Liberal member who himself campaigned with dirty money, and as the former Vice-President of the Treasury Board responsible for examining the sponsorship program, the member for LaSalle—Émard did not do his job properly. As the former finance minister, who was responsible for allocating the sponsorship funds, he also campaigned with dirty money. As the second in command in the Liberal government of Jean Chrétien, as the one responsible for all the actions of this government, and as the current leader of the Liberal Party of Canada who has been actively involved in the party's Quebec wing for 17 years, this Prime Minister is responsible for everything that has occurred and he must face the consequences.

The Prime Minister must assume responsibility for the worst scandal in Canada's recent history. He must apologize to Canadians, and particularly to the Quebec nation, whose reputation has been unfairly tarnished by the actions of the Liberal Party of Canada. The Prime Minister must admit that it is not the members of a parallel group who were involved in this corruption, but the party itself, the Liberal Party of Canada that he leads.

Those individuals who committed criminal offences will have to answer to the courts. The government officials who squandered public funds, and I am talking about senior officials, will be answerable as well.

The Gomery commission will provide details of what happened with the sponsorships and make recommendations. In addition, the Liberal Party of Canada should be punished for having violated the rules of democracy. It is not for the Gomery commission to do so; that is not what it has been mandated to do. Its terms of reference specifically state that, and I quote:

the Commissioner be directed to perform his duties without expressing any conclusion or recommendation regarding the civil or criminal liability of any person or organization—

That is what the terms of reference state. The House of Commons is not a court, and the opposition cannot punish the Liberal Party of Canada. And the leader of the Liberal Party of Canada is certainly not going to punish his own party. The only ones who can and must punish the Liberal Party are the voters in Quebec and Canada in a general election.

In the meantime, the Prime Minister should establish a trust fund and require the Liberal Party of Canada to put all the dirty money in it. Naturally, doing so will not erase the shame the Prime Minister must be feeling right now, and it will never erase from our memories the corruption, cronyism and trickery that will be attached from now on to the image of the Liberal Party of Canada, which he runs, but he will at least have done the minimum that decency requires.

I therefore move the following motion, seconded by the hon. member for Roberval, which reads:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery commission.

•(1055)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the sponsorship file is an extremely important file and it is important to all Canadians. I understand why the Bloc has brought forward this matter but I think the member has misled the House and Canadians with his facts and his rhetoric.

He gave some excuse as to why the Auditor General could not do her job but the fact remains that the Auditor General did review the \$250 million program. She opined on \$150 million of it but, on the other \$100 million which went to advertising firms, she had no jurisdiction and that was why the Gomery commission was set up.

He also misled Canadians, this House and Quebecers about the participation of the finance minister. He suggested that somehow since the Prime Minister was finance minister at the time that he doled out the money. That is not the way it works. The finance minister does not write cheques. That is operated by the departments.

He says that somehow there has to be accountability and responsibility. What did the Prime Minister do? It is pretty clear that he cancelled the sponsorship program; introduced ethical guidelines for ministers, senior staff and crown appointees; established an independent ethics officer; overhauled the government advertising; established the Gomery inquiry; appointed special counsel to recover any lost funds; eliminated the unity reserve fund; acted to replace the heads of crown corporations; recalled Ambassador Gagliano; and committed to a voluntary appearance before the commission, which he has done.

The Prime Minister has made it very clear that all the allegations will be properly investigated and, where any funds were used for a purpose for which they were not intended, that investigations will be completed and, if necessary, charges laid. That is more important to Canadians than any partisan interest. The Prime Minister is committed to doing the right thing and ensuring justice be seen.

Why does the hon. member come to this place and make a speech in which he says that someone is guilty until proven innocent?

[*Translation*]

Mr. Gilles Duceppe: Madam Speaker, with regard to the first part of his remarks on the Auditor General's responsibilities, I do not know if he misunderstood or if the interpretation was lacking, but his remarks prove exactly my point. I am not the one saying that the Auditor General, and not Justice Gomery, should proceed; his Minister of Finance is. I thank him for sharing my opinion.

Second, when he says that the Prime Minister is in no way responsible, he is failing to consider the evidence and answer some very simple questions. He said, "There is political direction". So I am asking him, since he knows, who is providing this political direction. He says there was a parallel group. Who then is in this group, since he says there is one?

He says that he dismissed the three heads of crown corporations because they were involved in the sponsorship scandal, but he refuses to admit this in the House. He says that he dismissed Mr. Gagliano. These are not allegations. The Prime Minister is the one writing that they were connected to the sponsorship scandal. The member is not reading the letters from the Prime Minister, his leader, who wrote to his supporters, "I have dismissed individuals who were tied to the sponsorship scandal". He refuses to say this now. Even his MP believes that these are allegations. However, the Prime Minister is the one making these allegations. That means something.

The third argument, and the best, is that we do not understand how government works. No, we do not understand, if this is how it works; that is clear. We are being told that he is not responsible and that he does not sign the cheques. This is the same former finance minister who went around boasting that he had given so much to the environment and to health. When it is about allocating money, the finance minister is the one responsible, but when it is about talking about a secret Canadian unity fund and the money given to the sponsorship scandal, he no longer knows anything, he is gone, he is not there.

Frankly, a finance minister cannot just take credit for the good stuff, he has to take credit for the bad stuff too. He has to take all the credit. One of the worst things he did for Canadian federalism and democracy is the sponsorship scandal, and he is responsible for it.

• (1100)

[English]

Mr. Jeff Watson (Essex, CPC): Madam Speaker, I salute the hon. leader of the Bloc Québécois for bringing this motion forward. It is an important one that we debate today.

I can say personally that I am very enraged at the scandal before us. It is a deliberate attempt to take taxpayer dollars and funnel them to the benefit of buying elections in Quebec. This is a scandal of epic proportions and the height of arrogance in government.

I want to get to the heart of the matter and not just the specifics of the matter. My heart grieves when I think that money was taken from Quebecers and used to buy their allegiance, as if that could be done. That is equivalent to throwing sand in their eyes.

This is a time in our country when the government should be trying to heal divisions in our country, divisions between our regions, with our first nations and between anglophones and francophones. Would the hon. leader of Bloc care to elaborate on how Quebecers are feeling right now? Are they feeling betrayed at the hands of an arrogant Liberal government?

[Translation]

Mr. Gilles Duceppe: Indeed, Madam Speaker, Quebecers are offended. They are angry and shocked with the way the Liberals behaved in Quebec. They are also offended to have heard the former prime minister say that he was at war against the big bad separatists and that the disappearance of \$4 million was not that serious.

They are also offended with almost the same statements that were made by the current Minister of Public Works and Government Services. They are offended that the Prime Minister, who says today that it was not him but the others, loudly applauded and made his

Supply

members applaud the former Prime Minister of Canada after his testimony at the Gomery Commission, during a caucus meeting.

[English]

I want to say to all Canadians and federalists, whether they are in Quebec or in the rest of Canada, that we, the Bloc, do not consider that all Canadians and all federalists are like the Liberals.

I deeply respect those who are proposing federalism to Quebec. I disagree with them but this is a democratic debate and we are ready to have that debate. We are not judging Canadians and federalists as we are judging those who have tried to buy votes in Quebec in the name of federalism. Those people are a shame to Canadian democracy, period.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Madam Speaker, I thank my hon. colleague from the Bloc, the leader of the Bloc Québécois, for bringing this motion forward today.

I have one observation. I know the members opposite will try to paint the picture that the Conservative Party and the Bloc are in bed together on this, but it is important to realize that what the member has stated is understated. He said that he feels this is probably the biggest political scandal in Canadian history. I think this will go down as the biggest political scandal in the history of democracy.

I would appreciate the leader of the Bloc's comments on this. This is clearly in my view one of the most egregious violations of election law that I have ever seen.

I would like to know whether the leader of the Bloc agrees that we should have Elections Canada do an immediate investigation on what has happened. More important, talking about the money that is to be paid into a trust account, does he agree that the Liberal Party itself should repay this money but not to take this money from its rebate that it will receive from Elections Canada, money that all parties receive, because in effect that is taxpayer dollars? This money was stolen from taxpayers and should be repaid by the Liberal Party through its own donations, not through Elections Canada rebates.

Would the minister please comment on that?

• (1105)

[Translation]

Mr. Gilles Duceppe: Madam Speaker, I am sure my colleague did not want to insult me by comparing me with one of the ministers who sit in this House.

That being said—some are new, but not for long—I will not say that this is the worst scandal in the history of democracy, but I would certainly say that it is not very noble for the Liberals to go into history in the same column as the Nixons of this world. If they are happy with that, too bad for them.

However, I was hearing them yell, "The Parti Québécois!" There are two major differences. First, the Parti Québécois has denied the facts, which the Liberals did not do. Second, the Parti Québécois has established a trust account and put some money into it, confident that it will get it back, because it did not hand out any contract and this was clearly proven by current Liberal members, who said that the PQ had never done that.

Supply

However, like the Parti Québécois—I know that the Liberals are not even in the same league—they should immediately establish a trust account. If they want to compare themselves with the Parti Québécois, they will have to prove their worth.

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Madam Speaker, I rise this morning to speak to the opposition day motion that relates to the sponsorship program.

There is no doubt that in recent weeks we have heard disturbing charges and very serious allegations at the Gomery commission. These allegations disgust me, if they prove to be factual. I and all Liberals demand that those responsible, the guilty parties, be punished to the full extent of Canadian law.

I have no intention, nor does our government have any intention, of defending the indefensible.

[Translation]

We want Justice Gomery's report and we want to know the truth.

[English]

Our government, our party and, most important, our Prime Minister and leader are singularly determined to get to the bottom of this issue. This may not be the most politically expedient approach. However it is the right thing to do.

I am opposing this motion from the separatist Bloc Québécois today, a party that continues to play politics with a very important issue for Canadians. The Conservatives and the Bloc want to get to the polls but Canadians want to get to the truth. Our Prime Minister and our party stand with Canadians to get to the truth, the truth that Canadians deserve.

Let me explain why I will offer an amendment to the motion today. Our Prime Minister has taken, and continues to take, vigorous, bold and courageous action to address this terrible situation. I personally commend the Prime Minister for his strong hand and decisive leadership on this issue.

[Translation]

He deserves our respect for having made the right decisions.

[English]

He has put country before party, principle before strategy and courage before opportunism.

When the Prime Minister took office he immediately cancelled the sponsorship program. Then, when the Auditor General tabled her report last February, the Prime Minister responded forcefully. He set up an independent commission of inquiry into the sponsorship program and appointed Justice John Gomery of the Quebec Superior Court as its head. The Gomery commission has been given a broad mandate and the necessary resources to get to the bottom of this matter.

The Prime Minister took the remarkable step of providing cabinet confidences to the commission dating back 10 years and, in fact, more than 12 million pages of documents have been provided by the Government of Canada to Justice Gomery's commission.

He also appointed a special counsel for financial recovery to pursue all possible avenues to recover funds that were improperly received by certain parties involved in the delivery of the sponsorship program. This effort, in fact, when launched several weeks ago, was attacked by the leader of the Conservative Party.

However, as we know, last month, despite the attacks and the criticism for this action, the government filed claims in the Quebec Superior Court for \$41 million against 19 companies and individuals. This includes a claim of \$34 million against Jean Brault and Groupaction. We reserve the right to file further claims as further evidence and information presents itself.

There is much more. It was the Prime Minister who established the new, independent Ethics Commissioners, one for the House of Commons and one for the Senate. There are new conflict of interest codes for ministers and members of Parliament, and all the travel and hospitality expenses of ministers, their political staff and senior public servants are now posted on the Internet, as are the details of all government contracts over \$10,000.

The Prime Minister has re-established the Office of the Comptroller General and made sure that there are now comptrollers to sign off on new spending initiatives in every government department.

The Prime Minister has brought in whistleblower protection to protect public servants who in good faith disclose wrongdoing. The Prime Minister also recalled Alfonso Gagliano.

Our Prime Minister has extended the Access to Information Act to many crown corporations. We are in the process of changing the governance of crown corporations to the Financial Administration Act and the accountabilities of ministers and public servants. It was our Prime Minister who overhauled government advertising and brought in a more rigorous and competitive process.

Furthermore, the Prime Minister asked the RCMP to investigate all allegations of criminal wrongdoing and criminal charges have been laid, including fraud charges against Jean Brault.

● (1110)

[Translation]

Numerous changes have been made at Public Works and Government Services Canada. I would like to point them out to Canadians.

[English]

We have overhauled our contracting processes and our management of government advertising. In fact, the new ethics program of the Department of Public Works and Government Services Canada has been judged a best practice model in both the public and private sectors by the Conference Board of Canada. At the same time we are transforming the way our department does business to show respect for taxpayers and their hard earned dollars.

Supply

I am tremendously proud of our department and of the changes we are making both in our procurement practices and in our office building portfolio. Those savings will amount to over \$3.5 billion over the next five years.

I want to take a moment to congratulate the Parliamentary Secretary for Minister of Public Works and Government Services, the member of Parliament for St. Catharines, for the visionary and important work he performed in the procurement processes of the Government of Canada.

Quite simply, the department is working to deliver better services for Canadians at better value for Canadian taxpayers.

Let us get back to the task at hand and some of the testimony coming out of the Gomery inquiry. Let us be clear. If there were profiteers who took advantage of the unity crisis to achieve inappropriate gain, we want to make sure that justice is done and we want the guilty to be punished. If there were profiteers who took advantage of that battle against separatism to benefit personally or financially, we want to see justice meted out.

The separatists and their collaborators in the Conservative-Alliance Party continue to hide behind the privileges of this great House of Commons, to make a steady stream of slanderous statements, comments that they would not dare make outside of the House.

Let me quote from yesterday's *Ottawa Citizen*:

What is going on here is hysteria, a lynch-mob mentality...and political opportunism that threatens to derail the...pursuit of justice in the whole truth.

Reputations are being casually smeared, the self-serving claims of accused fraud artists...are accepted as gospel and incendiary fragments of testimony are flung across the Commons aisle everyday...

I want to remind members that it was the Prime Minister who set up the Gomery commission and who appeared before it. We know that there are political consequences to setting up the inquiry, but it is the right thing to do.

The Prime Minister has said that the true test of character is where one does the right thing when it is difficult, not just when it is easy. Canadians look to their political leaders to take responsibility and to demonstrate character.

• (1115)

[*Translation*]

Our Prime Minister did take that responsibility.

[*English*]

Establishing the Gomery commission has cost our party and our Prime Minister political support, but it was and is the right thing to do on behalf of Canadians. It is needed in order to defend and protect the integrity of our political process, and that matters a great deal more than the ambitions of any one political leader. Therefore, we must let Justice Gomery do his work and get to the bottom of this issue.

Even the chair of the public accounts committee agrees. Last week, he said, "There's no point in going to the polls with rumours and innuendoes. There's all kinds of rumours and innuendoes flying around about what is being said at Gomery. Why don't we wait until

we get all the facts about what has been said at the Gomery commission before we think about an election". I could not agree more, and most Canadians agree as well.

The *Halifax Daily News* editorial has said, "A snap election is not a good idea".

On the other coast, the *Vancouver Province* says, "We strongly advise that they remain patient until the fall when Justice Gomery files his report".

The *Globe and Mail* also says, "There is no sensible reason to go to the polls at that point and every reason not to rush to judgment".

Even the *National Post* is counselling patience. It said, "Opposition MPs want an election which would have Canadians essentially put the government on trial without having all the evidence at hand".

The *Chronicle Herald* has said:

The case [the Prime Minister] laid out in his own defence is stronger than any case mounted against him. He is the one who cancelled the sponsorship program on Day 1 of his tenure. He is the one who set up the Gomery inquiry, who fired those whose fingerprints were on this fiasco, and who is taking steps to recover misspent money. What more could the opposition reasonably expect him to do that he has not already done?

The *Globe and Mail* describes some of the testimony as shocking stuff. According to the *Globe and Mail* editorial, "What is the commission's report on the testimony, an assessment of who was to blame and what blame attaches to those still in power".

When talking about forcing an election, the *Globe and Mail* says, "It should be for a better reason than the calculation of the opposition parties, like the polls and their desire to trigger an election before voters tune out for the summer. Wait for the Gomery report".

This morning, Hugh Segal, former chief of staff to Brian Mulroney, said, "It makes no sense to call an election. I would urge everyone in the Ottawa bubble to take a Valium". I am not necessarily recommending the Valium, but certainly I would commend the rest of his advice.

Yet the Bloc and its new bedmates, the Conservatives, are coming together in a truly unholy alliance to try to force a snap election. In their book, political opportunism always trumps the best interests of Canadians.

Look at what the Leader of the Opposition said in January and contrast it to his sabre rattling today. In January, he said, "We will not tolerate any attempt by the government to see this inquiry fail before it reaches its conclusions". He said, "Frankly, I think the one thing that the Canadian public expects from the Prime Minister is that he get to the truth of this". That is exactly what the Prime Minister is doing. He wants to let Justice Gomery do his work because he wants Canadians to have the truth they deserve.

A resounding 87% of Canadians agree that an election should not take place until Justice Gomery has completed his work and submitted his report.

Supply

Why is the opposition so dismissive of the public's desires? If it wants an election, it can have an election. However, forcing an election would kill key measures, such as billions of dollars for child care, for cities, for health care, for the environment and for the Canadian military. It would endanger the payment of \$2 billion for Newfoundland and Labrador and \$830 million for Nova Scotia, as pledged in the offshore accords. A premature trip to the polls would wipe all this out. It is clearly not in the best interests of the Canadian people to have an election without the facts, without the Gomery report.

That is why I will be proposing an amendment to the Bloc motion in a few minutes.

● (1120)

[Translation]

The Bloc wants a referendum on separation and the Leader of the Opposition could not care less. He wants to open the door to the separatists who want to destroy Canada.

[English]

The Bloc believes in separatism, and the leader of the Conservative Party does not care.

It is important to recognize that in 1994, just months before a 1995 referendum, when Canada was teetering on the edge of the abyss, the leader of the Conservative Party said in one of his speeches that he did not care whether a post-referendum Canada had one national capital, or two national capitals, or three or four national capitals.

The Bloc believes in a divided Canada and a separatist agenda, and the Conservative leader does not care. The Liberal Party believes in standing up for Canada, and standing up for Canada does not mean lying down with separatists.

I am opposing the motion of the Bloc. According to Treasury Board policy, the government simply does not have the authority to set up the trust fund. That is why I am proposing an amendment to the motion because the Liberal Party has made a complete commitment to return any funds received by virtue of any illegal or improper transaction from any source convicted of wrongdoing related to the sponsorship program.

Let me quote the president of the Liberal Party:

Every single dollar received in this manner will be returned. This is the Prime Minister's commitment and it is ours. It is imperative that we hear from Justice Gomery in order to reconcile the amounts using testimony he has heard.

We cannot be more clear. Yes, we will act to ensure that this money is returned. Yes, we will hold accountable any profiteer or any guilty party involved in any illegal or improper activities. They will be punished.

[Translation]

If the party received any inappropriate funds, it will reimburse the taxpayers.

[English]

This can only be done if we allow Justice Gomery to complete his work.

I would like to seek unanimous consent from the House to propose the following amendment to the motion before us. I move: that all the words after the word "House" be deleted and replaced with the following: "affirms its support for the work of the Gomery commission; and that in the opinion of the House the Liberal Party of Canada should return any contributions determined to be inappropriate once the commissioner has drawn conclusions from the evidence and published his phase one report on fact finding; and that the House agrees with the April 7th statement of the hon. member for Edmonton—St. Albert to the effect that there is no point of going to the polls with rumours and innuendoes and that an election should not occur until all the facts are in hand from the Gomery commission; and that the House affirms its support for the core values of the Canadian justice system such as due process, the independence of the judiciary and the presumption of innocence".

The Acting Speaker (Hon. Jean Augustine): Does the hon. minister have the unanimous consent of the House to move the amendment?

Some hon. members: Agreed.

Some hon. members: No.

Hon. Scott Brison: Madam Speaker, let it be recorded that the hon. members who declined to provide consent to this motion do not support due process, do not support the independence of the judiciary and the presumption of innocence, and believe that Canadians do not deserve to have all the truth before being asked to make important decisions.

I continue to be proud of our Prime Minister and his actions, the actions of our government and of our party in response to this important issue. We will continue to do the right thing, not simply the politically expedient thing, because Canadians deserve real leadership at difficult times. We recognize that this is exactly that kind of time and we are doing the right thing and will continue to do that. While the opposition wants to play partisan politics, we will continue to do the right thing for all Canadians.

● (1125)

Mr. Tom Lukiwski: I rise on a point of order, Madam Speaker, although the point may be rather moot now. I would like to bring to your attention that once an amendment has been moved, the debate is concluded, and any further comments should be made in the comment and question period.

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): Madam Speaker, I appreciate the opportunity to raise an issue that has bothered me from the very beginning of the debate about sponsorship programs.

Most of the focus is on Quebec, but in Nova Scotia, there were sponsorship programs awarded as well. On three occasions, the Minister of Public Works and Government Services said in the House, "The Prime Minister was aware of the sponsorship program. All members of Parliament were aware of the sponsorship program". He said exactly the same line three times.

I must have failed to check my mail from the public works department because I did not know about the sponsorship program. I felt that I had let my constituents down because I did not know about it.

Supply

I did an access to information request to find out what I missed. I asked for all the letters and notes to members of Parliament from the Minister of Public Works and Government Services who administered the program regarding applying for funds from the federal sponsorship program, including the steps, process and criteria that members of Parliament were to take and follow. I asked for everything for all members of Parliament and I specifically asked for mine and for the member for West Nova. However, the access request came back saying no such documents exist.

How were all of us opposition members supposed to know about it if there was no information and no communication? The member for West Nova in Nova Scotia got 13 grants. He was a Liberal. The member for Central Nova got zero. He was a Conservative. The member for Sackville—Musquodoboit Valley—Eastern Shore got zero grants. He was NDP. It seems that only the Liberals were able to find this, except for the minister who did access some part of it.

I know the minister will give us a quick answer, a smart one-liner. He is very good at it. However, I want the answer. How did Public Works communicate with members of Parliament in the opposition about this national program which involved hundreds of millions of dollars?

Hon. Scott Brison: Madam Speaker, members of Parliament were aware, and I can provide the hon. member with documents, letters and representations made by many of his colleagues seeking funds from Public Works from the sponsorship program.

The constituents in my riding of Kings Hants, and I was not a Liberal member of Parliament, received grants for the apple blossom festival. The pumpkin race in Windsor received funds from the sponsorship program. We have representations from Bloc members of Parliament seeking support from the sponsorship program.

It is very obvious that all members of Parliament ought to have been aware because many of them, regardless of political party, were working to attain funding from the program.

Let us be clear. The intent of a program aimed at strengthening the presence of the Government of Canada in the regions of the country and helping laudable community based organizations succeed and have events is a reasonable one.

The issue with the sponsorship program was one of implementation, management and administration. We will never say that it was wrong to have programs that enable organizations in the hon. member's riding or any other member's riding to achieve a level of federal government support and funding, and to strengthen the presence of the Government of Canada in the regions of the country.

• (1130)

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Madam Speaker, I could use the term the Minister of Public Works and Government Services attributes to his mother to describe his amendment, but I do not think I would dare. If I did, I would say "This is utter hogwash". But I will not.

Because the hon. member says that we must put the presumption of innocence before all else, I would like to ask the Minister of Public Works and Government Services the following question. Why

were André Ouellet, Marc LeFrançois and Jean Pelletier fired on the basis of allegations and rumours? Were they not entitled to be presumed innocent? Why was an ambassador recalled on the basis of allegations and rumours? Was he not entitled to be presumed innocent? Why file a lawsuit against 19 companies and individuals solely on the basis of allegations and rumours? Were they not entitled to be presumed innocent?

What the Bloc Québécois motion is saying, and it is important to point this out, is that because we respect the presumption of innocence, we are asking the Liberal party to put the dirty money into a trust account until such time as we have the truth. We are not saying it must be paid back, deposited, or returned, we are saying that it needs to go into a trust account.

Is the Minister of Public Works and Government Services telling us he would like to eventually carry out another campaign funded by dirty money?

[*English*]

Hon. Scott Brison: Madam Speaker, first of all, in terms of individuals, and the member mentioned specifically Mr. Gagliano, they were in positions representing important organizations, and in Mr. Gagliano's case, representing the country in the international fora. It is not appropriate, was not appropriate, to have somebody with that level of reputational issues, due to the allegations at that time, representing the country.

It is up to the government, and more specifically the Minister of Foreign Affairs, to make decisions as to who can best represent the country, in this case, in Denmark. Ultimately, I do not know why the hon. member would be critical of a decision that his party and other opposition parties in fact urged and called for at that time.

Further, the special counsel to recover funds, that was successful in recently launching a \$41 million action against 19 firms and agencies, was always a parallel process that was announced at the time of the establishment of the Gomery commission. It was an action taken by the Prime Minister to gather evidence and to build cases against these individuals.

While we have cases, we do not have verdicts. It is important that we cannot act based on these cases in terms of the party until there is actually some verdict in hand that can make it possible to move forward on firmer ground.

[*Translation*]

The party has been clear. If the party received inappropriate funding, it will reimburse the taxpayers.

[*English*]

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Madam Speaker, the minister is very slick and very smooth, but he is simply not telling the whole truth here.

For one thing, the minister knows very well that Judge Gomery is not going to bring down a verdict. The job of the inquiry is to put together information. We have had corroborating evidence from several witnesses now that makes it very clear that these are not allegations, this is factual information that we have coming forth.

Supply

Judge Gomery is not going to bring down a verdict. That is a fact and the minister has to know that. He may refer cases that, as a result of the information that is gathered, probably will and no doubt will lead to people facing courts of law and serious charges. We will let that happen as it might, but he should not try to mislead the public about the purpose of this inquiry.

It is performing its duty very well and we are not going to call an election until more information has come forward because it is certainly good for us politically to let that happen, and because Canadians have a right to know.

• (1135)

The Acting Speaker (Hon. Jean Augustine): The member is an experienced member and I am sure he knows that he came very close to using unparliamentary language.

The Minister of Public Works.

Hon. Scott Brison: Madam Speaker, in response to an earlier question from the member for Cumberland—Colchester, I would like to table in the House letters from the member from South Shore and the former member for Saint John, my friend Elsie Wayne, who was writing seeking support from the sponsorship program. We also have letters from the member from Kamouraska, Bloc members, and there are more.

[*Translation*]

There is also a letter from the member for Québec.

[*English*]

The point is that I cannot necessarily understand the lapse for the member for Cumberland—Colchester in not knowing this program, but he ought to have been talking to his colleagues who certainly were aware and working hard to achieve funding on behalf of worthy organizations in their ridings.

It is important to recognize that there were two separate mandates given Justice Gomery. One was on fact finding, the phase one report, and the second was in prescriptives, to prevent this from happening again. The fact finding report is a very important one and it represents exactly that, facts.

Facts and the truth are what Canadians desire and deserve. There is a big difference between facts and allegations. It is very important to recognize that a lot of the allegations we have heard are, in some cases, from people who have been and are subject to criminal and civil action. A lot of these allegations have been contradicted by other allegations on an ongoing basis.

We have seen in the House members of Parliament opposite accuse the Prime Minister of perjury. They take the words of an individual who is facing criminal fraud charges as *carte blanche*. It is sacrosanct.

It is pretty clear what they are doing with the work of Justice Gomery. They do not respect the independence of the judicial inquiry and that is why they are trying to kneecap Justice Gomery's work as opposed to letting Justice Gomery do his work and allowing Canadians to have the truth they deserve.

[*Translation*]

Mr. Jason Kenney (Calgary Southeast, CPC): Madam Speaker, I will be sharing my time with the hon. member for Medicine Hat.

In my own name and that of the official opposition, I would today like to declare my support for the Bloc Québécois motion, which reads as follows:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery Commission.

The Bloc's motion urges the Liberal Party of Canada to deposit immediately into a trust account all money diverted from public funds by the party through the generous sponsorship program.

I therefore support this motion, as it is based on the principles of transparency, integrity and moral legitimacy. These principles, which must guide all good government, were unfortunately compromised with impunity by the Liberal Party. The Liberals for a number of years chose not to see the diversion of public funds and thus ignored the election act's provisions on the funding of political parties, to the benefit of the Liberal Party and its cronies.

This government, which advocates transparency, also refused to provide secret cabinet documents to the Standing Committee on Public Accounts, despite the request for them by the opposition parties. Although unstated, the intentions of the Liberal Party were clear: it wanted to call an election before some of its cronies, such as Jean Brault, testified. In addition, testimony that might have shed some light on the dubious activities of the Liberal Party, including that of Jean Brault, could not be heard in the public accounts committee, because a majority of Liberal members voted against it.

I know that for a fact, because I was there and sat on that committee. The Liberal Party's record of integrity is no more convincing. This party betrayed the principles of honesty, loyalty and respect for the rule of law by using illicit methods to divert public funds for partisan purposes. The party also dishonestly financed three election campaigns at taxpayers' expense by shamelessly using tainted money from the sponsorship program.

Upon the release of the Auditor General's report, the Liberal Party, having just been caught red-handed, at first tried to deny the facts. The Prime Minister himself tried many times, unsuccessfully, to dissociate his government from this scandal. It was only after being pressured by the opposition parties that the Prime Minister finally agreed to set up the Gomery inquiry.

Despite all the testimony heard thus far, this party continued to deny the facts, to wrap up the sponsorship scandal in the Canadian flag and even claim to have been the victim of a coup. Even the Prime Minister, who was finance minister at the time and number two in the Chrétien government, claimed to have been in the dark about this shocking misappropriation of public funds. Maybe he knew but does not want to remember?

The Liberals can no longer deny the evidence. It is now clear that the most senior party officials are at the very heart of this scandal. Testimony by Jean Brault, and other friends of the Liberal Party who profited from the generous sponsorship program, have stated clearly what everyone already knew but the Liberal Party continues to deny.

A Liberal organizer and close friend of the Prime Minister admitted that the only parallel system of funding within the Liberal Party was set up by supporters of the Prime Minister. However, the Prime Minister does not want to face the facts, and now the legitimacy of his party is in serious doubt.

In response to strong criticism from the opposition, the Prime Minister and the Minister of Transport have promised that the dirty sponsorship money would be put into a trust account in order to reimburse Canadian taxpayers for the public funds that were shamefully diverted by the party.

• (1140)

Canadians are still waiting. This government has still not taken any concrete action. As for the Liberals, this is once more a promise made and a promise broken.

It is about time that the Liberals take responsibility. They have misappropriated public funds. They must now do something about it and take concrete steps that will show their commitment to reimburse Canadian taxpayers as proposed in today's motion put forward by the Bloc Québécois.

During the last election, the Liberals used their line of credit to pay back the \$1.5 million that mysteriously disappeared from their local associations trust account. This time, the Liberals will have to use their line of credit to put in trust the dirty money that they have to reimburse Canadian taxpayers.

Furthermore, the Prime Minister and his transport minister have already committed to a trust account, but by now we all know what a Liberal promise is worth. What is keeping the government from acting in a responsible way and showing good will?

Canadians want this government to reimburse them the dirty sponsorship money now. They also want to be sure that the Liberal Party will not be conducting a fourth election campaign with dirty money.

This government is now up against the wall and cannot deny the obvious. In the name of transparency, integrity and moral legitimacy, we believe that this government has to stop ignoring the will of the House and of Canadians and adopt this motion today.

• (1145)

[English]

I would like to point out furthermore that the former paint salesman, the current Minister of Public Works, and his colleague the Minister of Transport have repeatedly referred to audits supposedly having been done by the Liberal Party into its own financing scandal. As revealed by the Leader of the Opposition this week, in fact no such audits were ever conducted. It is complete and total fabrication to claim that audits were done.

Is it not interesting that for weeks and months we heard the government claim that it had taken an important step by launching independent audits of its own books filled with dirty money, but when the Leader of the Opposition challenged the Liberals on this point on Tuesday and pointed out that the accountants referred to an informational review rather than a forensic audit, suddenly the language coming from the Liberals changed and they admitted that it was merely a review all along.

Supply

I would like to cite an article appearing in the CanWest newspapers today which cites forensic auditor, Al Rosen, a chartered accountant and certified fraud examiner who said that the Liberal Party is “pulling the wool over taxpayers' eyes” by pointing to reports done by accounting firms as evidence that the party never received inappropriate cash donations from Quebec ad firms. He has said, “The engagements by the two auditing firms are not comprehensive enough to detect any scams or any form of dirty money transactions”.

Al Rosen further said, “Trying to use these reports to claim that everything is fine within the party is completely inappropriate. That is not what the reports say and what is missing from it is the cash transactions that don't get recorded in the books”. He said that if they use the word “review”, which is indeed what was used by the accountants, “this is wishy-washy useless”.

This begs the question, why would the government try to mislead Canadians in this respect? Why would the Liberals not tell the truth? Just as the Prime Minister, after having had more than a dozen opportunities has refused to clarify whether or not he had a lunch date with Mr. Claude Boulay of Groupe Everest, why is he not forthcoming? Why the prevarication? Why the fudging of the truth? Why is there not a forthcoming statement of what actually happened?

I propose it is because the Liberals know the truth and they want to keep it from Canadians and they want to go into a fourth campaign with dirty money. This motion would create a system whereby they would be forced to reimburse that to taxpayers rightfully, justly and immediately.

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): Madam Speaker, I greatly appreciated the remarks from my Conservative colleague who, I might add, speaks French very well.

During the speech made by the Minister of Public Works and Government Services, we heard the member for Notre-Dame-de-Grâce—Lachine who was yelling and screaming that we must respect the presumption of innocence.

I would like to ask this to the Conservative member who just spoke. The motion asks that the money described as dirty by the member for Outremont be deposited into a trust account until the truth is known about where this money came from. Does the member think that putting aside the so-called dirty money is a violation of the presumption of innocence, as the member for Notre-Dame-de-Grâce—Lachine was claiming it was?

Mr. Jason Kenney: Madam Speaker, I totally agree with the member. Establishing a trust account for the so-called dirty money the Liberal Party received is not at all a violation of the presumption of innocence.

Such a trust account would allow the Liberal Party to put aside funds which I believe belong to the Canadian taxpayers. The Liberal Party can set that money aside while the legal and judicial process is ongoing, until the Gomery commission finishes its work and until all investigations have been concluded.

Supply

The motion brought forward today by the Bloc Québécois does not suggest that the money received by the Liberal Party be returned to the taxpayers or to the government immediately, but rather that it be deposited into a trust account. In my opinion, this is totally consistent with our legal principles and the presumption of innocence.

• (1150)

[English]

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Madam Speaker, I heard the comments of the member for Calgary Southeast. I think this House and many Canadians realize that many of the innuendoes, insults and accusations that the member makes are exactly that.

The member talked about the public accounts committee. I must remind the people of Canada that he was one of the members that continued to filibuster in the public accounts committee. He did a good job at filibustering. In fact, he filibustered right up until the last day, until the chairman left town.

I would like to talk about the action items. He said there was no action. Let me talk about the public accounts committee which finally last week made its report known. There are 29 recommendations. Sixteen of the recommendations have been acted on and 10 are under review. I will talk about the special counsel on financial review which was set up. After that final report there were 19 individuals and companies with settlements and claims by the government to the tune of \$41 million. This is another action item.

I would like the member to agree or disagree that those action items that have been put forward on the settlement of claims against Groupaction, Groupe Everest, Gosselin Communications and Jean Lafleur, in his terminology and understanding, are they action items or not? I do not mean going around everywhere and discussing many other things. Let us talk about those action items alone. Are they action items or not?

Mr. Jason Kenney: Madam Speaker, frankly I have no idea what the member is talking about, except that as usual he is simply trying to divert attention away from the essential issue here, which is that his party has been involved in the most widespread web of corruption with connections to criminality known in the political history of this country. In the words of the former Liberal minister, the member for Edmonton—Mill Woods—Beaumont, this has caused Canada to look like a northern banana republic. It reflects upon how the Liberal Party looks upon the public trust “as a vulture looks upon a dying calf”.

I was on the public accounts committee with that member. He voted against my motion to continue hearing witnesses on May 13 last year. He voted to shut down the committee because he and his boss did not want the truth to be known by the Canadian people.

Hon. Walt Lastewka: Madam Speaker, on a point of order, I take great exception with that member saying that I or members of the Liberal Party wanted to shut down the committee. The people who filibustered are the opposition, the Conservative Party, in conjunction with their friends in the Bloc, the separatists.

• (1155)

Mr. Monte Solberg (Medicine Hat, CPC): Madam Speaker, it is my pleasure to rise today and address this issue. I am grateful that the Bloc Québécois has brought forward this motion. It is very important that we find a way to ensure that money that the Liberal Party has diverted into its own coffers for use during an election campaign, money that belongs to taxpayers, is put in trust so it cannot repeat this again, like it has done in three previous elections, running election campaigns on dirty money.

At the outset, the Conservative Party supports the motion. Right thinking Canadians everywhere will understand the importance of this kind of motion, ensuring that we do not replicate the unbelievable behaviour of the Liberal Party in three previous elections.

There are so many issues I would like to address, but I want to start by addressing some of the things the public works minister stated when he spoke awhile ago.

In talking about the testimony before Judge Gomery, the minister said that these were allegations. He has repeatedly told us how we have to let Judge Gomery do his work and that we should not reflect on testimony. He then turned around and tried to undermine the credibility of witnesses who were appearing before Judge Gomery, calling into question their credibility. However, on the other hand, when it is convenient, he says that we should not reflect on the testimony.

I want to point this out. When people appear before Judge Gomery, these are not just allegations. This is sworn testimony, sworn evidence before a judge. It is important to make that distinction. Many times this testimony is backed up by other witnesses and by documents. Therefore, it is wrong for the public works minister to come here and try to undermine the credibility of what Judge Gomery is doing and undermine the credibility of witnesses when he says that we should not be reflecting upon what is being said before Judge Gomery. I want to point that out at the outset.

This is an issue of incredible importance to Canadians. It is an issue about self-respect. It boils down to whether Canadians have enough respect for themselves that they will finally say that they will no longer tolerate being taken to the cleaners by the Liberal Party of Canada. This is what has happened for a number of years now.

This is not in doubt. There is absolutely no question whether there was money being stolen from the taxpayers and diverted into Liberal Party coffers. The question is how much money was taken? That is the issue, and how broad in scope is this criminal conspiracy. Clearly that is what it is. We have all kinds of evidence that there are not just a few people, but dozens of people involved in what is a broad, far-ranging, criminal conspiracy.

Supply

The question that Canadians ultimately have to ask themselves is will they continue to support that kind of behaviour and that kind of government. Even many Liberals are saying, enough is enough. They no longer have faith in the current Prime Minister to get to the bottom of this. In fact, some of them are leaving the Liberal ranks saying that they have had enough and that the Liberals look upon the public as a vulture looks upon a dying calf. That was said by one Liberal member who has now left that caucus.

I know members across the way will say that they have a new Prime Minister now who wants to get to the bottom of this. I want to point out a couple of things.

First, there is sworn testimony before Judge Gomery which says that the Prime Minister had lunch with one of the, as my friend says, principal scam masters or scam artists involved in the sponsorship scandal. We are talking about Claude Boulay. This comes on the heels of testimony from the Prime Minister where he said that he only knew Mr. Boulay in a casual way.

• (1200)

Now we have someone who overheard a conversation, gave sworn testimony, that the Prime Minister and Claude Boulay talked advertising contracts over lunch. This is important. We need to point this out because there are many people who want to believe the current Prime Minister somehow sat apart from this.

Even if we decide that what was heard really did not happen, I want to point to the fact that we have seen the Prime Minister and his government actively try to block getting to the bottom of this issue. I want to point to what happened last year when the Prime Minister came in as the new prime minister and said that he wanted to get to the bottom of this, he would leave no stone unturned, he was mad as hell. We heard all the cliches.

At the same time, we know the government was actively withholding millions of documents from the public accounts committee which were relevant to finding out who was at fault for what had occurred and for finding out how millions of dollars of taxpayer money had been diverted away from what should have been a good purpose and ultimately some of which was diverted into the coffers of the Liberal Party of Canada. Lo and behold when the election finally passed and Judge Gomery was in place, suddenly all those documents became available. I think that points to the government trying to cover up evidence that could have cost it the election.

I would argue that the man who paints himself as the Prime Minister, who wants to address the democratic deficit, is actively involved in undermining democracy. That was a good example of it. However, it does not end there.

During the election campaign we heard the Prime Minister's team say that it had done an audit of the Liberal Party books. That was in the dying days of the campaign when the election was very much up in the air and no one really knew how it would turn out. Liberal government members said that an audit had been undertaken of the Liberal Party books and that everything was clean. Now we find out, several months later, that there was no audit. That was a complete fabrication.

As my friend has pointed out, a forensic auditor has said that when the government characterizes what the auditors did when they looked at the transactions of the Liberal Party as an audit, it is completely out to lunch. I am talking about forensic auditor Al Rosen, a chartered accountant and certified fraud examiner, who said the Liberal government was pulling the wool over the eyes of the public when it characterized the nature of the review that took place during the election campaign as an audit. We need to point that out.

My friends across the way are questioning whether an audit is more indepth than the review that took place. I want to quote from Mr. Rosen who said:

Trying to use these reports to claim that everything is fine within the party is completely inappropriate. That's not what the reports say and what's missing from it is the cash transactions that don't get recorded in the books.

When the Liberals say these things during an election campaign, they are obviously attempting to mislead the public in a craven attempt to hold on to power. Is that addressing the democratic deficit or is that undermining democracy? I would argue it is undermining democracy. It is using dirty money and dirty tactics to hang on to power.

We cannot trust the Prime Minister to get to the bottom of the sponsorship scandal. He is implicated by his actions. I support the motion of the Bloc Québécois. The Conservative Party supports it as well. Let us vote in favour of this so the Liberal Party cannot use dirty money one more time to try to get re-elected in the next election campaign.

• (1205)

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Madam Speaker, I want to point out to the member for Medicine Hat, in case he has forgotten, the three key initiatives that the government implemented.

Remember that we started the quick start on the public accounts committee. The public accounts committee has reported 29 recommendations. Sixteen of those recommendations have been actioned on and 10 are under review. The special counsel on the financial review was set up and now has reported those recommendations.

Nineteen individuals and companies have a settlement of claims in the amount of \$41 million on which that has been actioned. The Gomery commission is completing its testimony. As soon as the Gomery commission reports its recommendations, the Prime Minister will action on those recommendations as he has on the previous two initiatives. Canadians want action on the recommendations, not on rhetoric, not on innuendoes, not on allegations.

Canadians have asked that the minority government work. This is exactly what we are attempting to do; make minority government work. The opposition and the separatists do not want minority government to work. They do not want Gomery to report, not any different than when they did not want the public accounts committee to report in the springtime. They filibustered not to have the public accounts committee report. Now they want to do various things to not have the Gomery commission report.

Supply

Does the member for Medicine Hat want the Gomery commission to report, yes or no?

Mr. Monte Solberg: Madam Speaker, of course we want the Gomery commission to report, and it will have the chance to report. However, I also want to argue that at some point, after mounds of evidence becomes available to the public and the public sees what the government has been up to, the government loses the moral authority to govern. If that happens, I can guarantee that we will take our lead from the public and we will no longer support the government in what it is doing. We will not allow it to get away with this scandalous behaviour that it has been engaged in up until now.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Madam Speaker, I cannot get over the constant reference to “let Gomery do his job”. I have heard that over and over again.

One day I came to the House and it was announced that the government was taking legal proceedings to collect \$41 million from 19 organizations and individuals. I thought to myself that this kind of flies in the face of the comment about letting do his job.

Then I recalled what the Auditor General said when she gave her original report. She said that the Liberal government, in awarding these advertising contracts to these organizations it is now suing, broke every rule in the book.

My question for the member for Medicine Hat is this. We have had three elections in which a party has run a campaign with laundered money, dirty money. They have prejudged 41 organizations already. They have fired some people.

Mr. Paul Szabo: They were RCMP investigations, not from Gomery. Get your facts straight. You have to tell us the truth in the House.

Mr. Brian Fitzpatrick: Why would the Liberal Party not just take that money and put it into a trust account, and we are not presuming guilt or anything, so it will be unable to run another election with dirty money?

Mr. Monte Solberg: Madam Speaker, I see the member across the way is a little sensitive about this, given the breadth of this scandal and how it paints the Liberal Party. The member on this side makes a very good point.

What we are asking for is to set money aside, money that has come from people and companies implicated in the sponsorship scandal, and put it in a trust account so we can be assured that if we go into another election campaign, the Liberal Party will not use what is potentially and maybe quite likely dirty money to help lever itself into power one more time. That is what we are asking. I think that is fair and that is natural justice. I would be very surprised if the Liberal Party voted against what seems to be a very reasonable proposition.

• (1210)

[*Translation*]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Madam Speaker, I want to congratulate the Bloc Québécois for bringing forward this motion today. I want to read the motion before us:

That the House call on the government to immediately establish—

Some hon. members: Oh, oh!

[*English*]

Mr. Joe Comartin: Mr. Speaker, is there a point of order?

The Deputy Speaker: Order, please. I would invite hon. members to find another venue in which to continue their discussion unless they have a point of order. The member for Windsor—Tecumseh has the floor. We should listen to him. Other discussions should take place behind the curtains.

Mr. Joe Comartin: Mr. Speaker, I think that exchange cost me a minute. I hope it is not taken off my time.

[*Translation*]

I want to repeat the motion that the Bloc Québécois introduced in this House:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery Commission.

It is difficult to be a member of Parliament at this point in the history of Canada.

[*English*]

I vacillate between outrage and anger and, quite frankly, a sense of depression as a member of this House, as a member representing this government, all of us, not just members of the Liberal Party but all of us. This scandal has tainted all of us. We know that because when we are on the street or in airports and are identified as members of Parliament, we hear two things: “When are you going to throw 'em out?” and “You're all the same”. How often have we heard that?

Thus, I really am quite strong in my support for this motion, because it gives this Liberal government an opportunity, if it follows through on the contents of this motion, to perhaps address, even to a small degree, the black mark that is going to be left by this government, the legacy that is going to be left.

Obviously the NDP is going to support this motion. NDP members are almost at the stage of begging the government to finally recognize its responsibility. It is interesting to note that, last week, the NDP member for Elmwood—Transcona, and this week, the member for Ottawa Centre, both very experienced members, one a former leader of our party, both admonished the Prime Minister and gave him the opportunity to take that responsibility, to stop pointing fingers everywhere else and bring it home to roost where it should be.

I come from a French Canadian background. I fully sense the outrage, and yes, the humiliation, that the province of Quebec has experienced. Again, we have given the Prime Minister and the government the opportunity on many occasions in the House to step up to the plate and take responsibility. They owe a public apology to each and every citizen of the province of Quebec. Government members repeatedly stand in the House like little children saying, “It's not me. It's him. It's Mr. Gagliano. It's Corriveau. It's Boulay. It's everybody but us”. This motion gives them that opportunity.

We already have heard arguments from several of the Liberals members who are saying that they have to wait for Gomery to finish his work or they have to be sure they do not interfere with the presumption of innocence. We are so far beyond those arguments. This is not about the question of presumption of innocence. This is about public morality and public ethics.

• (1215)

This is about this government recognizing, as every Canadian citizen does, that the Liberals have tainted money in their Liberal Party coffers. It gives the Liberals the opportunity to say they recognize this, as does the Canadian public as a whole, and they are prepared to address that problem.

It gives them the opportunity to say, "We will set up this trust fund. We will impress upon the Liberal Party of Canada that for any funds we have from those individuals and those corporations that have ripped off the Canadian taxpayer, the Canadian citizen, we will put that money in trust and we will return that money". That is one of the points of the trust fund. This gives the government the opportunity to say that this money will be returned to Canadian government coffers when it is appropriate to do so, and the Liberals will not go into this next election and benefit from that money, that they will take it out of their coffers and give it to the Government of Canada. It is a pretty simple concept, one that I believe every Canadian understands but which this government does not get.

I want to speak for a few minutes about the damage from the conduct of this government in reacting to the accusations and the evidence that have come out around the sponsorship scandal and what it has done to our international reputation. In that regard, there is a scale that an NGO puts out. It is quite respected and quite accurate in most cases. The scale in 1995 had Canada fifth in the world. There were only four other countries ahead of us. By 2001 when the initial scandal was breaking, when the initial knowledge was coming out about the scandal, we had dropped to 11th place.

We do not have the most recent rating, but we can imagine what just the last couple of weeks of testimony before the Gomery commission have done, just that alone. We have obviously dropped to way down on that list. The reason we have dropped on that list is not just the scandal, the misconduct and the illegality; it is also the reaction of the government when something like this breaks.

We keep hearing the Liberals say, "But we have done this, we appointed the Gomery commission. We have put in place some lawsuits. We have appointed a special legal adviser. We have introduced legislation on whistleblowers". But in each and every case and any number of other ones they may want to bring forward in terms of their response, it is the Canadian taxpayer who is funding this. This has cost this Liberal Party and this Liberal government not one red cent. They just keep putting money up; your money, Mr. Speaker, my money, and the money of the taxpayers of Canada, and that figure is growing.

To rely on information from the CBC and the analysis it did in the last couple of days, these are huge dollars. The CBC estimates \$72 million as of this week, and it is growing. Some of this is hidden in many respects. Justice Gomery has spent \$32 million for the work that he and his commission have done, and for the commission

Supply

counsel and funding provided to parties that are part of the commission. That is \$32 million.

There is an additional \$40 million internal to the government. Justice Gomery and the commission counsel indicated this week that they do not believe they will go beyond the \$32 million. They see the end in sight for what it will cost. I have to say that I am always a bit worried about an estimate that clear, but I am fully confident it will be very close and will not exceed it by much.

There is also the \$40 million the government has spent among various departments. It is not over and it is going to grow. This week the Liberals announced that lawyers from within the government, defending the government and parts of the government and former civil servants, just got an additional \$10 million in legal fees.

• (1220)

A point needs to be made about this because of some of the comments made by the public works minister earlier today about the mandate of Justice Gomery. He in fact has no mandate and is specifically prohibited in his mandate from making any determination of not only criminal liability, which is understandable because our criminal courts have not dealt with those people who have been charged so far and presumably more that are coming, but he is also not allowed to make any determination of civil liability.

What that means, taking out the legal terminology, is that he cannot say that Mr. Guité or Mr. Corriveau are responsible for this \$1 million or that \$5 million or that \$6.7 million. He is prohibited from doing that under his mandate.

There are additional costs: our international reputation and what it is costing us for the Gomery commission. Let us go back for a minute to how much it has cost us in the sponsorship program.

As much as the public works minister wants us to believe that this money was used for good causes, some of it was but a large amount of it was not. It went to fees and commissions for which absolutely no work was performed.

It would appear, from the evidence that has been coming before the Gomery commission inquiry, that a significant amount of that money was filtered into both the Liberal Party of Quebec and the Liberal Party of Canada in donations.

In addition, it is clear from the sworn testimony that money that did not go into their coffers, services that were rendered, not accounted for and not attributed to the party, were also delivered. People were put on staff in private corporations but they were working entirely for the Liberal Party of Canada and no attribution of their salaries or benefits, which is clearly a breach of the law and part of the scandal.

To some degree what the motion by the Bloc Québécois does is it gives the government an opportunity. Mr. Brault testified that \$1.2 million in benefits and services never showed up on the Liberal Party's books, but the Liberals used that \$1.2 million in the last election. That money should be paid into this fund and held until the terms of the trust are met and then paid to the Canadian government.

Supply

An additional several hundred thousand dollars went directly in contributions, probably as much as \$800 thousand, from individuals and corporations involved in this scandal. That should be paid into this fund and it should be paid out of the funds of the Liberal Party.

The point that was made earlier today, which I support, is that this should not come from the rebates that we get, either as a party at the time of election or the ongoing support that is paid by the government to support political parties based on how well they did in the last election.

There is no question that the Liberal Party of Canada in the last election and probably in the two previous ones benefited from this dirty money. It should not be allowed to do that again in this coming election.

Let me just talk about the coming election. I think the point was made again today that Canadians, overwhelmingly, delivered the message after the last election that they wanted this minority government to function. A poll this week showed that 87% of the country still feels that way.

However we are getting a mixed message from the electorate because it is quite clear, both from the opinion polls and from what we hear when we go back to our ridings and talk to our constituents, that they are so angry and so outraged at the conduct of the government, both in the scandal and in their reaction to the scandal, that they want the government out of office.

• (1225)

We know it costs between \$200 million and \$250 million to run an election in this country. I believe, from everything that I see in this House and the frenzy that is going on in the country generally, that we will have an election after less than one year and that election will cost the Canadian taxpayers \$200 million to \$250 million.

We would have spent that money eventually but it should have been over a four year term period rather than a nine month one. This will be another added cost of this scandal.

I want to go back to the province of Quebec and the abuse that it has taken on this. I think one of the reasons that both my party and the Conservative Party are quite willing and, in fact, proud to support the motion is that it is coming from the Bloc Québécois.

As the Bloc leader made clear in his address today, he remains a sovereignist, I remain a federalist and we respect each other's position. However he and I know that the individual voter in Quebec has been humiliated and that another cost will come from the high risk of another referendum over Quebec's separation. We have to expect that this humiliation, this anger and this outrage from individual voters in Quebec will translate itself into support for the sovereignist movement. This is another cost of this scandal.

We have the cost for the Gomery commission. We have the cost of the scandal itself and those costs add up, it would appear, to at least into the \$200 million range. We have the cost of a coming election, again in the \$200 million to \$250 million range. We have the cost to our international reputation but, perhaps most important, we have the cost of democracy.

This scandal has damaged democracy in this country. It has grossly increased the cynicism of all the electorate toward politicians generally. It has undermined our faith and our confidence in our public system of government. It will take a generation or better to repair that. The motion today gives the government the opportunity to start us down that road.

I do not have much hope, quite frankly, that the Liberals will take advantage of this opportunity because they have had so many up to this point over the last few years and not once have responded. Not once have they come to the front of this chamber and admitted their responsibility or admitted where the system broke down, and they will probably not do it now. They do not get it but the electorate will punish them in the election that is coming. However our democracy will still suffer.

• (1230)

[Translation]

The Deputy Speaker: I see that several members wish to ask questions. I would therefore call on members to ask short questions, beginning with the member for Mississauga—South.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, there is no question that a wide range of allegations have been made by a number of people, and some certainly before the Gomery commission that were referred to the RCMP for which charges were laid prior to all of this coming forward.

The motion now before the House would constitute an admission of guilt on allegations that have not been completely cross-examined and not all witnesses have been heard. Would the member not concede that there has been at least a commitment, and that we should wait to hear the Gomery report findings and the complete evidence, which may lead to charges being laid for wrongdoings, and then legal proceedings can take place?

Would the member not agree that to have the full information on the table is absolutely essential to making sure justice is served?

Mr. Joe Comartin: No, Mr. Speaker, I do not agree. The standard of conduct that I and the motion asks for is one that is ingrained in the history of our democracy as it has developed.

We have a higher standard as public servants, both elected and appointed, than what people in the general populous of this country have.

Yes, if we go into a courtroom, a standard that my friend from Mississauga South is expressing, there is a presumption of innocence. However where we are at and the criteria and the standard that we are looking at for ourselves is a much higher one. It is one that says that we have more than enough evidence, whether it came from the Auditor General, the sworn testimony or from other witnesses. Those facts are enough at this point for the Liberals to say to the Canadian public that they believe so much of this money is tainted. I think Canadians believe and know the money is tainted.

Maybe at the end of the day some of the money will be returned by the Liberal Party but we need to set the standard high so that cynicism does not increase toward politicians and toward government. That is the standard we are working toward, not the one for our criminal courts.

Mr. Peter Goldring (Edmonton East, CPC): Mr. Speaker, I want to thank the Bloc Québécois for bringing forward this motion.

It is sad that the Liberals have offensively tainted the good work and efforts of many groups and organizations that have volunteered and worked for Canadian unity over the years by putting in their own money and volunteered their own time and efforts.

I was involved with groups and organizations before my time in Parliament and before I was even a member of the former Reform Party. I was on a special committee for Canadian unity and I flew to Montreal with my wife to bring this organization back to Edmonton and western Canada to work on unity efforts. This was following the 1995 referendum in Quebec.

I am sure the Bloc leader heard my maiden speech in this House when I referred to this organization and to the efforts of many people and organizations and the work I have been doing in supporting Canadian unity.

We may not like the direction of the various parties or the Bloc Québécois versus our seeking to support Canadian unity but we respect each other. We respect the efforts if the efforts are conducted civilly and legally.

I have a question for my colleague. In question period yesterday, when the Prime Minister pathetically attempted to deflect the scandal by fearmongering on health care, is there really no depth that the Liberals will sink to in order to stay in power?

• (1235)

Mr. Joe Comartin: Mr. Speaker, my feelings are quite obvious from some of the comments I made before and the pride I expressed in the comments and the reaction from our member for Ottawa Centre to that tactic.

I could not help but think of the Old Testament prophets who would challenge the king. What the member for Ottawa Centre was saying to the Prime Minister was that the Prime Minister's conduct was so reprehensible that it undermined this House, it undermined the Prime Minister's responsibility to this House to deal with appropriate questions coming from the opposition and it undermined democracy as a whole.

If I can put it more at the street level, it is like someone slapping a kid on the side of the head for misbehaving while at the same time telling the kid to behave and apologize. When the member for Ottawa Centre did that yesterday what did we get from the Prime Minister? He received more of the same.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, as I do not have much time, my question will be very simple.

I disagree totally with the member for Mississauga South, who alleges that offering the Liberals an opportunity to set money aside, for as long as we are not certain that money is clean, goes against the presumption of innocence. In my opinion, this is nonsense.

Supply

My question is for the NDP member. Would the real reason the Liberals adamantly refuse to put this dirty money into a trust account, not simply be that they have spent it, that they do not have enough money for the next electoral campaign and that, again, they will campaign with dirty money?

Mr. Joe Comartin: Mr. Speaker, I thank my colleague from the Bloc for this question. I agree with him. They might have no money, but we know they do have the capacity to borrow it if needed.

I want to draw attention to something else. When the Parti Québécois was identified as one of the parties which had received money from these firms, it immediately responded by doing what is requested today in this motion. The leaders of that party said they would immediately return that money, without asking questions. This is dirty money and they did not want to have it in their possession. They said they would refund it and they did just that.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I want to commend the member for, as usual, bringing his superb legal skills and knowledge to bear on the very serious issues that are before us. He has spoken ever so clearly as to why we as politicians and parliamentarians have to be prepared to meet a higher standard of public conduct than is normally thought to be required of the average person and the average institution. Such is the nature of holding public office.

I have a question that arises out of the member's reference to the 2005 global corruption report, which shows that Canada has descended, almost tumbled, from fourth to 11th place in terms of being clear of major corruption. Canada was in 11th place actually before the shocking revelations of the systematic corruption that is eating away at the Liberal Party and destroying the credibility of the government.

We know that corruption can cost governments and countries. It can even cost people their lives in some instances. I wonder if the member might speak more directly to what it is costing in terms of the confidence in our democratic system, costing in terms of the democratic processes that go to the very heart of our—

• (1240)

The Deputy Speaker: The hon. member for Windsor—Tecumseh.

Mr. Joe Comartin: Mr. Speaker, the cost was the international reputation as a viable democratic government speaking out across the globe against corruption. It is hypocritical that the former prime minister would go to Africa and say that we are going to develop a program to assist it but that Africa must clean up the corruption, that it is endemic on that continent and it has to be cleaned up. What level of hypocrisy is that? Domestically, some people feel they are justified in not paying their taxes and not obeying the law when they see this kind of corruption going on.

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, discussions have taken place among all parties and I believe that you will find consent for the following motion:

Supply

That at the conclusion of today's debate on the Bloc opposition motion, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred to the end of government orders on Tuesday, April 19, 2005.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to)

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, it is with mixed feelings that I rise today to speak to this motion by the Bloc Québécois. Indeed I believe there is no one in this House today, of any party, who is proud to have to debate a motion such as this.

When our descendants read their Canadian history books, they will see that in 2004-05 there was one of the worst, if not the worst political scandal in the history of Canada, probably since the Canadian National scandal of around 200 years ago.

I do not think those people will be able to believe that the MPs in Ottawa in 2005 were men and women of rigour, honesty and integrity.

When they read their history, they will place all of us in the same boat. Even though the sponsorship scandal is the doing of some politicians and has been slammed by other politicians, unfortunately all politicians without exception—and I think everyone will agree with me—will be sullied by this scandal, and that is very unfortunate.

That is why I said it was with mixed feelings I was rising to speak to this motion today.

I would like to read the motion again because, once again, the Liberals are deliberately using all kinds of subterfuge to try and show that it is not the Opposition motion we are talking about today, but whether the Gomery Commission is correct, whether the Prime Minister of Canada took concrete, consistent action to solve the problem, or whether Mr. or Ms. so-and-so is correct.

I would like to revisit the theme of the motion. It is nice on occasion to know what the debate is about, instead of talking off topic as our friends the Liberals do in their speeches and during question and comment period.

I am here in the House today to call them to order whenever they create deliberate diversions to talk about other things. The motion says:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery Commission.

Only the malicious would consider that the motion accuses anyone of criminal activity on the basis of the testimony before the Gomery Commission. All that the motion says is that the testimony heard at the Gomery Commission is important enough to at least sow doubt about that money. As long as that doubt is not removed, we want the money identified in the testimony to be set aside until these people are found innocent or guilty.

When we are told that the Bloc Québécois is acting in bad faith because it does not want to let the Gomery Commission finish its

work, that has nothing to do with the motion. When we are told that the Bloc Québécois is not right, for whatever reason, that has nothing to do with the motion.

To the Liberals who want to portray themselves as cleaner than Mr. Clean, holier than thou and as having a better record than anyone else, we are saying: "Take the money that was identified as dirty by your own Quebec political lieutenant—not by us, by your friend, the member for Outremont, although I am not sure he is everyone's friend in the Liberal Party—put it aside and then, when the Gomery commission is done with hearing testimonies, if that money should not be in your hands, do not touch it. But do not continue dipping with both hands in money which, seemingly, does not appear to us to be very clean".

● (1245)

That is the only purpose of the Bloc Québécois' motion. The motion is not about recognizing or not the Gomery commission, about finding some people guilty or not, or about anything else. It is very important to point this out from the outset.

Who said it was "dirty money"? Was it mean separatists, as the Liberals would say? No. I mentioned it earlier. The one who said it was "dirty money" was the Liberal candidate in the riding of Outremont. He is now the member for that riding, the Minister of Transport, and the Prime Minister's political lieutenant in Quebec. I want to quote what he said in the March 4, 2004 edition of the *Journal de Montréal*. If some do not agree with me, let them rise and state that I am wrong. I will be pleased to stand corrected. Silence is consent. The Prime Minister should know. So, the minister said: "We would not run an election campaign with dirty money". Those are his own words. However, like Jean Lafleur, he has forgotten saying that, he no longer remembers.

He is also the one who said that Jean Chrétien had left a rotten fish in the refrigerator. But he seems to have lost not only his memory but his sense of smell as well. That member said a lot of other things. I will quote some of them before continuing with my speech. We are talking here about the man who first used the term "dirty money", so it is important to see who that person really is.

A few years ago, this same member said:

The problem, Madam Speaker, is that there are two visions and only one country. What we need is another country, and that is why Quebec sovereignists say to the rest of Canada: Make the kind of country you want. Make your own country. Concentrate all powers in Ottawa. Form an economic union that will turn your provincial governments into municipal governments. Go ahead, but don't expect us to get involved. We don't want to appear anti-Canadian. We realize some people may prefer to live in a very centralized country, but we feel this goes against the initial pact of Confederation.

These words from the member for Outremont are quoted from the February 6, 1992, *House of Commons Debates*, on page 6550.

This resulted in the subsequently defeated member Dennis Mills telling the member for Outremont to "filter his thoughts between his thinking and his speaking." Those are not my words, but those of that member from the Toronto region.

Supply

The member for Outremont also speaks of a parallel group. The sponsorship scandal is the doing not of the Liberals, but of a parallel group. I have also said in this House that he is very well placed to be familiar with that group, since the member for Outremont and political lieutenant of the Prime Minister in Quebec had the immense privilege on November 28, 1999 of sharing a sumptuous meal with some very influential sponsorship scandal friends. I will name them. No guilt by association should be assumed. That is not my intent. He had the opportunity of sharing that sumptuous meal with: André Ouellet of Canada Post, fired by the Prime Minister on the basis of allegations; Marc LeFrançois of VIA Rail, fired by the Prime Minister because of allegations and rumours; Jean Carle, a close buddy of former Prime Minister Jean Chrétien, and Martin Cauchon. This meal was hosted by Jean Lafleur of Groupaction.

When the member for Outremont was asked if he had eaten and drunk well—let us keep in mind that this was at Jean Lafleur's home—here is his answer and there are no prizes for guessing: “I do not remember”. I do not know where he got that expression, I doubt it was original to him. It came instead from someone who appeared before the Gomery inquiry.

What did they eat and drink at this meal? I will tell you briefly. According to the menu obtained by the *Journal de Montréal*, this parallel group, with which some took the liberty of associating the member for Outremont, was served 1990 Cristal Louis Roederer champagne, and a 1995 premier cru Paul Goerg brut.

•(1250)

Then foie gras de canard was served with a Château d'Yquem 1990, in addition to other controlled vintages, foies gras, and so forth.

When the member for Outremont, who himself described the money as “dirty” and spoke about “rotten fish in the Liberals' refrigerator”, tells us about a parallel group, we know that he is familiar with the people in this group, he eats with them, he drinks with them, and he says like them, “I cannot remember any more”. There is no problem here.

The minister and member for Outremont reminds me a little of the Iraqi defence minister during the war in Iraq. While bombs were falling all over behind him during press conferences, he kept on saying that all was well, there was no problem. There is a certain resemblance between the two, but a sad reality remains. These words are not mine, and their author shall remain nameless. He said that despite this resemblance between the two, in Iraq the participation rate in the elections was greater than in Canada. That is just to show to what extent democracy is not doing very well.

When we talk about dirty money, the Liberals reply that these are just allegations, nothing has been proven, and we must therefore wait. I think that I said quite clearly that we could almost agree with them. Let us put this money aside and wait to see whether the allegations are true or not.

So where does this \$2.2 million come from about which the newspapers and the Bloc are talking? Is it an amount just taken out of thin air because it seemed nice and round, \$2.2 million? I will speak about allegations and facts.

The money given officially to the Liberal Party of Canada by Jean Brault's companies amounted to \$166,000.

The salary and other payments given to Alain Renaud, who was serving the Liberal Party of Canada, were about \$1 million.

The payment to PluriDesign “for the Cause” was \$530,000.

Commando, for its part, had \$70,000 in phony invoices.

There was \$44,000 that went to paying various other invoices: \$24,000 for the Liberal Party of Canada video by Nathalie Tremblay, \$14,100 for the Verchères golf club, and \$6,000 to Georges Farrah for canvassing at the Summit of the Americas.

Another \$60,000 was paid for the assistance requested by Corbeil following the 2000 election.

Liberal pals who were hired got the following amounts: Daniel Yves Durand, \$500 weekly for two months; Serge Gosselin, \$80,000; John Welsh, the now former chief of staff to the heritage minister, \$97,000; Wiseman, \$20,000 or \$25,000, for a total of \$230,000.

Richard Boudrault paid \$14,790 to Liberal Party campaign workers during the last election, in addition to a \$24,307 loan for the 1997 election, for a total of nearly \$40,000.

Some \$50,000 in cash was given out, in a suitcase, in 1997; \$50,000 in cash was paid to delay the bidding process related to the gun registry.

Finally, Gaby Chrétien, Jean Chrétien's brother, provided a fake \$4,000 bill for a donation to the Liberal Party of Canada.

The grand total is \$2.2 million.

Given that this \$2.2 million, the source of which is questionable, is in the Liberal Party coffers, here is what we want. We are asking for this \$2.2 million to be set aside until it has been proven that it is clean, that is what we want.

We are not calling the Gomery commission into question. Perhaps, once all this is over, all these allegations will prove to be false—although I would be quite surprised—and the Liberals will be able to keep the money.

•(1255)

Why refuse to put this money aside, unless they have no money for the next election and want to use dirty money for it? This is the only reason we can think of for the Liberals' refusal to put this money aside.

The figure of \$2.2 million is based on Jean Brault's testimony. We have yet to hear all of the testimony of Luc Lemay, who received \$40 million in the sponsorship scandal. We have not heard the testimony of Jacques Corriveau, who received \$7 million. We have not heard the testimony of Claude Boulay of Groupe Everest and of Paul Coffin. Who knows, there might be more money to be put in trust if the Liberals were to face the facts.

Supply

As we say in English, the bottom line in probity and honesty would be to put this money aside while its source remains unclear. They will not do so, as I said earlier in questions and comments, because, first, they may have spent it already and, second, they might not have enough money for the next election campaign and, adding a third point, they are perhaps prepared to run another election on dirty money.

If this is the message they want to send the public, their dramatic drop in the polls of some 16 to 20 points in two or three weeks, will be all the greater. The message sent to Canadians and Quebecers amounts to: "Not to worry, we do have dirty money in our coffers, yes we do have money we will withdraw if it is shown to be of dubious origin, but, for the time being, we will continue to play with it, buy advertising and votes in Quebec and elsewhere and illegally pay election workers".

When they subsequently rise in the House to tell us that the Bloc and opposition parties are not nice because there are honest elections workers out there, they are right. They are the ones who undermine the work of volunteers, election campaigns and democracy by not knowing who, in the team, is paid under the table. If five or six people are paid in that fashion out of a team of twenty-two, will the others who are there as volunteers know about it? Indeed, in Quebec, we have volunteer workers who dedicate themselves to the cause, and I have a lot of respect and regard for these men and women who work during election campaigns. Did the volunteers for my Liberal neighbour, who was campaigning in the same riding as I was, know that two or three of them were being paid under the table by the Liberal Party with a cheque from Groupaction or through the Prime Minister's brother-in-law or sister-in-law?

Such activities undermine the work of volunteers. It is not the Bloc Québécois members nor those of the opposition who are the culprits. Who sent a cheque for \$14,700 to election workers for the Quebec wing of the Liberal Party of Canada? It was not the Bloc Québécois. If they want to play the violin for us, they will need a new orchestra, because the House of Commons has heard that tune in the past and it still sounds off-key.

In conclusion, this government created a law whereby if a crime is committed in a structured manner with several individuals, with a clearly established method—I am referring to the front page of the *Journal de Montréal* and the release of Jean Brault's testimony—those individuals have to prove, under the reversal of the burden of proof, that the assets they acquired were obtained legally. I am not saying this law applies here—I do not want to go that far—but we could almost go so far as to ask the Liberals to prove that they legally obtained this \$2.2 million. Prove it to us. Until you prove it, put the money into a trust account.

Throughout the debates we will adhere firmly to Standing Order 11.2, which asks members not to persist in irrelevance or repetition, or else you, Mr. Speaker, may direct the member to discontinue his or her speech.

• (1300)

The members of the Bloc will receive this Standing Order in writing in order to prevent members opposite from blaming all this on the separatists and making us listen all over again to the entire separatist saga in Quebec, and how we want to put an end to the

Gomery inquiry, and then hear the whole history of the Gomery commission.

We are asking for the dirty and dubious money to be set aside until it is proven that it is dirty or clean.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on a couple of occasions the member, and I think it was the theme of his speech today, said to prove that the money is clean. It is dirty until it is proven clean. It is basically back to being guilty until one is proven innocent.

Today is the 25th anniversary of section 15 of the charter, equality rights. We celebrate the charter and under it everybody is equal. We are all covered by the right to be treated fairly under our justice system, including due process, independence of the judiciary, and the presumption of innocence.

It does not matter who says they are innocent or who says they are guilty. The evidence before the Gomery commission, most of it, is given by people who have already been charged with fraud. They have already pleaded guilty in the public forum to white collar crime. These things will have to go through the judicial process and if it is ever proved or shown that there were others who somehow were participating in that, they also will be charged. The ultimate guilt is to be determined by the courts.

Why does the member think that we must go on the evidence of people who are before the Gomery commission, and who have already been charged with fraud? Why should we believe what they have to say until we hear all of the evidence before we determine whether or not those allegations have any basis and whether charges should be laid under the laws of Canada?

[Translation]

Mr. Benoît Sauvageau: Mr. Speaker, I appreciate my colleague's question. I will give him an answer that is as honest and straightforward as it can be.

My friend opposite told me there is a reasonable doubt. If the member for Mississauga—South can tell me there is no reasonable doubt following the testimony, well then, let him rise and tell us that he denies Jean Brault's testimony and that it has no credibility.

This is not what we are saying. We are saying that what Jean Brault said may be true or may be false. However, what he said is serious enough for the money he paid to the Liberal Party to be taken and put aside until such time as we know whether what he said is true or false.

We on this side apply the presumption of innocence, but they do not. They presume immediately that they are not guilty. They presume right away that they can keep the money, run a campaign with that money and grab handfuls of it. They are therefore also presuming that the presumption of innocence does not apply and that they will continue taking the taxpayers' money. That is the difference.

Supply

• (1305)

[*English*]

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, the hon. member brought up a very important point in his speech. He said that the culture of corruption which has found its way into the Liberal Party and the Liberal government is so widespread and deep that nobody really knows where it stops, that the culture and that kind of an environment harms democracy. That is an extremely important point.

I am a NATO parliamentarian. I, along with elected members from all NATO countries and members of the economic committee in particular, discussed the issue of how widespread crime really undermines democracies. Most democracies that have fallen in the past 100 years have fallen due to corruption creeping into the democratic process and political parties in the country.

Certainly that has to be a concern for Canadians regarding the depth of crime and the culture of corruption. How does the hon. member see the importance of it, when it comes to our democratic process and system, in terms of undermining a system which voters and Canadians can trust? How does the member view that? Does he feel that in fact this really strikes at the heart of the democratic system in our country?

[*Translation*]

Mr. Benoît Sauvageau: Mr. Speaker, that is an excellent question and I will answer with some numbers.

What has happened to Canadian democracy since the Liberals came to power in 1993? What has happened to democracy in Canada since the Liberal sponsorship scandal? I will give you some numbers.

Let us look at the voter turnout rate in federal elections. I will talk about Quebec later because some people think there is a connection between Quebec and the sponsorship scandal. When the Liberals came to power in 1993, the voter turnout across Canada was 69%. In 1997, it was 67%, a decrease of 2%. In 2000, it was only 61%, or 8% less than in 1993, and in 2004, it was down to 60.9%. I will leave it to you to guess what the turnout will be next time. That is what the Liberals call democracy.

What they did in Quebec was even worse. In 1993, the voter turnout was 77%; in 1997, it was 73%; in 2000, it was 64%; and in 2004 it was down to 60%. This means that 17% fewer Quebecers and 10% fewer Canadians are voting in the elections. Why? The hon. member had a good explanation. It is because we do not trust the government anymore and because people are fed up with corruption and squandering; we want to clean all that up.

[*English*]

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I listened very intently to the previous speaker's opening remarks about history. I think I had better correct those remarks now, in advance. I believe very strongly that history will show the partnership between the separatists and the Conservatives to find an excuse to call an election is what will be recorded in history. This is not about dividing the country. This is about building the country.

We well know what happened in the 1980s when Mr. Mulroney was around.

Those members do not want Gomery to report on the recommendations because this government, after receiving the recommendations of the public accounts committee, has already implemented 16 items. Sixteen have been actioned and 10 are under review.

The special counsel on financial review was set up by the Prime Minister in the beginning when the Auditor General reported. When the financial special counsel reported the recommendations, we acted on those recommendations. Nineteen individuals and companies have settlement claims against them to the tune of \$41 million. As more recommendations come in, we have the option to add more to those claims for settlement.

My question for the hon. member is this. On the claims against communications agencies Groupaction, Groupe Everest, Gosselin and Jean Lafleur, does he not believe that these are action items to get to the bottom of the problem we are now discussing?

• (1310)

[*Translation*]

Mr. Benoît Sauvageau: Mr. Speaker, I almost agree with everything that my colleague has said.

The Liberals put forward 16 recommendations; with some of these, the Gomery Commission was created and companies are being prosecuted. However, why do they not take it one step further, only one small step further? Instead of 16 recommendations, they could put 17 forward. This is only one more. They only have to take the dirty money and put it aside until it is proven that it is dirty or clean. That is all.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I want to congratulate the member for Repentigny for his remarks. I have to say to the previous Liberal intervener that I do not know how he can accuse the ultra-conservatives and the separatists of trying to search for an excuse to call an election. The excuse has been dished up by Liberal misdeeds and Liberal corruption and it is Canadians who are wanting answers to these questions.

I have a question around the trust fund proposal that is at the heart of the motion we are debating today. I am wondering if the Bloc Québécois has looked at the disgraceful example of political corruption that took place in my beloved province of Nova Scotia, I am sorry to say, largely at the hands of Liberals.

I am talking of provincial Liberals in this case. There were ill-gotten gains to the Liberal Party of the day, and in fact, it was also found to be the case that the Conservative Party, governing in a previous time, had also actually succeeded at this. These gains came through a labyrinth of relationships among big corporations in the distillery and brewery industry, the respective parties and the government of the day. They ripped off a great deal of public money which in fact ended up in trust funds. To this very day, even though people were found guilty of fraud, of bribery and of influence peddling, the money that ended up in a trust fund in the possession of the Liberal Party still to this day funds Liberal Party elections—

Supply

The Deputy Speaker: Order, please. The hon. member for Repentigny.

[*Translation*]

Mr. Benoît Sauvageau: Mr. Speaker, I appreciate this comment from my colleague. I will respond to her very honestly that we have not examined this political crisis that occurred in her province. In fact, we think this is a matter of probity. Indeed, we are asking the Liberal Party to do the most fundamental thing, that is to ensure that this money will be put aside until it is proven that it was not obtained inappropriately.

However, what you are saying, what happened in other Canadian provinces and what is going on today in Ottawa is highly prejudicial and is behind the confidence crisis of the people toward members of Parliament.

Finally, I hope that the Liberals will not accuse us of creating the sponsorship scandal, which would be quite incredible.

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, it is with somewhat mixed emotions that I rise today. As a new member, I must admit that this whole sponsorship scandal, with which I was confronted as a new candidate during the election campaign, is really hitting us head on. No one on either side of the House can say we are going through one of the great moments in Canadian politics. We agree on that.

Certainly, in my great naivety when I was elected the evening of June 28, 2004, and people asked how I felt about a minority government, I was all excited, being one of those who believed what those elected in the various parties were saying. I remember a radio conversation with a new NDP member, a new Bloc Québécois member and a new Conservative member. We were all fired up by this great verdict of the Canadian people in the wake of the Auditor General's report.

A minority government would let backbenchers like me and many other people play an important part in this 38th Parliament. We understood the people's verdict that evening of June 28. Sometimes I listen to all that is said, I look at my colleagues, and I say to myself, "But what principles are being applied here?" The principle being applied is that we are guilty until proven otherwise. No one is given a fair, just trial. Another extremely important principle: one punishment is not enough; there need to be who knows how many.

As I was saying, I arrived all fired up for this magnificent 38th Parliament with lots to do and facing challenges that really were quite substantial, whatever the opposition parties may say. I heard my colleague from the Bloc who was taking part in the debate, the hon. member for Repentigny, tell us about the declining percentages of voters who participate. According to him, it is because of the sponsorship scandal. I am starting to think that the sponsorship scandal is being used not just to lay it on thick but very thick. The type of political games being played in this House, since we arrived in October, is absolutely extraordinary because we are missing some golden opportunities.

One of the committees on which I am presently sitting, namely Procedure and House Affairs, was given an extremely important mandate—or at least, that is what I thought—to advise the House on what we should be doing about the democratic deficit, but above all

about possible electoral reform. I know that this mandate from the House is dear to the heart of a former leader of the New Democratic Party. That is the case for me as well. We have heard a different opinion from the experts on the subject of public's lack of interest. I suppose I should believe the hon. member for Repentigny, who says it is because of the way we do politics in Quebec. He talks about dirty money, and that's not all, with all of the epithets that his party likes to use. What the experts have told us is that public disinterest—

• (1315)

Mr. Benoît Sauvageau: Mr. Speaker, I rise on a point of order. I am sure that the hon. member for Gatineau will want to respect Standing Order 11(2), which states that an hon. member must not be irrelevant. I could reread this motion, which calls for the money to be taken and deposited in a trust.

The Deputy Speaker: I would like to thank the hon. member for Repentigny for his comments. I think that this is a debate and the hon. member for Gatineau is on the subject of the debate.

Ms. Françoise Boivin: Mr. Speaker, I appreciate this attempt at a diversion. Indeed, it is very representative of what the Bloc is trying to do with this 38th Parliament. It is central to the debate.

The motion tabled by the Bloc, upon which extremely important time is being spent here in the House, is central to everything that is going on. It is central to Canadian democracy. It is not important for the Bloc Québécois to make a point which, in my opinion, is extremely important. However, it has seen fit to bring out the participation rates for the last federal election. I am quite aware of this, for we know that Canadians and Quebecers are simply more and more disconnected from political reality and from politics in its broadest sense.

Once again, the only purpose of motions such as those tabled by the Bloc Québécois is to send up smokescreens over the theme it holds dearest and on which it did not even have to campaign in the election. The theme which simply says, laying it on as thickly as possible, "The Liberals are crooks, the Liberals are this, the Liberals are that".

I find it regrettable to hear what is being said on an issue as critical as the Gomery commission. Every day, on television—in fact there is live coverage on English, French and other channels—experts from the media look at some of the comments and testimonies heard, and then the Bloc Québécois, the Conservatives and the NDP do the same thing. They go so far as to presenting motions such as this one in the House, in an attempt to have Canadians and Quebecers believe that there is no need to wait until the end of the inquiry since they have already decided that there are some guilty people, namely all of us on this side of the House.

But I want to go back to the actions taken by the Canadian government to shed light on this whole issue, since this opportunity was given to all of us by the Auditor General in her report. We were given the opportunity to try to do politics in a different fashion, but Bloc Québécois members do not want to wait. They would rather have people think that all Liberals are corrupt, and they would like the phrase "Free us from the Liberals" to become a slogan.

Supply

I hope Canadians can clearly see how a concept as important as democracy is being used and played with. It is important to ensure that people can become stakeholders. This means we should be here to represent those who elected us, and to ensure that events such as those relating to the sponsorships never happen again. However, this is not what is being done. The opposition is using all sorts of diversions in an attempt to pursue its own political agenda.

Personally, I am very pleased with the initiatives taken by the government to shed light on the abuse relating to the federal sponsorship program, including the actions taken to track down those responsible for this situation, and to see what can be done to correct it.

I want to start by congratulating my Prime Minister. I believe that, besides the official opposition, anyone who follows what is going on must find the current situation difficult. Day in and day out, we have to contend with this kind of behaviour in the House because the Prime Minister has made a political decision that was not easy to make. History has taught us that, more often than not, in politics, attempts are made to sweep everything under the carpet, instead of facing adversity square in the face. But great men are best tested in adversity.

In this case, we cannot be said to have taken a poll in an attempt to make political hay. Anyone in the country who can say with a straight face that we are trying to make political hay out of this should take a look around the House and see who is doing so.

● (1320)

Certainly not the Prime Minister. He is constantly under attack, while having had no involvement at all in the matter. My Prime Minister is no doubt deeply concerned by the misuse of public funds and by the blow dealt by this whole matter to the reputation of the Canadian public service, which is internationally renowned for its professionalism and good ethical practices.

Because of these political games being played in the House, the trust of the Canadian public in the political system, not the Liberals, is dwindling. I was just at a function where people were saying that they do not trust politicians in general, not just the Liberals, the NDP, the Conservatives or the Bloc in particular. We all know where politicians stand in the public eye; we rank very low in terms of the people's trust.

We must see this through, and that is the direction my party, the government party, has taken. We must get to the bottom of this, and that is what we are going to do.

As the Auditor General clearly indicated, the taxpayers' money has been mismanaged and misspent. You will never hear me say the contrary. The policy and regulations governing the awarding of contracts have not been respected, and the trust of the Canadian public has been betrayed.

This is inexcusable. The sponsorship program was small in comparison to other government programs with an annual budget of roughly \$40 million. However, it was plagued with big problems and to correct them we needed to be firm and carry out our responsibilities with determination. Most of all, we had to do what was best for the taxpayers.

When concerns over the sponsorship program first came to light, no one tried to hide the problem or defend the indefensible. On the contrary, a series of specific, well thought out progressive measures were carried out to address the problems in order to prevent them from recurring.

When it became clear that the sponsorship program was fundamentally flawed and no longer had the trust of Parliament or taxpayers, it was dismantled and the organization in charge of managing it, Communication Canada, was disbanded. When the Auditor General released her second scathing report on the sponsorship program and federal government advertising activities, on February 10, 2004—this is an important date to remember—the government reacted immediately by adopting exhaustive measures that went beyond the expectations of most people.

Today I want to focus my comments on the measures that were announced in February 2004. Those measures have the answers not only in terms of holding people responsible for their mismanagement of the sponsorship program, but in terms of ensuring that this type of situation never happens again.

First and foremost, the government has created an independent commission of inquiry on the sponsorship and advertising activities, headed by Justice John Gomery of the Superior Court of Quebec. It has also given the commission very broad terms of reference so as not to limit the scope of its inquiry.

More specifically, the commission was asked to investigate and report on questions raised, directly or indirectly, by Chapters 3 and 4 of the November 2004 Report of the Auditor General of Canada, including the following: the creation of the sponsorship program; the selection of communications and advertising agencies; the management of the sponsorship program and advertising activities by government officials at all levels; the receipt and use of any funds or commissions disbursed in connection with the sponsorship program and advertising activities by any person or organization; and any other circumstance directly related to the sponsorship program and advertising activities that the commissioner considers relevant to fulfilling his mandate. Justice Gomery was also asked to make recommendations. In my opinion, this is his most important task because civil and criminal courts will consider numerous other aspects of this terrible situation.

Justice Gomery was also asked to make recommendations that he considers advisable to prevent mismanagement of sponsorship programs or advertising activities in the future. However, the opposition does not want to hear that part. This is an excellent opportunity, and I ask my colleagues to be patient because I think that it will be beneficial to everyone and will ensure that we know how to prevent this from happening again, instead of pushing personal agendas for, quite simply, crass and despicable purposes, such as Quebec's sovereignty or forming a new government. If this is more important than properly representing our constituents, I am no longer sure what being in politics means.

Supply

• (1325)

The commissioner made his opening statement on May 7, 2004. He then set about examining requests for standing and funding, and announced his decisions.

In September 2004, Justice Gomery opened the public hearings here in Ottawa, where he heard a number of key witnesses, including the former and present prime ministers, the Auditor General, and former and present Department of Public Works and Government Services officials, including Charles Guité who administered the sponsorship program until his retirement in 1999. These public hearings, scheduled to terminate by the end of May, are now being held in Montreal. The commission will hear final arguments in June and its fact finding report should be submitted by November 1. Justice Gomery is expected to produce his policy report and recommendations by mid-December. Justice Gomery has been given a difficult task with some tight deadlines, and that is all the more difficult because he has to accomplish this under public scrutiny. This is proof that we on this side of the House are not afraid.

It is tempting to present our own point of view, as the opposition parties are so blithely doing, shamefully taking advantage of parliamentary immunity. They are laying it on thicker and thicker every day, adding name after name. This places people in an awkward situation, although some of them likely have no reason to feel that way. They are, however, forced to suffer the consequences. Today I feel bad for the hundreds of thousands of Canadians who are proud Liberals like myself. While we were not even involved in all this, we bear the brunt of all manner of insults.

This is unfortunate, and a motion such as this one has just that effect. Just by looking at its wording—and I have no intention of acting like a lawyer here—it is clear that it is really unfortunate, because we have already promised in this House, I do not know how many times, to reimburse all the money.

So it is just a matter of playing little political games. We have also taken steps, through a lawyer, to recover the money. Civil proceedings worth some \$40 million have been initiated. Some people are already in criminal court.

Do they not want to see what will happen? Have they already decided that all those people were guilty? Are those the principles being advocated in the Bloc Québécois? Is that the foundation on which they wish to build their own country, by using such a situation and saying, “We are creating our country, because with the Liberals and the federal government, things are going badly?” I thought, because they keep telling us so, that their plan was supposed to be so thrilling and easy to sell. It is so easy to sell that other people are getting hurt, as the Bloc pretends this is the only way we will be able to engage in good politics. I have some news for them: this is not the way to do politics.

Another sentence strikes me and we hear it more and more. They say this is the story of the Liberal kind of politics. I am sorry, this is not my way of doing politics; it is not Quebec's way of doing politics. All the measures taken by this government demonstrate it is going to undertake a real cleanup.

The opposition parties are only interested in exploiting the situation. They are not prepared to carry out a proper cleanup to

ensure that Canadian democracy is in good shape, because our Canadians and our Quebecers deserve better. With the Gomery commission, we will be in a position to achieve that level of perfection.

• (1330)

[*English*]

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):

Mr. Speaker, we have heard several times today from members opposite that they want to get to the bottom of this issue, that their whole motivation is to find out the truth. It appears to me that their words and actions are not in sync.

For example, yesterday in this assembly the Leader of the Opposition asked the Prime Minister to clarify some contradictory testimony coming out of the Gomery commission. The Prime Minister himself, when he testified, said that he had really no knowledge of Mr. Claude Boulay, that he barely knew him, that he might have met him once at a reception, that he might have shook his hand, but he really did not know him at all. Yet, later in the Gomery commission, there was evidence given by a witness who said, “That's not quite true. The Prime Minister actually had lunch with Mr. Boulay. I saw them. I sat at the next table”. The Leader of the Opposition asked the Prime Minister three times to clarify the situation, did he have lunch with Mr. Boulay, and during that exchange the Prime Minister not once gave a clear answer.

Who really wants to get to the bottom of this? It appears the Prime Minister does not. If he answered, “I did not have lunch with Mr. Boulay,” that probably would have clarified things, but he refused to. To me that is an admission that he did have lunch.

Why is the Prime Minister trying to hide the truth?

• (1335)

Ms. Françoise Boivin: Mr. Speaker, this is an example of the types of questions we hear every day. We are trying to do the job that Justice Gomery is actually doing. I would ask the hon. member to perhaps not read one phrase from a newspaper but read the whole testimony, and I do not want to get into that.

If the members were to do some reading, and I do not think the opposition has done some actual reading of the testimony, other than what their writers give them, they would see that there was more said than what he says. That is only one bit of testimony in front of Justice Gomery. The answers that were given in the House were exactly the same.

It is only in the minds of opposition members that they trying to see some difference. It is because they would like to see some difference. Maybe they can hint that perhaps the Prime Minister was linked to some testimony.

The opposition says we are panicking. We are not panicking. The opposition members are panicking. They know that if they wait for Justice Gomery that they will not want the report. Why are they afraid of the report? The opposition knows it will not be able to attack us with that report. The report will just take that balloon and go bang.

Supply

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, if you allow me, I would like to go back to some comments that my charming colleague has made in her speech. She was saying at the outset that she was very naive. I agree with her that she is naive.

Then, she said that the opposition parties are making diversion attempts. I think that the Liberals are experts on diversion attempts. It is an art for them. To every question that we ask in the House, we never get an answer. We get all kinds of answers, other than the one that we should have received. So, when we talk about diversion, I think that we learn this art from the other side of the House.

She also tells us that we are talking about allegations, that lawsuits were filed, that we are going too fast in asking that the money be returned. There is one thing that I do not understand. How is it that the Liberal Party, on the basis of allegations alone, has decided to prosecute people who have testified before the Gomery commission? We are still talking about the same thing, about testimonies before the Gomery commission. It is okay for them to prosecute on the basis of allegations made during a testimony, but when we use allegations to urge them to return the dirty money that benefited the Liberals, then these allegations are not enough.

I would be remiss if I did not point out that she also said that she has news for us, that her heart was hurting. Her heart will certainly not suffer at the next election.

I would like to ask a question to my colleague from Gatineau. While the government is filing suits following allegations made at the Gomery commission, why cannot it take the \$2.2 million and deposit them in a trust account? At least, the Liberals will be protected. If they are not to blame, they will get this money back. But why do they not deposit this money today?

Ms. Françoise Boivin: Mr. Speaker, first, I would like to thank the member for Shefford for finding me charming. That is rare. This is not the Bloc's usual epithet for me, but that is okay.

There has been talk of attempts at diversion and other things, but I do not think the government has tried to divert anything. Despite the storm, we are managing to maintain a course and keep a focus. In health care and other areas, there are major files for the cities and communities.

Now I am going to have some fun doing what I like to do—answer questions. Indeed, the Bloc is doing nothing but ask questions. They rarely answer any themselves. I imagine they are interested in the answer.

First, the Liberal Party did not initiate civil proceedings; it was the Government of Canada. I think that my colleague from Shefford has enough experience to know that proceedings are initiated when there is a case and evidence.

That was part of what my government did and what I confidently explained to the House, that is, to show that we can take civil action against the 19 companies and individuals accused. Why are we not doing so? For the very reason that Justice Gomery is involved in the process and has not yet taken things into consideration.

They operate on allegations; we do not. However, what is important and what I want to repeat for Canadians is that we have

promised never to use a cent of the tainted money. We will not and we will reimburse it when the evidence says to do so, in accordance with Canadian law.

● (1340)

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I would like to ask the member for Gatineau two very direct questions. She said she likes to answer questions and she welcomes questions.

I am a bit distressed by the tone of her earlier comments, but perhaps sometimes we all get a little carried away, when she said that the only reason we find ourselves here debating this motion is because the opposition parties are trying to have some fun at the government's expense. There is nothing fun and there is nothing funny about the crisis of confidence that these scandals have created in this country. It is not good for Canada and certainly not good for democracy.

She has strenuously repeated that it would be the intention of the government to ensure that every single cent is repaid to the public purse that is found to have been ill-begotten money, money that was gained through illegal means. If she is so absolutely adamant on that point, why would she not simply agree that in order to create confidence in the public, a display of good faith, it would be a very sound measure to put that money in a trust fund. Then, if there is money that in fact was not obtained illegally, that portion of it would in fact be returned to the Liberal Party or whomever.

Second, I would like to ask the member for Gatineau if she would elaborate on comments that were attributed to her today in the *Toronto Star* about how the problem with these alleged kickbacks, and corruption among advertising firms and the Liberal Party in Quebec is a tale about men, by men. Her colleague actually went on to say, and I am not asking her to comment on her colleague's comment, that this brings to the fore the need for more women to be elected. There is considerable research, domestically and internationally, that this very often does significantly cause a decline in the level of corruption.

Ms. Françoise Boivin: Mr. Speaker, I know the hon. member shares my great interest in women's issues.

However, I am a bit puzzled in a sense by her first question. The hon. member is saying to me that my word, the word of the Prime Minister, and the word of the Minister of Public Works is worth zero. I find that very insulting inside these walls.

I respect my colleagues from every side of the House. I do not necessarily agree with what they say and what they do, but I still respect them. Sometimes that is where I have a bit of a problem with what has been going on since the last election. There seems to be no more respect inside these walls and we wonder why Canadians do not respect us.

Supply

Basically, the hon. member is saying “Show your good faith”, but we are showing our good faith with every move we make. Do we have to play antics? I also believe, like her, that there is nothing funny about this. However, when we hear that one day “We might use our opposition day to bring down the government, or we might use our opposition day to do this”. She wonders why I think there is a game being played here.

As for the comments that I made, I was asked by a journalist if I realized that there were not many women involved. I said that I could kick myself for not having noticed, as the chair of the women's caucus of the Liberal Party of Canada. I never looked at the sponsorship with those eyes, but now that it has been put in front of me and some of my colleagues discussed it, it is a fact.

A lot of people who know me know how I value the importance of women in politics. I believe that in some aspects, for all types of different reasons, we bring something different. I am not saying something better. I am saying something different, before I get all my male colleagues insulted—

• (1345)

The Deputy Speaker: The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, it is a pleasure for me to speak to the motion before the House today. I will begin my remarks by answering a question asked by the member for Gatineau who said that she could not see the rationale for today's motion. The motion reads:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery Commission.

Why do we want to see this motion passed? To make sure that the member for Gatineau will not finance another electoral campaign with the dirty money collected by the Liberal Party of Canada. That is basically why.

In 1997, 2000 and 2004, the Liberals won the elections thanks to dirty money. The member for Gatineau owes her 2004 election to dirty money. Actually, like all the others—

Ms. Françoise Boivin: Mr. Speaker, I can understand the enthusiasm, but my colleague has just accused me of having financed my campaign with dirty money. If this is not a terrible and unparliamentary way—

[*English*]

The Deputy Speaker: It is certainly in order to ascribe certain activities to a government or to a party, and we know that all members in this place are honourable people who conduct themselves in an honourable way. However, it is improper to single someone out. I was not listening carefully, but perhaps the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup would like to reconsider and withdraw those comments if they were expressed that way.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, the dirty money obtained by the Liberal Party of Canada from Jean Brault, money that was officially given to the Liberal Party of Canada by companies—

[*English*]

The Deputy Speaker: Order, please. I would ask the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup to withdraw the comments concerning the member for Gatineau, if those comments were directed toward her personally. We cannot have that in the House. We can have general comments about the Liberal Party or another party, but not toward an individual member.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I was not talking about her personally. I was saying that the dirty money accumulated by the Liberal Party of Canada was used to fund last year's election, and this issue is part of the current political debate. Every day questions about this issue are asked in the House during question period.

[*English*]

Hon. Walt Lastewka: Mr. Speaker, I rise on a point of order. In his comments, the member specifically mentioned the member for Gatineau, who is a new member and an excellent member in the House. I object to that. I believe it is incorrect to be doing that in the House.

• (1350)

The Deputy Speaker: I can only repeat what I have already said. I am sorry I was listening to quite a few conversations and I did not hear it specifically. I have heard from a couple of members now that an accusation was made toward an individual member of Parliament. That would be improper because all members here are honourable members and conduct themselves properly.

It is certainly okay to talk about a government or a party on any side of the House because that is not talking about an individual. We cannot ascribe motives, and certainly not activities, toward an individual MP. If that was the case, I would ask the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup to withdraw those comments and continue with his speech.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I invite you and all members of this House to look at the blues to see what was said exactly. What I said was that money was received by the Liberal Party of Canada. According to testimony that has now been made public, that money was given to the Liberal Party of Canada and its Quebec wing.

The Liberal Party of Canada used that money in the 2004 election, as we assumed it did in the 2000 and 1997 elections also. This is the main reason why we want today's motion to be adopted. It would prevent the Liberals from using that money in the next election. This is the first thing that must be clearly understood: we do not want that money to be used in future elections.

Supply

The Minister of Transport himself recognized the existence of dirty money. He also said that that dirty money would be given back. The problem is that he made that promise ten months ago but has yet to act on it. This is why we are bringing forward this motion in the House today, with the support of the Conservative Party and the NDP. We are not accusing the Liberals of anything. We are simply saying that, in light of the information available to us, that money must be put aside.

We are applying here the same practice used since the beginning of this debate, since we started asking questions. Some 450 questions have been asked in the House about the sponsorship scandal, which prompted the investigation by the Auditor General, followed by the Gomery commission.

From the beginning, our position has been that the matter has to be cleaned up, and the situation clarified so as to achieve results. It has now become obvious that the minority government opposite can be brought down anytime. We want to make sure that the money it will use during the next election campaign will not include the dirty money that has been identified.

We are not asking the Liberals to give that money to the government; we are simply asking that they put it in a trust account. After the whole situation has been assessed, we will see whether the money should be returned to the Liberal Party or kept there because it was raised inappropriately.

We now have sufficient evidence. Given that the Minister of Transport is saying the same thing, it is fully justified to ensure that this money is not used in an upcoming election campaign as it was in the last.

On the sponsorship issue, the current Prime Minister never acted until he was forced to. We therefore have to hammer at him every step of the way, if we want anything done. Action was taken only after the Bloc and the other opposition parties laid matters on the table, after the Gomery commission exposed facts adding to what we already knew. That is why we introduced this motion today.

Because the Prime Minister is continuing to refuse to return the dirty money, the House has to push him to do so. He boasts about having taken action on the sponsorship issue, listing the reasons that prompted him to act. Now, we have to put even more pressure on him to achieve tangible results.

It is pretty obvious that our motion today is designed to improve the quality of democratic life in Quebec and Canada. We have to ensure that, in the next election campaign, there will be a level playing field.

In the past, seats were won that way. The Prime Minister boasts about establishing a commission of inquiry in February 2004. But the fact is that he did so after questions had been asked by the Bloc since October 2002, especially in connection with the establishment of a commission of inquiry.

The Prime Minister claims to have fired Marc LeFrançois, Jean Pelletier, André Ouellet and Ambassador Gagliano as a result of the Auditor General's findings. Again, it was the Bloc Québécois that forced the Prime Minister to fire these men. The Prime Minister was simply reacting to political pressure from the Bloc Québécois. I

remember the hon. member for Mercier saying that the ambassador's appointment made no sense. At the end of the day, that was the conclusion the Prime Minister arrived at, but only because we had laid the foundation to getting justice in this situation.

● (1355)

The Prime Minister must commit right now to respecting the decision Parliament will make at the end of this debate. If the Prime Minister wants to show good faith in this issue, why not have his members vote in favour of the motion? He could say, "Yes, we will put money aside in a trust account. Even though we made terrible mistakes and behaved inappropriately, effective immediately we will put money aside until there is an election or we have all the information we need to ensure fair competition."

The Prime Minister does not need to wait until the end of the Gomery inquiry for that. He did not wait to sue the agencies and the guilty individuals. That is precisely the crux of the matter. As long as this does not affect the Liberals as a party, it is not an issue and they keep going about their business. However, when they need to exonerate themselves or get out of the situation, they take the type of action they took against the agencies and the guilty individuals.

However, in light of the evidence in the present situation, the Liberal Party of Canada should do what the Bloc Québécois, with the support of the Conservative Party and the NDP, is requesting. This debate is not about separatism, the official opposition or power struggles. It is about democracy, because we want the democratic process in Canada to become healthy and fair again, so that all Canadians can compete on a level playing field.

The Liberal Party of Canada has to put at least \$2.2 million in this trust. We came up with this amount following Mr. Brault's testimony. This is a minimum of dirty money that should be deposited in this trust. By creating this trust right now, we could put all the dirty money identified in testimony before the Gomery commission in a safe place. Luc Lemay's testimony ended just recently. We are still waiting to hear Jacques Corriveau, Claude Boulay and Paul Coffin. More witnesses will somehow soon corroborate that there was in fact misappropriation of funds.

Through the Gomery commission, we have finally learned that there was a well organized system to finance the Liberal Party of Canada. This is what I am saying and what I have been saying all along: a system was put in place, there can be no doubt about that. Who, specifically, are the culprits? Maybe we will learn more over the next few weeks and months, but a system was in place. One could even check the percentage to be systematically funneled back to the Liberal Party of Canada.

S. O. 31

While the transport minister blames a so-called “parallel” group for everything, we learn from witnesses at the Gomery Commission that people very high up in the Liberal Party of Canada were involved. Indeed, the PMO, Jean Chrétien, Jean Pelletier et Jean Carle approved budgets and projects. Every year, the finance minister replenished the national unity reserve used to finance the sponsorship program. The Treasury Board and its vice-president turned a blind eye on some shady practices. The bagmen and the firms that were doing partisan work for the Liberal Party of Canada were lining their pockets. Why would we wait any longer to demand that that money be placed in a trust account?

Rural post offices are considered by the government to be a heavy burden and placed on a review list for closure.

This is a government devoid of direction that has lost its course and must be replaced.

* * *

WORLD HEALTH DAY

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, Canada marked World Health Day 2005 with an announcement by the hon. Minister of International Cooperation of a \$90 million pledge to improve maternal and child health in developing countries.

It is a sad fact that each year in the developing world well over 10 million children die and half a million women die from pregnancy related causes. Tragically, most of these lives could be saved through intervention and programs aimed at promoting child and maternal health.

Canada's commitment includes almost \$50 million to programs that will improve child health in Africa and an additional \$40 million in support of specified programs in Bangladesh and Nigeria.

These new initiatives reflect Canada's ongoing commitment to achieving the millennium development goals, which aim to reduce poverty, hunger and child mortality by 2015.

* * *

[Translation]

MS. ODETTE MÉNARD

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, as the Bloc's agriculture and agrifood critic, I would like to congratulate Odette Ménard, an agricultural engineer from Saint-Hyacinthe

Ms. Ménard was inducted into the Canadian Conservation Hall of Fame in March, a first for a woman and a Quebec member of the Soil Conservation Council of Canada.

Her exceptional efforts to promote soil conservation in Quebec and to increase public awareness, together with her enthusiasm in setting up an effective information exchange network, all led to her nomination to the hall of fame.

Her positive and convincing approach showed people that it was possible to protect the soil and the environment and still run a profitable business.

Once again, a tip of the hat to Ms. Ménard.

* * *

[English]

ABORIGINAL AFFAIRS

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I am very pleased to inform the House of one of the outcomes of the national Urban Aboriginal Strategy workshop that I was pleased to attend in Winnipeg on March 30 and 31.

STATEMENTS BY MEMBERS

[English]

SCIENCE AND ENGINEERING

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I want to congratulate St. Thomas More Catholic Secondary School student Natalie Raso for her contributions and excellence in the field of science. Natalie was recently awarded first prize in the 45th annual Bay Area Science and Engineering Fair for her study on treating cancer using virus therapy.

Her success has earned her a spot at the Canada-wide science fair in Vancouver. She has also been chosen by a panel of experts to be a member of Team Canada, representing our country at the International Science and Engineering Fair in Phoenix next month.

Natalie commented yesterday that she is excited to be representing the Hamilton community and Canada to show people what great scientific achievements are happening in our city and country.

I once again extend congratulations to Natalie and wish her the best of luck in future competitions.

* * *

• (1400)

AGRICULTURE

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Speaker, the government is uncertain in its course and has lost its way. The recently introduced budget had no plan to address the state of our ranching and farming economy, yet weeks later a plan that lacks fairness and comprehensiveness is cobbled together.

A mother of two young farmers renting land in 2002-03 called me, saying neither of them would qualify for the proposed aid. A farmer who did qualify said the amount barely covered the cost of his accountant and registration fees for his organic farm, not to mention input costs or fuel.

There is no doubt that farmers and western Canadians who are barely getting by are frustrated and angry when they hear of the millions being siphoned out of government coffers for unintended uses, as shown by today's motion and the debate we are having.

The Canadian farm improvement loan program was cancelled despite a 70% usage rate in Saskatchewan, only to be reinstated a short time later.

The UAS workshop brought together aboriginal community representatives from each of the 12 UAS pilot cities across the country. One observed such diverse aboriginal communities as the Haida Nation of British Columbia working diligently with the Ojibway Clan of Manitoba to produce new strategies to assist the many thousands of aboriginal peoples now residing in urban centres.

One of the most important outcomes of the UAS gathering will be the creation of an aboriginal caucus for the UAS. The aboriginal caucus will advise the Minister of Indian and Northern Affairs and his officials on how best to move this increasingly important strategy forward in the future.

I wish to express my congratulations and thanks to the UAS pilot city representatives for their hard work and thoughtful presentations and most of all for their willingness to work together to develop an urban aboriginal strategy that will benefit all Canadians.

* * *

NATIONAL DEFENCE

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I recently had the opportunity to participate in a major military undertaking in my riding of Kamloops—Thompson—Cariboo. Exercise Cougar Salvo 2005 was a week long training exercise for some 800 military personnel comprised of approximately 100 regular forces and 700 reserve forces in addition to civilian support staff. It was a huge success.

The varied landscapes of the Kamloops area made it an ideal location for the largest peacetime army reserve exercise in B.C.'s history.

None of this would be possible without the cooperation of the civilian employers of the reserve members. These small businesses and companies not only grant time away from regular employment, many top up the shortfall in salary for the members even when deployed overseas for lengthy periods of time.

I commend these organizations for their commitment to Canada. We stand on guard for thee would not be possible without their cooperation.

* * *

● (1405)

VAISAKHI

Mr. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I am honoured to extend my heartfelt greetings to the Sikh community as we join together to celebrate Vaisakhi.

It was on this day in 1699 that Guru Gobind Singh formulated the Sikh faith by confirming the first people to be initiated with amrit and by establishing the Order of the Khalsa. The Khalsa continues to embody the principles and traditions that are laid down by the Sikh gurus through its commitment to the ideals of equality.

In the spirit of equality, I would like to also recognize the 20th anniversary of section 15 of the Canadian Charter of Rights and Freedoms.

On this day of celebration, I would also like to mention that I have brought forth a motion in the House of Commons recognizing the

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importance of religious articles of faith, specifically the 5 Ks, to the Sikh community.

I hope the House will join me in sending best wishes to the Sikh community for good health and much prosperity in the new year.

* * *

[*Translation*]

EXPORTS

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, April 7 was the date the MercadOr awards were given out. They recognize the success of exporters in the regions of Laval, the Laurentians and Lanaudière. They are the initiative of Laval Technopole Export, Laurentides International and Lanaudière International.

On that evening, five businesses from Laval received awards: Dynacom Technologie and Warnex, in the new exporter category; Éclairage Vertex and Duo Vac, for market diversification; and, finally, DBM Reflex, which took the leading exporter award.

Laval is one of Quebec's leaders in exports. Over 35% of Laval industries had sales abroad in 2004.

I congratulate the five Laval businesses on their great success, which contributes to our city's reputation worldwide.

* * *

[*English*]

SKATING

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I would like to take this opportunity to congratulate the Parkhill Blades N'Sync Precision Skating Team that ended its year on a high note Sunday, March 13, with a first place gold medal finish at the Bert Winfield Competition in St. Mary's.

The group is an adult precision team with 21 members skating out of the Gemini Sportsplex in Strathroy. The coach is Chrissy Kernaghan. They are primarily over the age of 25, most are married with families and have varied occupations and all share the love of skating. They live within the Parkhill, Strathroy and Watford area.

Local skaters are July Dortmans, Rose Oakley-Law, Joanne Sadler, Jena McLellan, Ruth Perriam, Charlene Sadler, Alison Rammeloo, Shauna Forret, Janessa O'Neil, Gail Sadler-Barclay, Nicole Nesbitt, Kari Kennedy, Leanne McCann, Betty Smith, Lisa Blackmore, Jody Lucan, Lauren Harris, Lori Mackey and Lori Henderson.

Once again, I congratulate the Parkhill Blades N'Sync Percision Skating Team on its recent achievement. I wish them all the best of luck for the next season.

* * *

HEALTH CARE

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, what a spectacle Canadians saw yesterday as the Prime Minister refused to take responsibility for his government's role in the sponsorship scandal. Instead, he reached down into his magician's hat and tried to sprinkle a star dust illusion that will turn him into, taddah, the saviour and defender of health care in Canada.

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Canadians have seen that act before. The Prime Minister had 10 years to deliver on health care, but what has he accomplished? The latest illusion, a 10 year fix.

Speaking of hidden agenda, the Liberal member for Esquimalt—Juan de Fuca has said, “Those who wrap themselves in the Canada Health Act and accuse anyone who wants change are deliberately misleading the public”. The same Liberal member said, “To save our medical system we must embrace new ideas, such as allowing a separate, parallel, private system to augment and enhance our public system”.

Do the Liberals have a hidden agenda on health care?

The Prime Minister's red faced exercise in “Abracadabra, I'm the saviour” will not convince Canadians who simply want access to improved health care for themselves and their families.

* * *

NATIONAL DEFENCE

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, the recent announcement by the Prime Minister confirming the government's policy not to participate in the ballistic missile defence program is a courageous and commendable decision.

The ballistic missile defence program would not have contributed in any way to the security of Canada. It only would have served to contribute to a greater sense of insecurity and concern around the world.

Despite considerable pressure to participate in this program, the government chose wisely instead to protect Canada's vast national interest and in so doing, to promote real and meaningful security both at home and around the world.

I have always been opposed to this misguided and impractical initiative. I am proud and honoured to be part of the government led by the Prime Minister that has said no to ballistic missile defence.

* * *

●(1410)

AGRICULTURE

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, Canada's supply marketing system is the envy of farmers all over the world. Supply management is a fundamental tenet of rural Canada.

Our dairy farmers are not subsidized; they are organized. However, when push comes to shove, would the government stand up to defend the principles of supply management, or would it cut and run in the face of over-subsidized trade competition?

The facts are becoming abundantly clear. The recent WTO ruling on modified milk imports will devastate our dairy industries of cheese and yogourt, yet the government does nothing. We have the tools, article 28. Other countries stand up for their farmers, but the government does nothing.

Do we want to talk about a scandal? Do we want to talk about a breach of public trust? I am looking at a government that is too busy saving its own skin to stand up for rural Canada. Canadian farmers

do not have to feed their families on recycled promises from the red book.

I am calling on the government—

The Speaker: The hon. member for Central Nova.

* * *

THE PRIME MINISTER

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, yesterday the Prime Minister went from his Dr. Heckle to Mr. Hyde by refusing to answer questions about his involvement in ad scam. Instead, he dodges and deflects attention with outrageous claims about Conservative health policy.

The Conservatives' real agenda is to stop the illicit flow of tax dollars to Liberal Party friends, to end the shady practices of cash-stuffed envelopes for government contracts, money laundering, kickbacks to the Liberal Party to run campaigns.

Canadians know it is the Liberals who have the real hidden agenda on health.

In 2003 the Prime Minister said, “In terms of private delivery, I think it has to be judged on a case by case basis”. The Deputy Prime Minister said that she had no problem with the introduction of private hospitals, or this dandy from the Minister of Foreign Affairs, “The Canada Health Act does not preclude delivery of services by private elements”.

Under the Prime Minister's watch, credit card health care expanded in Quebec. He himself is the patient at one of the most successful private clinics in the country.

It is high time this high-handed hypocrisy ended. It is time for the Prime Minister to come clean on his hidden agenda on health and to come clean with Canadians on his involvement in ad scam.

* * *

[Translation]

REPLACEMENT WORKERS BILL

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the Quebec Liberal members who voted against the replacement workers bill yesterday voted against Quebec workers. Only 12 additional votes were necessary, and these Liberal members could easily have provided them.

An election campaign is approaching and the Liberals will have to provide explanations and justify their position to Quebec workers who were asking for such legislation.

As for the Minister of Labour and Housing, he missed a prime opportunity to shorten the length of labour disputes, avert violence on the picket lines, restore the balance of power between employers and employees, and also put an end to the discrimination suffered by those Quebec workers who come under the Canada Labour Code.

[English]

HEALTH CARE

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, I like reading. This is a report on a health care trilogy.

Book one, "The Liberal Red Book", written and later cursed by the Liberal Prime Minister. Here the self-proclaimed captain of the Canada Health Act promises to defend millions of Canadians with stable funding for public health care.

Book two, "The Liberal Reality Show". The Liberal superhero reins in bloated Liberal spending on the backs of Canadians by slashing 25 billion health care dollars. Twelve years of declining public care for all, while the Liberal Prime Minister visits a private clinic with his well-heeled chequebook well in hand.

Book three, "Thaddaeus Waits". My wife and I recently took our infant son to a Windsor emergency room. We wait in line, and wait and wait, a full 12 hours with fellow Canadians, while Thaddaeus struggles to breathe.

It is time for the Liberal Prime Minister to get honest with Canadians about health care under his watch.

* * *

[Translation]

CANADIAN CHARTER OF RIGHTS AND FREEDOMS

Hon. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, I am rising today to mark the 20th anniversary of the coming into force, on April 17, 1985, of section 15 of the Canadian Charter of Rights and Freedoms. This section, which has 110 words in French and 92 in English, has helped make Canada a great place to live.

• (1415)

[English]

For women, section 15 has a particular significance. Twenty years ago, a solid and united women's network was formed and contributed to assure that all women and men would be protected equally by the charter.

This fundamental principle played an important role in the forming and the orientation of our nation over the years. Today, with my female colleagues from all parties, I am proud that we have a strong female representation in politics and in our universities, business corporations and judicial system.

[Translation]

Section 15 of the charter puts Canada in the front ranks of nations dedicated to protecting fundamental human rights.

Let us all celebrate this commitment to equality.

* * *

ASCOT EN SANTÉ

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, for the past 14 years, the Ascot en santé group has been playing a major social role in the former municipality of Ascot.

This is one of poorest areas in the new municipality of Sherbrooke. Many single-parent families and immigrants from over

Oral Questions

fifty different countries live there. Ascot en santé has a mission to reinforce the social fabric, break through isolation and strengthen solidarity.

Ascot en santé recently unveiled a calendar chock full of activities for the coming months: a bazaar, seedling distribution, a community newspaper, creation of a youth cooperative and establishment of purchasing group so people can save money and eat better.

Congratulations to the organization's president and principal of the École du Phare, Mr. André Lamarche, and to Ms. Marie-Thérèse Lushima, Ms. Marie-Chantal Goulet and the other volunteers. They are making Ascot a great place to live.

ORAL QUESTION PERIOD

[English]

SPONSORSHIP PROGRAM

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, this morning the Prime Minister told the media, "I can't recall having had lunch with him"—Claude Boulay—"since we formed the government". However, according to sworn testimony at Gomery, over lunch the Prime Minister discussed Attractions Canada with Claude Boulay. Attractions Canada only came into existence in 1997 after the Liberals formed government.

Could the Prime Minister explain this contradiction?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, as I said the first time this question came up, that is nonsense. I have never discussed any contract of any kind with Mr. Boulay. I do not play that kind of politics, and I have not played that kind of politics from the beginning.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, that was not the question I asked. I would ask the Prime Minister to bear with me.

It has been testified before the Gomery commission, under sworn testimony, that the Prime Minister had lunch and discussed Attractions Canada with Claude Boulay. Did that lunch, did that discussion of Attractions Canada ever take place?

Right Hon. Paul Martin (Prime Minister, Lib.): No, Mr. Speaker.

* * *

GOVERNMENT CONTRACTS

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, that turns out not to have been so difficult. I want to ask the Prime Minister another question.

In the same scrum and today the Prime Minister said he has never interfered with the government contracting process. I want to ask the Prime Minister a more precise question. As Prime Minister and as the minister of finance, did he ever receive advice on the contracting process that he did not follow?

Oral Questions

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I most certainly did receive advice from the Department of Finance. The Department of Finance's position on contracting was exactly the same as mine, which is that all contracts should be open to open bidding and that there should be competitions in every case.

In fact, what makes the hon. member's question all the more ludicrous is that one of the first contracts that we sought to open up to open bidding was one from Groupe Everest and Mr. Boulay.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I want to clarify this.

The Prime Minister said that he took the advice of his own ministry. The question is this. Did the Prime Minister ever receive any advice on government contracting from any agency of the government, from the Prime Minister's Office or the Privy Council Office, any advice that he did not follow?

• (1420)

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, what is truly shocking here is that the Conservative leader—

Some hon. members: Oh, oh!

The Speaker: Order. I am sure the Minister of Public Works and Government Services appreciates the assistance he is getting with his answer, but I do not think we need it because I cannot hear the minister. If hon. members could contain themselves for a few minutes until he has answered, he only has 35 seconds, and they will be able to make their comments after that.

The hon. Minister of Public Works and Government Services has the floor.

Hon. Scott Brison: Mr. Speaker, what is really clear is that they are playing politics with a very important issue to Canadians.

The fact is that the Conservative leader and some of his members accept as *carte blanche*, as absolute and sacrosanct, the testimony of someone like Jean Brault. They stand up day after day and talk about the testimony of Jean Brault, somebody who is facing criminal fraud charges, somebody who is being sued by the government for \$34 million. Yet they doubt the honesty and integrity of the right hon. Prime Minister of Canada and his testimony.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the House will recall that I asked nothing about Jean Brault or Gomery or anything else in the last question.

I want the Prime Minister to answer this question. As a minister, has he ever received advice on the government contracting process from a senior government agency, Privy Council Office or the Prime Minister's Office, that he has not followed, or has he always followed the advice he has received on how to abide by the rules of the contracting process?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, every minister will know that the advice that he or she is given comes from the minister's own department. A minister follows the advice of the deputy minister. In my case, I had three deputy ministers of finance. I followed their advice as to the way in which one should proceed.

[*Translation*]

SPONSORSHIP PROGRAM

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister is taking action as a result of the sponsorship scandal. Each time, he has had to be pressured by the Bloc, the opposition, the media or public indignation. Today, it is happening again. The Bloc Québécois, seconded by the Conservatives and the NDP, are asking for the creation of a trust fund in which to deposit the dirty money, and the Prime Minister is opposed to it.

Why is the Prime Minister, who has the power to do so, refusing to create a trust fund for the Liberal Party's dirty money, totalling at least \$2.2 million?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the Bloc did not share my opinion when I said, right from the start, that the Liberal Party was prepared to pay back 100% of funds received inappropriately.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am asking him to take immediate action, as he has done and brags about by dismissing Alfonso Gagliano, André Ouellet, Mr. LeFrançois and Mr. Pelletier. He did not wait for the inquiry to conclude its work.

I am asking him not to take any chances. We would not want him to run a fourth election campaign on dirty money. He should immediately put this money into the trust fund. That way, we will be sure that he will not use it during the next election.

[*English*]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am glad that the leader of the Bloc finally recognizes that indeed the Prime Minister has taken action to address these issues.

[*Translation*]

The Prime Minister deserves our respect for his courageous actions.

The party has been clear: if it has received inappropriate funds, it will reimburse the taxpayers.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, the courageous action we really expect of the Prime Minister and the government is handing back the dirty money. It is not complicated. The Minister of Transport has said he would pay it back.

If the Prime Minister is courageous, let him stop hiding behind the Gomery inquiry and put the dirty money into a trust until the Gomery inquiry has finished. That is what the public wants.

[*English*]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, let us talk about courage for a moment. What is not very courageous or very honest is to quote the testimony of Jean Brault as fact here in the House of Commons and at the same time to attack his testimony when he says that funding went to the Parti Québécois.

Oral Questions

Members opposite cannot have it both ways. It is about time they learned the difference between allegations and facts. They should respect what Justice Gomery is doing and wait for the report so that Canadians can have the truth.

•(1425)

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, the Parti Québécois has never demanded any kickbacks. On the contrary it has been the victim—

Some hon. members: Oh, oh!

Mr. Michel Gauthier: The Liberal Party is the one that set up—

The Speaker: Order. Once again, I am certain that the hon. member for Roberval—Lac Saint-Jean appreciates the assistance of his colleagues in the House, but he does not need it. He may have a strong voice, but not strong enough to make himself heard over all the noise.

The hon. member for Roberval—Lac-Saint-Jean.

Mr. Michel Gauthier: Mr. Speaker, let us be clear. The Liberal Party set up a kickback system on the contracts it awarded, in order to fill its coffers with public funds, with the taxpayers' money. That is what it did, and ought to be ashamed of doing.

Some hon. members: Oh, oh!

The Speaker: I tried to help the hon. member out, but we will now move on to the next question.

The hon. member for Toronto—Danforth.

* * *

[English]

HEALTH

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, yesterday the Prime Minister would not answer a simple, straightforward question about lunch with an ad executive. Instead, he tried to pretend that he was defending against the privatization of health care, after 12 years of Liberals allowing privatization to expand.

I will ask a very simple question. Why is the Prime Minister's personal physician allowed to operate and expand a chain of private clinics, or does the Prime Minister not care to know about that?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, the Prime Minister will be providing an additional \$41 billion to the provinces over the next 10 years. The Prime Minister has said, as I have been saying for months, that we are going to enforce the Canada Health Act from coast to coast to coast.

* * *

LIBERAL PARTY OF CANADA

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I will try another simple and straightforward question.

It turns out that a member of Parliament who steps on a George Bush doll is kicked out of the caucus. We have now learned that there is a member of Parliament who thinks we should use the notwithstanding clause to strip away rights in the charter. This same

member of Parliament called a woman MP, and I quote, “a dumb blonde bimbo”.

Someone who attacks George Bush is kicked out, but someone who attacks women and equality is allowed in. Where are the standards of that party? Will the Prime Minister kick that member of Parliament out right now?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, first of all the member of Parliament apologized for making the statement, and that is what is important. The statement was simply unacceptable and the member of Parliament recognized that.

In terms of the use of the notwithstanding clause, while I disagree with him, the hon. member was very honest in his position, unlike those of the official opposition who refuse to accept the fact that the only way a decision of the courts could be reversed is by the use of the notwithstanding clause. If what the member wants to do is talk about what is ethical behaviour in Parliament, it is in fact to tell Canadians the truth about the policies one has.

* * *

SPONSORSHIP PROGRAM

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the Liberals have a real credibility problem.

On Monday the government told the House there was “a full audit of the books of the Liberal Party” and that “audited information has been given to Gomery”. One of Canada's top forensic accountants dismissed these documents as “half-baked” and said the Liberals are “pulling the wool over taxpayers' eyes”. The documents themselves state flat out this does not constitute an audit.

Why did the government mislead the House?

•(1430)

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the Liberal Party has cooperated fully with Justice Gomery and continues to cooperate. It was the Liberal Party that actually engaged the auditors to conduct these reviews and provided the information to Justice Gomery. We continue to work with the auditors who are working with Justice Gomery because we want to get to the truth.

I expect she is referring to the commentary from Mr. Al Rosen of Rosen & Associates. I expect that may be the same Rosen & Associates that gave a fairly significant contribution to the Canadian alliance party in 2000.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, that is an indication of his good judgment.

Some hon. members: Oh, oh!

The Speaker: Order. We will have a little order. The hon. member for Calgary—Nose Hill has the floor now and she is going to ask a question.

Mrs. Diane Ablonczy: Mr. Speaker, the expert said the so-called Liberal audit was “not comprehensive enough to detect any scams or any form of dirty money transactions”. He also said, “Trying to use these reports to claim that everything is fine within the party is completely inappropriate.”

Oral Questions

The government knew when it told the House that there was “a full audit” that it was no such thing.

How can the Prime Minister cling to the pretense that he has the moral authority to govern when he tries to mislead Canadians so badly?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, how can the member stand in the House and give that kind of diatribe without fulfilling her responsibility to inform the House that Mr. Rosen was a significant supporter of the Canadian Alliance party and that he has a bias when he gives that kind of information or perspective?

This is what Deloitte said:

We made sure to obtain detailed supporting documents for every amount deposited in this [Liberal Party] account during the period covered by this mandate. We also traced every other transaction appearing on this statement, notably all transfers towards all other bank accounts.

In fact, the accountant who conducted the review said that the Liberal Party provided all the information requested within the scope of the review.

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, Mr. Rosen did not rip off taxpayers to make his contribution, I will say that.

[Translation]

When the auditors cannot reach a clear conclusion about the financial statements, then something is not being admitted. What the Liberal Party is not admitting is that it did everything it could to cover its tracks. Even auditor Al Rosen has said so.

Will the government admit that what it absolutely does not want is to find any traces of the dirty money, and that it has no intention of paying back the Canadian taxpayers?

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, Deloitte and the accountant who conducted the review said that “the Liberal Party provided all the information requested within the scope of the review and were fully cooperative throughout the process”.

What is more important is what the *Toronto Star* is saying. It is saying that “the Prime Minister is acting honestly”. It goes on to say:

No other federal party chief has faced such a leadership test so openly. Fairness demands this be recognized... But [the Prime Minister's] agenda is an ambitious and positive one for a minority government. It compares favourably with the Tories' tired call for tax cuts, more power to the provinces and their disdain for Kyoto and same-sex marriage. [The Prime Minister's] program promises to do more good for more people.

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, it seems it was a selective Liberal scope.

Forensic auditor and corporate fraud expert Al Rosen has damned the Liberal Party review as nothing more than “wishy-washy and useless”. The public works minister tried to pass them off as audits. Mr. Rosen's response to this was that the minister's reviews were “half-baked”.

The books were cooked, the reviews were half-baked and Canadians got burned.

Is the real reason the books were cooked so that the Liberals could use the dirty money for their fourth election campaign?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, that is pretty flowery language for an accountant. That sounds more like a partisan to me.

The fact is that today's *Chronicle-Herald* said:

The case [the Prime Minister] laid out in his own defence is stronger than any case mounted against him. He is the one who cancelled the sponsorship program on Day 1 of his tenure. He is the one who set up the Gomery inquiry, who fired those whose fingerprints were on this fiasco, and who is taking steps to recover misspent money. What more could the opposition reasonably expect him to do that he has not already done?

* * *

● (1435)

[Translation]

THE ENVIRONMENT

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, the Minister of the Environment has tabled his plan for achieving the Kyoto targets and the least we can say—

Some hon. members: Hear, hear!

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

Mr. Christian Simard (Beauport—Limoilou, BQ): When we are 28% behind on the targets, there is no reason to applaud.

The least that we can say is this plan is totally unacceptable to the Quebec government. Minister Mulclair said, “It is much biased in favour of western Canada and Quebec will be penalized”. He is a federalist. He is not a member of the Parti Québécois. He is Quebec's Liberal environment minister.

How can the federal Minister of the Environment justify that he has produced a plan that is so unfavourable to Quebec?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, this plan will allow us to work hand in hand with the Government of Quebec. We must do great things in Quebec to reduce greenhouse gas emissions, to make Quebec's economy more competitive in the sustainable economy and to decrease polluting emissions from other sources, like mercury, for example.

We will have a partnership fund that will allow us to rely greatly on hydroelectricity. Hydro-Québec is one of the champions in the world. Canada is very proud to have so much ability in the province of Quebec.

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, these are fine words, but there is no action. Minister Mulclair also said that, by producing half as much greenhouse gas emissions as other Canadians, Quebecers are helping lower the Canadian average, but are not compensated for that.

What does the Minister of the Environment have to say to his Quebec counterpart, who says that his approach is unfair and completely ignores Quebec's efforts in the area of greenhouse gas emissions?

Oral Questions

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, the plan is very fair. Hydroelectricity will play a major role in it. Hydro-Québec has just begun looking into wind power. We will rely heavily on this new direction to improve the opportunity to have more and more renewable energies.

Since I first became the Minister of the Environment, I have received many projects, innovations and inventions from Quebec. Quebeckers will play a major role to help their country, Canada, achieve the Kyoto objectives.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, despite the fact that big polluters account for 50% of greenhouse gas emissions, the plan presented by the Minister of the Environment only bills them for 13% of the costs involved.

Why did the minister not adopt the polluter pay principle, which respects the equity principle, instead of the polluter paid principle, which is unfair since it does not force big polluters to do their fair share when it comes to reducing greenhouse gas emissions?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, large final emitters will have to deliver 45 million tonnes under the Kyoto plan. They will have to, because it is a firm commitment. Regulations to this effect will be in place.

I know that in order to achieve that objective, large final emitters will have to find new ways to produce, to reduce their energy bills and thus become more competitive. Putting the environment and the economy together, which is our Prime Minister's vision, will be Canada's great strength.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, does the Minister of the Environment realize that his plan makes taxpayers directly responsible for most of the cost of reducing greenhouse gas emissions? Consequently, the federal government is ultimately subsidizing the major polluters, as the former environment minister has stated.

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, first, I want to thank my predecessor at the department, as well as the former Liberal Prime Minister, who ratified the Kyoto protocol, and the current Prime Minister, who has given us the plan to reach the Kyoto objectives.

* * *

• (1440)

SPONSORSHIP PROGRAM

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, yesterday, the Prime Minister did not answer my question, and I think that it is important he do so.

When the sponsorship scandal was in its heyday, Lucie Castelli, known as the Prime Minister's eyes and ears in his riding, sat on the Quebec Liberal Party's finance commission with Alain Renaud and Jacques Corriveau, who allegedly obtained almost \$500,000 from Groupaction and the sponsorship program without doing the work.

How are Canadians to believe the Prime Minister's statement that he knew nothing?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I have already answered this question many times. Lucie Castelli was

responsible for selling tickets to the big Liberal Party fundraising dinner in Montreal. That is what she did.

[English]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, Serge Savard, who was a million dollar fundraiser for the Prime Minister, received \$500,000 in sponsorship cash due to the assistance he received from Lucie Castelli, one of the Prime Minister's chief organizers in his riding. These are facts.

How can the Prime Minister still claim that he knew nothing about sponsorship and actually expect Canadians to believe him?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member is absolutely wrong. Those are not facts. Those are allegations. We will not have facts until Justice Gomery completes his report.

It is interesting that the Conservatives consider everything that Jean Brault said as being fact and yet when the Prime Minister of Canada testifies they say that it is questionable.

That party is playing politics with a very important issue. Canadians want to get to the bottom of this issue. I trust our Prime Minister and I trust Justice Gomery to get to the bottom of this issue.

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, when the sponsorship scandal was in full swing, Lucie Castelli was doing much more than working in the Prime Minister's riding office.

In June 1999 Castelli telephoned Joanne Bouvier, an aide to Alfonso Gagliano, to ask why Serge Savard, the Prime Minister's supporter, golf buddy and key fundraiser, had not had a response to his application for \$600,000.

Why did the Prime Minister's constituency assistant intervene in this application when Mr. Savard was not even a constituent?

Some hon. members: Oh, oh!

The Speaker: Order, please.

The hon. Minister of Public Works and Government Services.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again, these are allegations. These are not facts.

I can say that my office sometimes receives calls from constituents living in the constituencies of some of the hon. members opposite often because sometimes their calls are not returned and they are given no help with certain issues.

The individuals in my constituency office are professionals and they certainly try to help whenever they can because they are there to serve Canadians.

Ms. Helena Guergis (Simcoe—Grey, CPC): They can say what they will, Mr. Speaker, but the Prime Minister's riding assistant intervened in Mr. Savard's sponsorship application which was initially rejected and, through her efforts, Savard later received \$250,000 in sponsorship dollars.

Oral Questions

Did the Prime Minister direct his assistant, Ms. Castelli, to intervene or did she act on her own, and if so, will the Prime Minister take responsibility for his staff's actions?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the answer to that question is absolutely no.

* * *

[Translation]

OFFICIAL LANGUAGES

Mr. Marc Godbout (Ottawa—Orléans, Lib.): Mr. Speaker, school management is vital to developing the full potential of official language communities.

Can the Minister of Canadian Heritage give us an update on the negotiations between her department and the Council of Ministers of Education for renewing the official languages in education program?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, I am pleased to announce that the Government of Canada has reached an agreement with the Council of Ministers of Education to renew the education protocol.

Under the protocol, the Government of Canada will allocate more than \$1 billion to the provinces and territories over four years. The protocol will also ensure better accountability and will help us achieve the objectives set out in the action plan.

Promise made, promise kept.

* * *

●(1445)

[English]

LIBERAL PARTY OF CANADA

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister.

I entered federal politics because I worried about the mess that the Liberals would create and now I am bloody well fed up with the Prime Minister's refusal to clean up the mess that they have created.

The contempt for Parliament is unspeakable. Three times a democratic vote has taken place and three times Mr. Democracy has decided that he knows what is best.

What will it take for the Prime Minister to be accountable to this Parliament and to Canadians?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, obviously we can tell from the rhetoric from the hon. member that she is getting more excited about her preamble instead of taking the time to ask some significant questions.

However the Prime Minister has been in the House answering questions. We have initiatives in the House and committees are busier than they have ever been. More legislation is being referred to committee before second reading where the opposition has an opportunity to contribute to good legislation. What happens? We get partisan rhetoric instead of good dialogue to put forward good

legislation and end up doing what Canadians are looking for us to do, and that is to make this Parliament work.

* * *

HEALTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, what we have is a Prime Minister and ministers who are all talk and no action.

Let me try the health minister.

I led my party through two elections with Liberals insisting that they alone could stop health privatization. Klein's private hospitals are still open and privatization is on the increase from British Columbia through to Nova Scotia. All the health minister can say is, "Watch me stop it".

The Liberals continue to feign opposition to privatization while they watch it spread. Why would Canadians believe them now?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, that is absolute hogwash. I have been making preparations to enforce the Canada Health Act. We have enforced the Canada Health Act in instances since I have been here.

I can say that we will be enforcing the Canada Health Act with New Brunswick on abortion and with all the provinces on diagnostic imaging in the very near future.

* * *

LIBERAL PARTY OF CANADA

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, yesterday I asked the Minister of Justice to denounce the horrible comments of his special counsel, Beryl Wajzman, who said that cultural communities have only two functions for the Liberal Party, as slaves during election campaigns and to buy fundraising tickets.

I ask the minister again, why have four days passed since these racist statements surfaced and he has still not condemned the statements of his special counsel?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first of all, the hon. member continues to misrepresent this House. He is not a special counsel to the Minister of Justice, number one. It is utterly irresponsible for the hon. member to cast aspersions daily on a judicial process, and it is morally hypocritical for someone who violated the provincial elections act with regard to election spending to come and preach political morality in the House.

You have become a disgrace to the House of Commons.

The Speaker: The hon. Minister of Justice knows that he must address his remarks to the Chair, and if that is what he was saying to the Chair, he is in real trouble.

The hon. member for Provencher.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, his special counsel hands out cards with that name on it.

Oral Questions

The national chief of the Assembly of First Nations, Phil Fontaine, has denounced the recent anti-Semitic remarks of Liberal organizer Chief Terrance Nelson of Manitoba. In his comments, Chief Nelson blamed native anger on the "Jewish controlled media" and specifically named the Asper family of Winnipeg and a Winnipeg broadcaster.

Why does the Prime Minister remain silent about racism when it comes to racist comments made by senior organizers of the Liberal Party of Manitoba?

• (1450)

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, for the hon. member, who asked for an absolute discharge because he did not understand the election act, who does not understand what the Gomery process is all about, who misrepresents the presumption of innocence, who misrepresents the rule of law, I also will not take any lessons from him about condemning anti-Semitism.

* * *

SPONSORSHIP PROGRAM

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Medicine Hat now has the floor.

Mr. Monte Solberg: Mr. Speaker, I did not hear any denunciation in that. Obviously those members are still not prepared to withdraw.

The public works minister suggests full disclosure is in order and I absolutely agree. Will the public works minister acknowledge that Deloitte & Touche has given over \$400,000 to the Liberal Party? They are the same people who did the Liberal audit.

Given Deloitte's dodgy investigation of the Liberal books, will the government direct the Liberal Party to put dirty sponsorship money in a trust so that it cannot be used again in an election campaign?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, now those members are attacking Deloitte & Touche and they are attacking PricewaterhouseCoopers. Is this not interesting, their contempt for these in fact international organizations that have credibility not just in Canada but around the world. That is how desperate they are getting. They are willing to impugn the reputations of internationally respected accounting firms like Deloitte & Touche and PricewaterhouseCoopers. That is shocking.

The fact is that the Liberal Party and this government are doing the right thing, when over there they just want to get to the polls. We want to get to the truth because that is what Canadians deserve.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, let me be very clear then. It is really the Liberal Party that has no credibility.

The fact is that Deloitte & Touche has given that party \$400,000 in donations since 1993. The minister a few minutes ago talked about a very small donation that was given to the Canadian Alliance and suggested that somehow coloured the question that my friend asked a minute ago.

I would like to ask this of the minister across the way. Does the fact that Deloitte has given \$400,000 to the Liberal Party colour the review of the Liberal books? I would suggest, using the minister's logic, it must.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, those members believe Jean Brault. I trust Deloitte & Touche. They believe Jean Brault. I trust Justice Gomery. They believe Jean Brault. I believe in the Prime Minister of Canada, who is getting to the bottom of this issue.

Canadians know that they can trust this Prime Minister and they can trust John Gomery to get to the bottom of this issue, but they cannot trust the people over there because those people are only interested in partisan self-interest. We are putting country before party over here.

* * *

[Translation]

TEXTILE INDUSTRY

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the clothing and textile industries are in crisis in large part because of the lifting of quotas on clothing from China. Industry stakeholders, the unions in particular, are calling on the Canadian government to implement protective measures, as the United States is about to do to protect its textile industry.

Can the Minister of International Trade explain the government's stubborn refusal to take measures to protect the industry even though the WTO rules allow it to do so?

• (1455)

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, as the hon. member knows, this year there was a very slight increase in clothing and textile imports. We are, however, consulting the industry. We are monitoring the numbers closely and we are talking with our international partners.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, clearly, the minister does not read the papers. The United States and the European Union are getting ready to take action to protect their industries against clothing imports from China. If the federal government plans to remain this passive when faced with the threats to our industry, we might as well shut the plants down right away.

Could the government tell us why it is refusing to act immediately? This is an emergency.

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, if the hon. member takes a look at the figures, he will notice an increase in textile and clothing imports of less than 6% this year. We are continuing to monitor the figures very closely. We will be working hand in hand with our international partners.

Oral Questions

[English]

SPONSORSHIP PROGRAM

Mr. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, the Minister of Public Works is fond of casting doubts on the evidence at the Gomery commission, calling it mere allegation.

An elementary lesson: it is not allegation, it is evidence. It is sworn evidence given under oath. The giving of false evidence is a serious offence. It is called perjury. To imply that those witnesses are perjuring themselves is to comment seriously not only on the evidence but in a very negative way.

Will the Prime Minister order his Minister of Public Works to stop accusing witnesses of perjury or to at the very least stop commenting on the evidence in a fashion that bullies Gomery—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. Minister of Public Works and Government Services has the floor to respond to this question.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member should talk to his colleague, the member for Calgary Southeast, who yesterday basically accused and in fact used the word perjure when he accused the Prime Minister of, in front of Gomery—

Some hon. members: Oh, oh!

Hon. Scott Brison: The fact is that the Leader of the Conservative Party has accused witnesses of lying before Gomery. The deputy leader has accused some witnesses' testimony of being a sham. They do not have much caucus unity or they at least do not have very good question period coordination, because that hon. member is completely out to lunch and completely—

The Speaker: The hon. member for York—Simcoe.

Mr. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, that minister of the Crown seems to think that he is able to comment without any restraint on the evidence at the commission and I think that is contrary to what he directs at everyone else.

We now know that Richard Boudreault, who was a Groupaction employee, was clandestinely paid to work for the Liberal Party. He was put on the payroll of another firm, which then billed Groupaction with bogus invoices for fictitious services.

This was obviously a very sophisticated, carefully structured, systematic operation to use the taxpayers' money to finance the Liberal Party. How many people were paid using sponsorship funds to work for the Liberal Party?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I will make an agreement with the hon. member. Members opposite will not comment on daily testimony and we will not comment on daily testimony. I think that we are keeping our part of that agreement, because we respect the independence of a judicial inquiry. We recognize the difference between allegations and facts. We trust Justice Gomery to do his work, as do Canadians.

SOMALIA

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs. Over the last decade, warlordism in Somalia has created a country that is a tragic example of a failed state. The recent election of a transitional government and the parliament's confirmation of the president's appointment of a prime minister and cabinet have at last provided the Somali people much hope for peace and stability.

When will the minister state that he is prepared to formally acknowledge the transitional government and appoint a special envoy to help this country at this historically critical juncture?

• (1500)

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, since 1991 Canada has taken a most proactive role in Somalia, contributing almost \$50 million on the ground, primarily through CIDA.

We understand that a majority of Somalis and the bordering states recognize the transitional government as the legitimate voice of Somalia. In this context, we will continue to work with the transitional government and the bordering states to help establish peace and stability in Somalia. We will look at all options that could facilitate this transition.

* * *

JUSTICE

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, after another knife killing in Kingston, Ontario, Deputy Police Chief Dan Murphy expressed concern about the growing number of people carrying knives to use as weapons. Statistics Canada says that from 1999 to 2003 guns killed 833 people while knives killed 787.

People who kill with knives face no minimum sentence. Will the justice minister tell us when his government is going to take knife crime seriously and impose mandatory minimum sentences?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we take all crime seriously, but when it comes to mandatory minimums, we are not going to go ahead and introduce something that all the evidence shows is neither effective nor a deterrent. We want to combat crime, but not with ineffective deterrents.

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, despite the baffle-gab from that side of the House, criminals are considered more important and are put in front of the safety of our children. A convicted pedophile was recently transferred from the United States to my riding of Cambridge after the brutal raping of two young boys. The police were not even informed. This left a violent offender to prey again, and he did.

My constituents are bloody well fed up with the lip service from that side of the House. We demand to know why the police were not informed.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): In fact, Mr. Speaker, if it involves the Correctional Service of Canada, that information should have been provided to the local police. It is the local police that will make the decision as to whether that information is provided to the community. Since I am not aware of the specific situation, I will be happy to follow it up and get back to the hon. member.

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BUSINESS OF THE HOUSE

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, I would like to ask the hon. the government House leader if he could inform the House about his projection for legislation in the House for the week to come.

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this afternoon we will continue with the opposition day.

[Translation]

On Friday, we will return to Bill C-43, the budget bill. If it is completed, we will proceed with Bill C-40, respecting the WTO.

[English]

The first item of business on Monday will be Bill C-40. If necessary, we would then return to the budget bill, which contains all the initiatives that I know Canadians support from coast to coast to coast, like the Atlantic accord, the new deal for cities, and the increase in payments to seniors through OAS.

We will then return to the second reading debate of Bill C-38, the marriage bill, which will be the first item on Tuesday. When that business is completed, we will return to departmental bills: Bill C-23, Bill C-22, Bill C-26 and Bill C-9.

Next Wednesday shall be an allotted day.

* * *

POINTS OF ORDER

ORAL QUESTION PERIOD

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I believe I heard the Minister of Public Works today say that it is pretty flowery language for an accountant. I happen to be married to an accountant. I have a great deal of respect for the profession and I have a great deal of respect for my husband. I would like an apology from the minister for the offensive language and the derogatory comments he made about a very worthwhile profession.

• (1505)

The Speaker: There does not appear to be any statement forthcoming from the minister.

The Chair has notice of a question of privilege from the hon. member for Calgary Southeast.

Privilege

PRIVILEGE

SPONSORSHIP PROGRAM

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, I rise to charge the Minister of Public Works and Government Services with contempt for deliberately misleading the House. The minister has left two very different versions of the facts on the record of this House.

The Minister of Public Works and Government Services said in this House on April 11, 2005, in response to a question, and I cite from *Hansard*:

Mr. Speaker, it was the Liberal Party that engaged two auditors, PwC and Deloitte, to do a full audit of the books of the Liberal Party. That audited information has been provided to Justice Gomery. We are working with Justice Gomery's auditors to ensure that we get to the bottom of this.

On the same day, in response to another question in the House, the minister said:

Mr. Speaker, the Liberal Party acted quickly to engage two auditors, in fact, Deloitte & Touche and PricewaterhouseCoopers. Both audits found that all contributions were receipted, handled and accounted for properly. These reports are in fact posted on the Liberal Party website and have been for some time. They have also been given to the Gomery commission, as of last December.

It turns out that this was not true. The *Edmonton Sun* of April 13, 2005 reported:

The Conservatives called the Grits on their audit line when they produced proof from firms Pricewaterhouse Coopers and Deloitte that their examinations didn't include cash flow to riding associations, and that they had to rely strictly on information provided by the Liberal Party.

PricewaterhouseCoopers said that what it was doing does not constitute an audit. In the document referenced by the hon. minister Deloitte says, "Our services were engaged to perform a forensic accounting review". After the auditors determined that the Liberals were caught in telling a mistruth, the minister, in response to a question on Wednesday, April 13 in this place, said:

In fact, the Liberal Party has cooperated fully with Justice Gomery by engaging auditors to conduct financial reviews and providing all that information to Justice Gomery.

The minister presented another completely different version of the facts to the House as soon as it was exposed that his government had misrepresented the facts about these purported audits.

On February 1, 2002 the Speaker ruled on a similar matter in regard to the then minister of national defence. The hon. member for Portage—Lisgar had alleged that the minister of national defence deliberately misled the House as to when he knew that prisoners taken by Canadian troops in Afghanistan had been handed over to the Americans. In support of that allegation, he cited the minister's responses in question period on two successive days.

The Speaker considered the matter and found that there was a prima facie question of privilege. He stated:

The authorities are consistent about the need for clarity in our proceedings and about the need to ensure the integrity of the information provided by the government to the House...But in the case before us, there appears to be in my opinion no dispute as to the facts. I believe that both the minister and other hon. members recognize that two versions of events have been presented to the House.

To put in context the severity of this misrepresentation of the facts, the *Ottawa Citizen* reported today:

Privilege

One of Canada's leading forensic accountants dismissed the accounting reports commissioned by the Liberal party, which it held up as proof its books are clean, as "half baked" because they fail to track "dirty money" that was never recorded by party officials in the first place.

Forensic auditor Al Rosen, a chartered accountant and certified fraud examiner, said the Liberal party is "pulling the wool over taxpayers' eyes" by pointing to reports done by Samson Belair/Deloitte & Touche and PricewaterhouseCoopers as evidence the party never received inappropriate cash donations from Quebec ad firms, which subsequently received multimillion-dollar government contracts.

"The engagements by the two auditing firms are not comprehensive enough to detect any scams or any form of dirty money transactions," said Mr. Rosen, founder of Rosen & Associates Ltd., and a renowned critic of bad corporate accounting practices.

"Trying to use these reports to claim that everything is fine within the party is completely inappropriate. That's not what the reports say and what's missing from it is the cash transactions that don't get recorded in the books."

Mr. Speaker, I submit that the attempt by the Minister of Public Works and Government Services to misrepresent the facts as part of his government's ongoing cover-up in this matter constitutes contempt. If you find this to be a *prima facie* question of privilege, Mr. Speaker, I will of course be prepared to move the appropriate motion.

• (1510)

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I welcome the opportunity to respond to the hon. member.

First of all, I have the Deloitte report here which refers to a forensic accounting review. The hon. member would be interested to know that a forensic accounting review is in fact an extremely thorough review of accounting. In some ways it is more thorough than an audit in specific targeted areas.

I would also draw his attention to the *Oxford English Dictionary* which defines audit as an official inspection of an organization's accounts, typically by an independent body. In fact, the independent body engaged by the party was Deloitte and PricewaterhouseCoopers.

The fact is that the member is splitting hairs in trying to create the image that the Liberal Party has not cooperated fully, when in fact the Liberal Party has proactively engaged two firms, PricewaterhouseCoopers and Deloitte Touche, to review the information, to work with Justice Gomery's auditors, and to get to the bottom of this issue.

I would urge him, if he wants to talk about contempt for Parliament, to not accuse the Prime Minister of perjury on the floor of the House of Commons. When he did that yesterday, he debased not only Parliament but he attacked the institution of the office of the Prime Minister in an unprecedentedly rude, unfair and disrespectful way.

That hon. member, on an almost daily basis, says outrageous things about other hon. members on the floor of the House. He attacks reputations and slanders individuals without any concern whatsoever. I believe it is purely audacious for him to rise in the House of Commons to discuss anyone's behaviour in this House because on a daily basis he demeans the House of Commons with these types of interventions.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I would like to make some comments. I have not accused the Prime Minister of perjury; however, I am very concerned about the

categorization of these documents as audits, as we heard from the Minister of Public Works.

I practised law for a long time before being elected here. I called witnesses as auditors a number of times. I do not think there is any lawyer who practises law who does not understand the difference between an audit, which is certified by professional accountants, and a review, whether it is a forensic review or just a regular review. The distinction between those two in law is very clear.

Given the minister's background and his involvement in the business community, I would have thought it was very clear to him what the difference is between the two. There is a significant difference.

If that certificate is not there, signed by the professional accountant, it has a significantly different weight applied to it in our courtrooms and the way that it would be applied in this chamber.

There is a course of conduct that is going on here that is misleading to this House, and I support the question of privilege.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as a chartered accountant for over 25 years, I can certainly recommend that you consult with the Canadian Institute of Chartered Accountants handbook on auditing and accounting guidelines.

The member who just spoke is actually incorrect. Every engagement, whether it be an external audit or whether it be an audit review or a value for money audit, requires an engagement letter which outlines the terms and the scope of the engagement.

For every matter for which a firm is engaged, it will always give an opinion with regard to any questions or matters raised in that engagement and will be signed by the auditing firm.

In my professional opinion it would appear that there may be a matter of semantics. We have had the same thing in this place with regard to the Auditor General and her suggestions regarding value for money audits, which are not comprehensive audits. However, I can say that each and every engagement undertaken by a professional accountant must follow the same rules of professional conduct and the detail of work in true professional fashion. Accountants are also subject to professional and practice audits by the industry itself.

• (1515)

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Mr. Speaker, I find this very amusing, as someone who has a Master's in finance and ran several small businesses for many years. A review is very clearly not an audit, and I would like to speak to that point particularly.

An audit deals with the source documents. The auditors get the source documents and trace them back. They have their own scope and perform that scope. A review is simply not that. A review deals with the documents provided, in this case by the Liberal Party, and they are limited in their scope by the persons of whom they do the review. It is directly different. If we look at the cost difference, we will find that an audit is sometimes four or five times more expensive than a review would be.

Supply

The Speaker: I appreciate the input by the various hon. members who have had something to say on this subject. I am not an auditor and never have been, so I really know nothing of the difference between these two. Obviously I will have to do a bit of reading on it.

I thank the hon. member for Calgary Southeast, the hon. member for Windsor—Tecumseh, the hon. member for Mississauga South, the hon. member for Fort McMurray—Athabasca and the Minister of Public Works for their interventions on these matters. I am sure on review I will find them all very helpful.

I will look at the matter and get back to the House in due course, having an opportunity, I am sure, to see what different kinds of audits or reviews, or whatever they are called, were done in this case. I will try to come back to the House in due course.

We are now ready to go on to orders of the day.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

OPPOSITION MOTION—SPONSORSHIP PROGRAM

The House resumed consideration of the motion.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, indeed, before question period, I set out the reasons justifying the Bloc motion, which, I believe, will be supported by the Conservative Party and the New Democrat Party. I would like to reread it to remind us.

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery Commission.

A trust account is an account for money that cannot be withdrawn without special authorization. It has sufficient transparency so that the money in it is used appropriately when it is withdrawn.

Following the very serious allegations made at the Gomery commission, where we have been shown clearly that millions of dollars were diverted to the Liberal Party under a system set up to make use of public money, it seems important to us to make sure the Liberal Party of Canada does not undertake a fourth election with dirty money. The polls are currently showing that this situation is unacceptable.

The Prime Minister himself has said, in a letter to his supporters, that he laid off the heads of agencies who were involved in this scandal. They initiated legal action too, before the conclusion of the Gomery commission. One fact remains. A lot of money has been misused and may possibly have served to fund the Liberal Party of Canada.

The Minister of Transport has said that the dirty money should be returned. If this were the case, and in view of the public's dissatisfaction, I think it would be important for the government not to reuse this money in the next election. Finally, as this is a minority government, I think it is important to have this money taken out of circulation so that it cannot skew the rules of democracy.

Another important reason we have tabled this motion is that if we do not make such a move, the Prime Minister will not budge. Since 2002, we had to ask him repeatedly to set up a commission of inquiry in order to finally get one.

So, every time we put forward arguments or ask questions, in the final analysis, running out of arguments, he ends up admitting that he has to act. We have no choice but to adopt the same attitude in the current matter, so that the money will not be used again in the next election and the Liberal Party will not be able to benefit from it.

The Prime Minister must undertake to respect Parliament's decision. Throughout the last election campaign, he talked about the democratic deficit. Well, to ensure the democratic quality of life, there will be a vote at the end of this debate and we will then be in a position to observe what sort of majority emerges.

In fact, the Prime Minister should commit himself to showing his good faith and demonstrate clearly that he wishes to get out of the current situation. He should demonstrate that the Liberal Party of Canada has no intention to—once again—use money obtained through illegal means.

It is absolutely unnecessary for the Prime Minister to wait for the end of the Gomery commission hearings, since we are not asking him to give the money back to the government. We are simply asking him to deposit this money in a trust account. Thus, when the hearings are over, if indeed it is confirmed that this money is dirty, as we have heard at the Gomery Commission, the government will be able to give it back. Meanwhile, we must ensure that it does not use this money for electoral purposes.

We are also introducing this motion because the amount involved is very large. We are talking about approximately \$2.2 million. This is the amount that we know of so far. For example, the amount officially collected by the Liberal Party of Canada by Mr. Brault's firms is \$166,000. There were salaries and other payments made to Mr. Alain Renaud, for the Liberal Party of Canada, in the amount of \$1 million. There were also payments made to several companies, of several hundred thousands of dollars, for a total, at this time, of \$2.2 million.

• (1520)

This motion is aimed at ensuring that the dirty money cannot be used for the next election campaign and will not distort the democratic process. Therefore, I ask all members in this House to support it.

The way for the Liberal government to demonstrate its good faith would be to step forward and vote for this motion, so that, ultimately, we would clearly see its real willingness to get to the bottom of the current situation. If the Liberals do the opposite, they will show us that their actions are aimed at getting them out of trouble, not at creating proper transparency.

Consequently, I invite all members of this House to vote in favour of the Bloc Québécois motion so that we can, as soon as possible, ensure that this money is set aside and cannot be used for the next election.

Supply

PRIVATE MEMBERS' BUSINESS

[English]

INCOME TAX ACT

(Bill C-285. On the Order: Private Members' Business:)

April 13, 2005—The hon. member for Cypress Hills—Grasslands—Second reading and reference to the Standing Committee on Finance of Bill C-285, an act to amend the Income Tax Act (exclusion of income received by an athlete from a non-profit club, society or association).

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, discussions have taken place between all parties concerning the recorded division that was requested yesterday on my private member's Bill C-285, and I believe that you would find consent for the following motion. I move:

That the motion for second reading of Bill C-285 be deemed carried on division.

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

Some hon. members: Agreed.

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

Some hon. members: Agreed.

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

GOVERNMENT ORDERS

[English]

SUPPLY

OPPOSITION MOTION—SPONSORSHIP PROGRAM

The House resumed consideration of the motion.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, I rise to participate in what is perhaps one of the most important debates in our country's history. Never before have there been such profound allegations of corruption against the party that is in power.

To quote the, until yesterday, Liberal member of Parliament from Edmonton—Mill Woods—Beaumont, “Here we are, a G7 country, acting like a northern banana republic. What country is seen as more politically corrupt than us at the moment?”

Sadly, many in other countries share his views. This Liberal scandal, is damaging our reputation right around the world. China's *People's Daily* reports, “Canada's ruling party badly hurt by scandal”. CNN calls this, “Canada's version of Watergate”. BBC *World News* reports, “Scandal anger mounts in Canada”. *The New York Times* headline reads, “Canadian Prime Minister Struggles to Keep Job”.

• (1525)

[Translation]

In France, the newspaper *Le Monde* said: “The Canadian Prime Minister is hanging on to power in spite of a corruption scandal affecting the Liberal Party”.

[English]

An article in the Minneapolis *Star Tribune* gets right to the heart of the matter. It states:

In what some say is Canada's version of Watergate, in terms of magnitude and potential damage, Liberal Party members are accused of having taken \$818,000 from advertising agencies hired to promote federalism in the French-speaking province of Quebec.

This is truly a scandal without precedent, without equal in our history. Our country has reached a new and frightening low thanks to this Liberal Party.

In an April 12 *Toronto Star* op-ed entitled “Canada's Crisis of Responsibility”, Tom Axworthy, principal secretary to Pierre Trudeau from 1981 to 1984 and brother of former Liberal foreign minister Lloyd Axworthy writes:

One of the core problems the Gomery commission investigating the sponsorship scandal has revealed is the absence of any notion of responsibility from many of those in high positions. Neither in the 2003 auditor-general's report on sponsorship, nor in the Public Accounts Committee nor in the Gomery commission hearings have ex-ministers or public servants come forward to say, “Yes, managing this program was my responsibility, and I am accountable for what went wrong.”

Before I continue, Mr. Speaker, I want to let the House know that I will be splitting my time with my colleague from Nepean—Carleton.

The Parti Québécois is an example that the Liberal Party of Canada should follow with regard to the sponsorship scandal. When it was accused of having accepted \$100,000 in illegal contributions from Groupaction Marketing Inc., it took steps to return the money. Three days later the PQ wrote to Justice John Gomery asking for the names of shareholders and employees of Groupaction from 1994.

[Translation]

That is an example that the Liberals must follow. In fact, on January 14, some Quebec papers said that while in Longueuil, the Minister of Transport promised that the Liberal Party of Canada would reimburse all money that could be linked to the sponsorship program.

In fact, English Canadian papers went further. They used a faulty translation which quoted the minister as saying:

[English]

The transport minister said he won't wait for reports from the Gomery Commission, an inquiry into the sponsorship scandal, and a lawyer appointed to study the matter.

Although the Canadian press later clarified the matter, the real reason English Canadian press included the erroneous information was because it seemed reasonable.

In September 2004, the Liberal Party had admitted that both of what the Liberal government now calls audits concluded that the party had received \$1.5 million in donations from companies named in the Auditor General's report on sponsorship and advertising abuses. It then stated that it would only reimburse donations from companies whose directors were convicted of crimes.

Supply

So when in January the transport minister stated in Longueuil, Quebec that the federal Liberals would reimburse all donations received from groups involved in the sponsorship program, the translator made the fundamental mistake of believing that the transport minister was sincere and that the Liberal Party of Canada would essentially follow a path similar to that which was being taken by the Parti Québécois. What a foolish mistake to trust a Liberal.

[*Translation*]

There is a huge difference between the reaction of the Parti Québécois and that of the Liberal Party of Canada and it is attributable in part to the amounts of money involved. For the Parti Québécois, it is only \$100,000, a relatively small sum, while it is a fortune for the Liberal Party of Canada.

The two external audits made in September 2004, which revealed that the Liberal Party of Canada had received \$1.5 million from actors in the sponsorship scandal were not audits at all, but mere account reviews.

Simply put, both reviews showed that the Liberals received \$1.5 million from people and firms involved in the sponsorship scandal. However, that does not include the money that Liberal ridings and candidates received. Moreover, the reviews were limited to four bank accounts and to the documents provided.

[*English*]

In other words, it is almost certain that the Liberal Party actually received substantially more than the \$1.5 million it had publicly admitted; \$1.5 million in dirty money.

Further, because of the way the money was hidden it is possible that a significant amount of money went to various leadership and riding campaigns, as well as to the 1997 and 2000 national campaigns of the Liberal Party, and we will not find out these amounts for quite some time.

Therefore, if the Liberal Party admits, after an incomplete review based on the balances of four bank accounts and missing documents, that it received \$1.5 million in dirty money, one could assume that the real total could be double that, if not more.

If the amount of money that the Liberals will be allowed to spend nationally in the next campaign is roughly \$18 million, and if they had received say \$3 million from companies and individuals involved in the sponsorship scandal, that would mean roughly \$1 out of every \$6 that the Liberal Party of Canada will spend in the next election will be dirty money. That is right, \$1 out of \$6 TV ads alleging Liberal integrity will be paid for with dirty money and, quite possibly, produced by a tainted agency.

● (1530)

[*Translation*]

The dirty money also paid for one out of six pamphlets, which may have been printed by a company controlled by someone involved in the scandal.

When you see a Liberal advertisement, you can be proud because you paid for at least one-sixth of it.

This is outrageous, hideous and in the literal sense of the word “scandalous”.

[*English*]

The sad truth of the matter is that not only does the Liberal Party not want to return the money, it cannot return the money. In fact, it received millions in dirty money. There is no way that it would consider repaying it or putting it into a special account, as the transport minister has proposed, or putting it into a trust account, as the motion today requires.

Quite simply, the Liberals require all of the money that they can get their mitts on to fight the next election. Their promises to return the illegal funds right now are hollow. In truth, the Liberals would rather campaign with dirty money than have a campaign with less money. It is a most pathetic situation in which the Prime Minister finds himself.

[*Translation*]

It cannot be said that the Liberals lie; it is enough to say that their conception of truth and that of the Canadian taxpayers do not coincide. So, when they promise to return all monies received illegally or improperly, or from any source found guilty of wrongdoing related to the sponsorship program, I do not believe them.

[*English*]

In his April 11 press release, “Liberal Party of Canada Collaboration with the Gomery commission”, Mr. Michael Eizenga, president of the Liberal Party of Canada, states:

Every single dollar received [by virtue of any illegal or improper transaction] will be returned...It is imperative that we hear from Justice Gomery in order to reconcile the amounts using testimony he has heard.

Nonetheless, in the Prime Minister's open letter to Liberals that can be found on the Liberal Party website, the Prime Minister does not see any possibility of returning the dirty money. He writes:

The Liberal government has filed...a lawsuit against 19 defendants, including several communications companies and their directors, to recover \$41 million...With Justice Gomery's conclusions in hand, I will act swiftly and surely to ensure those who did wrong face the full consequence of their actions.

In the same letter the Prime Minister writes:

Canadians are looking for someone to step forward and to be accountable for cleaning up this mess and as prime minister and Liberal leader, I accept that responsibility.

However he does not really want to accept that responsibility and so he refuses to answer any question that might involve him personally. We saw that today in question period when he was asked whether or not he actually had lunch with Claude Boulay of Groupe Everest and whether their conversation resulted in a \$500,000 contract for his million dollar fundraising friend Serge Savard.

Finally the day of reckoning is here. Mr. Dithers, the Prime Minister, cannot run away. This motion will force him to choose between truly accepting his responsibility or running a campaign in which he knows that his campaign is being run and financed with dirty taxpayer money.

The Prime Minister could show moral fortitude. He has a choice. I urge him to support this motion and do the right thing in the name of accountability and also to do the right thing in the name of national unity.

Supply

I almost had to laugh this morning when I was walking into the office and I grabbed the *National Post*. On the front page was a story written by Mark Kennedy which stated, "Liberals to make national unity a key election issue". In 1995, when the Liberal government created the sponsorship program, there were 54 Bloc Québécois MPs in the House. Today, 10 years later, there are 54 Bloc Québécois MPs in the House and they are set to win more seats.

Not only that, sovereignty is on the rise in the province of Quebec and there is not a single Canadian in the country who is not offended by the corruption of the Liberal government.

If the member for Etobicoke North wants to challenge me on the question of who is in bed with separatists, I would be glad to hear it.

• (1535)

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, yes I will challenge the member on that because the reality is, and I have seen it every day since we have been back in this session of Parliament, the Conservative Party of Canada and the Bloc, the separatists, have been working together on a whole range of issues in the committee structure, on issues that do not make any sense for Canada, but the Conservatives know where the politics are. They know that they have some work to do in the province of Quebec so what do they do? They play footsie with the separatists and the separatists play a bit of footsie back because that is the way they get things done.

In the committee structure we know that if the Conservatives and the Bloc get together they have the numbers to defeat motions and propose motions. It is an unholy alliance and Canadians need to know all about it.

I take great exception to the hypocrisy of saying that they are not in bed with the Bloc and the separatists because they are.

Mr. James Moore: Mr. Speaker, speaking of hypocrisy, the fact is, if the member looks at the data, that the Liberal government has voted more with the Bloc Québécois than the Conservative Party has. Of course he turns a blind eye to that fact.

Second, if the member from Etobicoke really does not like the fact that the Bloc Québécois is sitting here in the House of Commons, he might think about having a conversation with his transport minister who created the Bloc Québécois as a force to destroy this country.

The reality is, from the Conservative Party, to the New Democrats, to the Bloc Québécois, to now the independent member of Parliament from Edmonton, to a number of Liberals who do not even show up in the House in question period any more to get the Prime Minister's back, there are millions of Canadians and a majority of the members of Parliament in the House who want to get to the bottom of this scandal because it is the worst and most ugly corruption in Canadian history. We want to get to the bottom of it.

I find it laughable that the Prime Minister and the Liberal Party would say that they want the next election campaign to be about national unity.

Let us go from coast to coast. Every province in Atlantic Canada is offended that the Liberal government will not pass the Atlantic accord unless it is piggybacked on to its budget.

The people of Quebec are angry and frustrated with the sponsorship scandal and they will throw every Liberal MP out in the next election campaign.

Dalton McGuinty, the Liberal premier of Ontario, has had it up to his neck with the nonsense and the mistruths of the Prime Minister.

The prairie provinces are frustrated with the BSE situation and the fact that the Liberal government has done nothing.

Alberta is angry with the fact that the Prime Minister appoints senators rather than those who are duly elected by the people.

British Columbia, day in and day out, gets ignored by the government.

Talk about national unity. On top of that, there is not a citizen in this country who is not offended that the Liberal government takes money from taxpayers, gives it to its friends and its friends kick it back to the Liberal Party in order to abuse its power to get elected with dirty money. That is not national unity. That is a national disgrace and the member from Etobicoke should know it.

* * *

BUSINESS OF THE HOUSE

Hon. Raymond Simard (Parliamentary Secretary to the Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, discussions have taken place between all parties regarding the motion from the member for Charleswood—St. James—Assiniboia to concur in the seventh report of the Standing Committee on Health and I believe you would find consent for the following motion. I move:

That at the conclusion of today's debate on the motion by the member for Charleswood—St. James—Assiniboia that the seventh report of the Standing Committee on Health be concurred in, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred until the end of government orders on Wednesday, April 20, 2005.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[Translation]

SUPPLY

OPPOSITION MOTION—SPONSORSHIP PROGRAM

The House resumed consideration of the motion.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I will ask a question of my colleague who spoke last about the claim of the Liberal member who is linking political options to the issue at hand.

Supply

Despite deep disagreements between the Bloc members and the Conservative members concerning our sovereigntist political option and their federalist one, when the time comes to consider public interest, common interest and the fact that the government is using public funds for other purposes—whether with employment insurance or the sponsorship issue that we are talking about today—opposition parties must ensure that the fiscal house is in order and that the money that was misappropriated is put into a trust fund. Could my colleague state what his thinking is concerning this duty?

• (1540)

[English]

Mr. James Moore: Mr. Speaker, in a country as wealthy as ours, when the government is already overtaxing Canadians to the degree that it is and businesses and families are struggling to survive and succeed in the way that they should be financially, and want to move forward and have more choices and freedoms in how they choose to live their lives, this Parliament should do all its due diligence to treat every taxpayer dollar with an incredible amount of respect. It should not be treated and abused in the way that the Liberal Party has abused taxpayer dollars.

When we look at the reality of filthy emergency rooms across this country, infrastructure that is not being built, our armed forces not being up to the standards that they should be and all kinds of other issues that need to be properly addressed with taxpayer resources, it will not happen as long as we have a Liberal Party that does not think about the country first but thinks about itself first.

The Liberals are so arrogant and utterly out of touch with Canadians that they think the best interests of the Liberal Party are in the best interests of the country. What they will find out in the next campaign is that what is in the best interest of the country is to throw the Liberal Party out on its ear.

[Translation]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, it is an honour to speak today and to support the motion introduced by the member for Laurier—Sainte-Marie, which says:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery commission.

It is essential that this House supports this motion, because it deals with the integrity of our democracy. The Liberal Party has won two elections after stealing and using the money that was stolen from taxpayers.

Even the legitimacy of these victories is now questioned, because the Liberal Party decided to steal the money from my constituents, from all constituents and citizens of this country. This money was stolen.

Hon. Raymond Simard: On a point of order, Mr. Speaker. I think that you should be a little bit more attentive. The member across the way used the words “steal money” five times. I think that is unacceptable. Lately, completely unacceptable things have been tolerated in the House. I ask you please to follow the debate a little bit more closely.

[English]

The Deputy Speaker: I regret I did not hear the exact phrase. I can review the blues, if necessary. Again, there is wide discretion during debate. If it is a point of debate and not an accusation toward an individual member of Parliament, those kinds of discussions and debates can take place here in the House. I am reluctant to restrict debate when it is just a point of debate. I am sure when the member has the floor on debate or during questions and comments he will be able to counter that.

[Translation]

Mr. Pierre Poilievre: Mr. Speaker, I notice that this is a very touchy subject for the Liberal member. He is not happy to hear the truth about his party. I will repeat so that all Canadians who follow our debate get a good idea of the real extent of the scandal. The Liberals stole the taxpayers' money to finance their activities. That is the reality. The party must face that fact.

We cannot seriously believe that the Liberal Party will return that money one day. That is the reason an account must be created right now for the Liberal Party to begin to reimburse the money. We cannot wait because it is not possible to expect that the party will return the money on its own.

As an example, this week or last, the Prime Minister told us that he never met Claude Boulay. However, the Prime Minister did meet him. According to public testimony, they even had lunch together. And today, the Prime Minister refused to answer questions amount that meeting. He said that he had never talked about sponsorships with Mr. Boulay, but that was not the question. The question was whether they had lunch together. That was a very simple question, but the Prime Minister refused to answer. That is what we saw today.

Two or three days ago, our Minister of Public Works and Government Services wanted us to believe that an audit had been done of the Liberal Party's finances. He said so two or three times right here in this House. We learned yesterday, though, that no audit was done; there was a review. In addition, the companies that did the review said that the Liberal Party did not provide all the facts that were needed for it. This shows that the Liberal Party is hiding something. It does not really want to pay taxpayers back for the money that it stole.

A motion is needed, therefore, that says specifically that the money must be paid back starting now, because we have no confidence that this party will reimburse the money. I am proud to be working today with Quebeckers, Ontarians, Albertans and British Columbians to defend the principles of honour and honesty and thus to support this motion.

• (1545)

[English]

The motion states what taxpayers want to hear, which is that the dollars that that party stole to finance at least two election campaigns, if not three, must be paid back immediately.

I will review some of the occasions when we have been misled by the government on the subject of the ad scam just in the past week.

Supply

The Minister of Public Works claimed there had been an audit. We now learn there was no audit at all. There was merely a review conducted by two firms which now reveal that they were blocked access to key information. They were blocked access to the Liberal riding associations in the province of Quebec to which the money was initially funnelled through Liberal ad scamsters. That is the first contradiction that we have seen.

The second contradiction we should point out is that the Prime Minister originally said he did not meet Claude Boulay, one of the chief ad scamsters. Now he is admitting that there had been certain social occasions at which they had met. Two testimonies under oath by two separate individuals revealed that they actually had lunch to discuss federal government contracts. He still will not answer the question as to whether that lunch occurred, even though he has been asked in the House of Commons on roughly a dozen occasions.

These two examples that have occurred just in the last five or six days demonstrate that that party cannot be trusted to repay the money that it stole from taxpayers. That is why we must put in place an account immediately to see that those funds are eventually repaid.

We are not talking about a small amount of money. We are talking about \$2 million or more. That is an enormous sum of money in a political campaign.

In my campaign we relied on the dollars of voluntary contributors, middle class people who wanted to see a change in the democratic process. They made financial sacrifices to support accountability at election time.

At the same time, the party across the way was financing its campaigns by funnelling money through the sponsorship programs into the pockets of Liberal friendly advertising firms which then kicked the money back to the ultimate destination, the Liberal Party of Canada. That is the reality.

It puts right into question the actual election results of the last three elections. Elections Canada ought to consider reviewing this, because electoral financing is a key part of the democratic process. If a party had stolen votes to win an election, we would consider it a massive undertaking of fraud, and it would be. That party has stolen money to win elections. What do we call that? It is fraud. It is electoral fraud. It is theft, Liberal theft, the very worst kind.

● (1550)

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I just want to comment on some of the statements by the member opposite. We have had this discussion in question period the last few days about this fine point between an audit and a forensic accounting review.

To the average citizen I suppose it does not make a lot of sense. The fact is I am a chartered accountant and I know how these audits and these reviews work. In the accounting world we have an audit, an accounting review, a statement without audit. There is a range of types of reviews.

I checked in the *Oxford English Dictionary* and it defines “forensic” as “relating to or denoting the application of scientific methods to the investigation of crime”.

When someone does a forensic accounting review, in many respects he or she is going beyond the methodology of a normal audit, because an audit does not presume that there is something wrong or that some wrongful act has been committed. An audit presumes that in normal circumstances the accounting records would reflect the economic reality. A forensic accounting review starts with the premise that there has been something untoward or something criminal.

Instead of trying to dance on the point of a needle on the difference between an audit and a forensic accounting review, I would argue, and I have some experience with this, that a forensic accounting review actually looks in more depth at the kind of issues that this government was interested in looking at.

I would ask the member to do his homework before he speaks in this House without any knowledge.

[Translation]

Mr. Pierre Poilievre: Mr. Speaker, my work is done. This party clearly stated that there had been an audit. Those were the words that were used. Now we find out that there was no audit, only a review.

[English]

That gentleman, who purports to be an accountant, is attempting to tell us that a review is the same as an audit, if not even more rigorous. He is using the word “forensic”.

When we form the government, we will put an end to that scandalous reign. We will put it out of its misery and Canadians will be given the opportunity to really open the books of the Liberal Party and all of these scandalous programs. We will do a full forensic autopsy on all of the scandal that occurred under the Liberal Party. That is the real reason the Liberals do not want a spring election. The Liberals do not want Canadians to have a full opportunity to get to the bottom of what actually has been going on under their reign.

It is not only the Liberal ad scam. It is Technology Partnerships Canada where \$2 billion was lent out and only 5% was recovered. It is the \$1 billion mismanaged by HRDC, according to the Auditor General. It is the gun registry with \$2 billion in overspending. That is the overall financial record.

Before someone on the Liberal side of the floor stands up in this House and tries to lecture us on various aspects of financial accounting, I suggest that the Liberals start minding the affairs of the nation to ensure that our dollars are no longer stolen and no longer wasted.

● (1555)

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, I will try to keep my question short, but there are so many levels of abuse going on here.

Probably the most disturbing thing about this whole situation is the fact that I am offended that the members opposite are trying to accuse the Conservatives and the Bloc of causing the potential separation of Quebec, when in fact it is just the opposite.

What is happening is that because of the scandal, the Liberal Party of Canada is causing the separatists to gain momentum in Quebec, which will ultimately in my view cause the separation of Quebec. It will be on the Liberals' heads. I would like my hon. colleague to speak to the fact that it will not be the opposition—

The Deputy Speaker: The hon. member for Nepean—Carleton.

Mr. Pierre Poilievre: Mr. Speaker, the hon. member is correct. The Liberals are reverting to the same argument that Jean Chrétien made to defend the massive theft of Canadian tax dollars. Jean Chrétien stood and said, “Yes, a few million went missing, but we saved the country”. Now the Liberals are saying that anyone who criticizes their party for having stolen our money is undermining national unity.

There is a difference between the fortunes of the Liberal Party and the fortunes of Canadian federalism. I am happy to be on the side of federalists.

[*Translation*]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, I will share my time with the member for Saint-Bruno—Saint-Hubert.

The government has already admitted that there was a parallel group within the Liberal Party of Canada. A parallel group also means a parallel election fund. Unfortunately, it is only natural that when there is a covert election fund, there are various misappropriations of funds, phony or inflated invoices, and reports that were not made, which fail to appear in a clear, specific way in the books. Unfortunately, this is the very nature of a parallel group, as the government has already admitted, and therefore of a secret parallel election fund.

We in the Bloc Québécois started informing the House as early as 1997 that highly irregular things were going on under this program. On many occasions, and especially in the course of this Parliament, we have given the Prime Minister an opportunity to do the right thing, make the right decision, and act in the interests of his fellow citizens, not that of his party and especially not to pay off his friends. He has been given this kind of opportunity on many occasions.

What we are asking for today with this motion is very simple. Some very serious allegations are being made before the Gomery commission, allegations that call into question the very basis of our democracy. What we are asking of the Prime Minister is very simple: that he take no chances. An amount of \$2.2 million may have been paid out illegally, so let him take no chances, let him do the right thing and put it in a trust. That seems to me the noble and the right thing to do.

Above all, the citizens of Canada and Quebec would not want the Liberal Party of Canada waging a fourth election campaign with dirty money. Yet this Prime Minister has done nothing. On every occasion, he has taken action only when pressure was being put on him, when he was being driven into a corner and his denial of the obvious was becoming laughably absurd. Apart from that, the Prime Minister was doing nothing. Today he is still trying to buy time, to hide at times behind the commission or behind the Minister of Public Works and Government Services, to avoid answering questions which really are very simple questions. This is truly unfortunate for democracy, both in Canada and in Quebec. This is why the Prime Minister should take action.

Supply

All of the opposition parties agree that this motion is the right thing to do. For a change, it seems to me that this would be a fine initiative on his part, he who made himself the champion of eliminating the democratic deficit. Why should he not, for once, respect the will of this House by depositing the \$2.2 million in a trust?

We all hope that the Liberal Party will be able to reclaim its honour, if it still has any left. To do so, it does not have to wait for the Gomery commission to complete its work. Once again, this is obvious.

Again today, in oral question period, the Prime Minister made much of his not waiting for the completion of the Gomery commission to fire ambassador Gagliano and to sack André Ouellet and Jean Pelletier, among others. Today things are too hot for the Prime Minister, and he has once again chosen to hide behind the commission and so avoid his responsibilities. He wants us to wait for the Gomery commission to complete its work.

At the moment, the Gomery commission is teaching us many things about the operation of both this government and the Liberal Party of Canada.

• (1600)

The government itself agrees that there is a parallel group within the Liberal Party of Canada. Among the things that have come out at the Gomery inquiry is that there was a well organized system in place to finance the Liberal Party of Canada. We learned that Jacques Corriveau, the main bagman of the Liberal Party of Canada, received 10% of the agency commissions collected by Groupaction on the sponsorship contracts that went to Polygone/Expour. For this stratagem alone, according to the inquiry, Mr. Corriveau may have received half a million dollars from the Liberal Party of Canada.

What else did we learn from the inquiry? That Jean Brault was heavily solicited by the Liberal Party of Canada between 1995 and 2002. There is a direct connection here. If these companies wanted to obtain contracts from the federal government, there was just one very simple condition to be met: give money to the Liberal Party of Canada.

I would reiterate that these are not donations. This was tax money, the money families pay to the state so that their needs can be met when there is a crisis. What does this government do? Takes the money and hands it over to its party to ensure re-election. This is scandalous, a denial of democracy. The Liberals conducted three election campaigns with that dirty money and are getting ready for a fourth.

If the Prime Minister had just a bit of honour, he would do the right thing and put the \$2.2 million into a trust account. Unfortunately, I am pretty sure that he will not be doing so, and that is most unfortunate.

They are saying that this government recognizes some serious acts have been committed, and that there is a parallel group. The members of this government have sometimes gone much further than that. On the eve of the 2004 election campaign, the Minister of Transport himself said, “We will not campaign using tainted money”. However, that is exactly what they did in 2004, and we do not want to see this repeated in 2005.

Supply

The Minister of Transport went even further, saying that the Liberal Party of Canada could immediately deposit an equivalent amount in a special account. For once, I would like to do as the Minister of Transport says. We are providing him with an opportunity today. I encourage him to vote in favour of our motion, if he wants to be consistent with the remarks he made last year.

This is such a great opportunity. We are dealing with actions which, again, undermine the very basis of our democratic system. Beyond all the criticism, I am prepared to reach out to them. They should do things properly and, to be on the safe side, deposit this \$2.2 million in a trust account. It seems to me that is the right thing to do. The Prime Minister ought to bow to the will of the government.

It is sad to think that three elections were financed with dirty money. In these three elections, the Liberal Party diverted funds which it gave to friends to make them rich, so that they could then make donations to the Liberal Party of Canada. That is a disgrace. By his current inaction, the Prime Minister is bringing disgrace on his function. This is an unspeakable scandal.

It sometimes makes me very sad to say that I am a member of this Parliament and to be up against a government which was involved in a scandal that will go down in history. To this day, we remember the railway scandal which took place 100 years ago. I am convinced that, 100 years from now, people will still be talking about this sponsorship scandal, which brought disgrace on both the Liberal Party and the function currently held by the Prime Minister.

To conclude, I will briefly reiterate that, with this motion, we are giving the government an opportunity to make amends, deposit the \$2.2 million in a trust account and avoid financing a fourth election campaign with dirty money from the sponsorships.

•(1605)

I encourage all Liberal members, and my hon. colleagues from Quebec in particular, to vote in favour of this motion.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I have been involved in Quebec politics for a long time and one thing I have always noticed about my opponents is that they respect the law and the judicial process. This is precisely what we also want.

We want to know the truth, just like our colleagues. I think the reputation of all elected representatives is being tarnished. I too care about democracy, and I find it important to go to the bottom of things. These are allegations made before the Gomery commission.

I want to mention who took the initiative in this regard and what that person did. The Prime Minister abolished the sponsorship program. He developed the new code of conduct and guidelines for ministers, senior managers and board members; he created an ethics committee totally independent from the House of Commons and the Senate; he undertook a reform of the government's activities relating to advertising, to ensure a more rigorous, competitive and transparent process; he also, of course, established the Gomery commission.

We have always said that, in order to respect the judicial process in a democratic country, it is necessary to wait until that process is fully completed. We must not continually report allegations—as all political parties have already done—regarding individuals, including those who cannot enjoy the protection of the rules of this House.

I also remind the hon. member that the Prime Minister said on numerous occasions, both in and out of the House, that if the Gomery commission or the counsel finds that moneys allocated to the sponsorship program were paid to the Liberal Party, they would be fully refunded.

We cannot support this motion. First, it cannot be the government. The Bloc Québécois is trying to circumvent the rules of the House of Commons by asking the government to establish a trust account, because it is well aware that it cannot present a resolution aimed at a political party. However, this issue has nothing to do with the government.

The Prime Minister made that promise and he will respect it.

•(1610)

Mr. Guy Côté: Mr. Speaker, I want to clarify this. We are not asking the government to repay the money. This motion is asking the government to create a foundation for the specific purpose of allowing political parties to deposit this \$2.2 million, misappropriated by the Liberal Party of Canada, into a trust account. That is what this motion is asking.

We are not asking the government to pay back this money; we are asking it to create this trust account and to establish the conditions that will allow us to resolve this ridiculous scandal. We are asking the government to implement the process needed to resolve this scandalous state of affairs.

[*English*]

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, I would like to ask my hon. colleague from the Bloc one quick question.

When he talks about the Liberal Party of Canada repaying the money into a trust fund, with which I agree, does he agree that the Liberal Party should pay the money back from its own donations that it receives from individuals and corporations across Canada and not use the rebate it will receive from Elections Canada because, after all, the Elections Canada rebate to all political parties is actually taxpayers' money?

We are talking about the theft of taxpayers' money. Should the repayment not be from individual donations and individual members rather than Elections Canada rebate money?

[*Translation*]

Mr. Guy Côté: Mr. Speaker, in an ideal world, the dirty money paid to the Liberal Party of Canada should be repaid once the Gomery commission has concluded its inquiry. In the meantime, the party should put this \$2.2 million into trust to ensure that it is not used again. It is that simple.

Supply

[*English*]

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I listened intently to the previous speaker's diatribe, but what he is trying to put forward is that the Government of Canada should do something which it does not have the authority to do. We should understand that and he knows that.

This is about not wanting to have the Gomery report. This about the Conservatives and the separatists getting together to not have the Gomery report. They do not want the report. They did not want the public accounts committee to report.

Mr. Gary Schellenberger: Nobody wants it more than us.

Hon. Walt Lastewka: You can see, Mr. Speaker, I hit a soft spot over there and that is why they reacted. They know I am accurate on that 100%. They did not want the public accounts committee to report. They filibustered in the springtime. The chairman left the room and went to Mexico because they did not want the public accounts committee report.

The public accounts committee has now reported with its recommendations. We have already implemented 16 of the 29 recommendations. The report was only tabled last week and 10 other recommendations are under review.

The special counsel for financial review was set up and has reported. Guess what? The government took action on the special financial review. Nineteen individuals and companies have settlement claims in the amount of \$41 million. The government took action. As more testimony is heard and the Gomery report finalizes its recommendations, we will also add more depending on what the recommendations bring forward.

Does the member approve or disapprove of the special counsel for financial review that has claims with 19 individuals and companies that has been actioned by the government? I know that lately opposition members are very close to Mr. Boulay, who has also been charged with fraud to the tune of \$30 million.

[*Translation*]

Mr. Guy Côté: Mr. Speaker, I do not understand exactly how the fact that the Gomery commission has not yet finished its work prevents us from creating a trust account so the Liberal Party of Canada can do the right thing.

Did the Prime Minister wait for the Gomery commission to finish its work before dismissing ambassador Gagliano? No. Did the Prime Minister wait for the Gomery commission to finish its work before dismissing André Ouellet? No. Did the Minister of Transport wait for the Gomery commission to finish its work before saying there was a parallel group in the Liberal Party of Canada? No.

There is nothing to prevent this government, if it wants to and has the political will to do so, from creating this foundation. Then it will be up to the Liberal Party to do the right thing.

• (1615)

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I am pleased to take part in this debate and I will say from the outset that I will be voting against this motion because it does not consider the reality or the context of the matter we are discussing today.

Look at the previous speaker who just a few minutes ago made serious allegations and said that the Liberal Party of Canada had diverted \$2.2 million. Nothing could be further from the truth and the hon. member would never dare say such a thing outside the House. Neither he nor any of his colleagues know and no one has proven that the Liberal Party of Canada received such large sums of money.

The reality is that we are in the middle of uncovering various aspects of this case. Every day at the Gomery inquiry, one testimony can be contradicted by another. That is why we absolutely want to hear all the testimony and evidence in order to get to the truth.

Could an individual have made personal gains? That would not be the responsibility of the Liberal Party of Canada. Could some people have abused the name and trust of the Liberal Party of Canada and its thousands of supporters? Should they not be held responsible for their improprieties? Obviously, the answer is yes.

When I hear the Bloc MPs telling us what to do, I remind them that we can hear the evidence and the allegations and, once the process is over, we will leave it up to Justice Gomery. We want him to tell us what was not right. If the Liberal Party did profit inappropriately from sums of money, every cent of it will be returned.

The Liberal Party of Canada has no need to set up a trust fund. We are not a transitional party, like the Bloc. Our party has been solvent for the 138 years it has existed. In all this time, we have paid our debts year in and year out, and so we are no fly by night outfit as is being contended.

This is why Canadians may rest assured that, when the report is tabled, any money that has found its way into Liberal coffers illegitimately, will, in the Liberal tradition of integrity, be returned in full, because individuals would have acted inappropriately in the name of the Liberal Party of Canada.

I hear these members saying that attention has to be paid, because we are preparing to run another campaign with tainted money. The fact is that, when the Prime Minister became the leader of the Liberal Party of Canada, not only was there no dirty money in the coffers, there were no coffers. Worse yet, in Quebec, the party had nearly \$3 million on a line of credit. So, to say that the Liberal Party of Canada got richer is to ignore the fact that for the people on this government's current team this was not the case.

And so, the situation has to be considered directly. Did, for example, the very serious allegations benefit the party? When I hear the allegations and testimony, my perception—I know that I can reach no conclusion, because the commission has not finished its work—my perception today is that some abuse may have been committed by a parallel and isolated clique.

Clearly, right now, there is no question of a widespread phenomenon. No doubt has been cast on any member of this House or of this party.

Supply

●(1620)

Let us look at the general context. It is important to have a good memory in that regard. When there was a question mark concerning the management of the sponsorship scandal, who said, "It is over, O-V-E-R"? It was the Prime Minister. Who said, following the release of the Auditor General's report, that something was wrong? It was the Prime Minister. Who decided that Justice Gomery could search all of the government's books and company books, that he could call people to testify, that he could get the bottom of the issues, and that nothing would escape him? Once again, it was the Prime Minister.

Thus, every time I hear members trying to question the Prime Minister's integrity, I find that totally irrelevant, as it is obvious that the man who put the whole process in motion is the man who possesses the total integrity to do a total review. I am not sure that the leader of the Conservative Party would have had the same courage, and maybe not the leader of the Bloc Québécois either. However, those two will never be making any decisions.

No minister's integrity is in doubt. Party personnel, those who were members of executives, have guaranteed me that they never saw anything in the ranks of the Liberal Party of Canada in Quebec that looked even the least like scandal.

There is probably a small group, therefore, that decided to take advantage and misuse the name of the Liberal Party of Canada. It is obvious, though, that this was not a party practice. This is certainly not an acceptable practice. It is not an honest practice either. I feel, therefore, that it is terrible to think that the opposition can just splatter everyone.

This morning I heard a few Bloc members making a list of names, here in this House, thereby abusing their parliamentary privilege because they did not have the courage to repeat them outside. I find that especially disgusting.

We owe it to ourselves here to be quite responsible and not trample reputations without serious evidence. Parliamentary privilege was not invented to say just anything about anyone. We must not take advantage of parliamentary privilege just to smear our adversaries.

It is a very sad story. I heard allegations that people went out "collecting for the cause". What cause? I have no idea. The cause may be general in nature. The cause may be oneself, one's standard of living, or one's personal enrichment. So now they are trying to load all that on the party's back. Are there not people in every party who, at one time or another, take advantage of the party's confidence? Are there not people who act under false pretences, out of overweening ambition and with illegal intent?

No party is safe from that. The Bloc should know very well. The Parti Québécois is wrestling with the same kind of allegations. Really, none of us is safe from that. Maybe the Bloc is safe to some extent because it will never be in power and not many people will want to invest in it, that is for sure.

In my view, we do not know what the definition is of the cause. We do not know who profited from it. It would therefore be premature. Worse yet, I think that we need the report to know the details. Of course the party will pay back.

So, courage is needed to say, "No, no, there may be people we know; there may be people who were part of previous administrations. Nobody will be sacrificed. We will put in place an open, judicial process". One has to have courage to do that and it is certainly not political opportunism, with all the revelations we see on a daily basis. It is obvious that the Prime Minister has exceptional courage and an integrity that cannot be questioned.

●(1625)

We went even further. Not only did we say we wanted to set up a commission of inquiry, we also permitted the RCMP to come and audit our books. We want to make sure that those who might have misused those funds will pay the price. If some group has misused funds, its members should be taken away in handcuffs.

We are not trying to protect anybody. What we are trying to do is ensure that integrity is part of the public standards. We all know how cynicism towards politics can affect each one of us. There is not one MP in this House who is not honest. That is what I want to believe and why I am proud to be part of this institution. I am convinced that none of us wants to live with some sort of lingering doubt that gives the impression anybody in politics is a crook. I do not believe that. I did not come here for that and none of us did.

Those who try to use the situation for partisan purposes and to smear everybody with a dirty brush are in fact discrediting the political process and, in so doing, discrediting all our members.

If some group of persons abused those funds, they should be arrested.

Some hon. members: Oh, oh!

Hon. Jean Lapierre: The Conservatives should not be lecturing us. There is a young fellow in the back there who is getting all riled up. Having been around here a long time, I can tell you that the Conservative Party, when on this side, was shown the door because of a problematic situation. It, however, did not have the courage to set up a commission to investigate itself.

So the Conservative Party should not be lecturing us. What they ought to be doing instead is admiring the courage of this Prime Minister. We are not embarrassed; our books are open. We have let the RCMP come and inspect the party's books. We have mandated a special counsel to turn up all the money that may have been given out in an inappropriate manner.

I will not accept any partisan attempts to cast doubt on the integrity of members of Parliament, ministers, or party supporters. If democracy is working, that is because of the faith some men and women have in the process. That is the case elsewhere as well as here. These people want to be involved in parties that are upright and honest. This is exactly why we want to see the Gomery inquiry get to the bottom of all this. These honest folk who donate time and energy as volunteers do not deserve to be tainted by the actions of a few scoundrels.

When I see these little bullies threatening an election, I realize that this is not because they want the truth. It is more or less like sentencing an accused person half way through the trial.

If we are concerned about the integrity of this place, and of our profession, we must make an effort to see that we get to the bottom of this and that we go through the entire process. We cannot settle for one-quarter or one-half of the evidence, we must have it all. We cannot pass judgment without all the information.

Some hon. members: Oh, oh!

Hon. Jean Lapierre: A member is saying that might be worse for us, but so what. We are not afraid. Whether better or worse, what we want is the truth. There are not a dozen truths, but just one. We will get to the bottom of things precisely because we have a Prime Minister who has the courage of his integrity.

Some opportunists are saying that we would be well served by an election, but this is not true. What we need is to get to the whole truth. Then, if the opposition parties are agreeable, having seen the report, to let the people decide, then we will have no problem with fighting it out in an election.

• (1630)

We will do so knowing the truth, which will be unveiled in the Gomery report. Then, the people will make a decision; that is how it works in a democracy. But this cannot be done while trying to hide half the facts.

It is my conviction that we have to let Justice Gomery do his job. Each one of us has to assess the situation responsibly, with a view to improving the public service. That is what this is all about: we are all paying the price for credibility. We have to be respectful of the public service and the political parties and, if, in one instance, there has been abuse on the part of a small group, we will have to make sure that group is punished.

The public is right to want the culprits to be found. These days, the taxpayers are doing their taxes. As a matter of fact, I got a call from my accountant this morning, and I was not in a good mood either. Naturally, no one likes doing their taxes. But it is worse when we have the feeling that our money was misused.

It is therefore important to get to the bottom of this. If certain individuals have misused the public's money, it is imperative that they be punished. If the Liberal Party inadvertently received any of the money—this is not known right now—then, those involved will have to pay the price. We in the Liberal Party will face the consequences and return any amount we might have inappropriately received, down to the last cent.

It is not true that party officers had a hand in anything. I know them, and I have talked to them. They swear to me that they have not witnessed any misappropriation. These people do not get involved in politics to deal with gangsters. Volunteers do not go door to door, just to get themselves corrupted by small time profiteers. Come on now.

That is why one must not condemn all politicians. Efforts must be made to make the process better. If any action can be taken, I am convinced that, when Justice Gomery's findings are released, the current Prime Minister will be the first to implement any and every recommendation, because he does not compromise when it comes to integrity.

Supply

By jumping to conclusions, we are not doing justice to this process, nor are we being fair and equitable, nor are we respecting the mandate that was given to Justice Gomery. We have to wait and hear the other witnesses. We said the hearings would last until the end of May. These people must have something to say.

Our commitment is definite. I made it during the last campaign and I have repeated it since. Every penny obtained directly or indirectly by the Liberal Party through improper activities will be promptly reimbursed. The only thing I need to know is what Justice Gomery's conclusions are and the exact amount. Whatever amount he arrives at, we will accept it and we will reimburse the money immediately. We know that it is not easy for political parties, but we want to make sure that integrity is our top priority. It is the only way we can ask for the support of our fellow Canadians.

We do not need a trust account. What we need is a report from Justice Gomery. The day we get it, the money will be promptly reimbursed. You have my word on it, and the word of the Prime Minister and of all the members of the Liberal Party of Canada. Hundreds of thousands of members of the party in Quebec do not want to see their reputation besmirched because some scoundrels have abused their trust.

• (1635)

[*English*]

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):

Mr. Speaker, I have listened intently to the member opposite. I must say on a personal note that I find the minister a very engaging individual and a very compelling speaker. I would like to ask the minister to indulge me and answer a hypothetical question, because the minister has been stating continuously that it may have happened, that these are allegations, and that perhaps if it had happened there would have been a small group of people involved.

Hypothetically, how can he reconcile this? I am having trouble figuring this one out. If some of the allegations were true, hypothetically, and if in fact, as has been alleged, many members, Liberal organizers, were on payrolls being paid by Groupaction and others, but still doing work for the Liberal Party of Canada, would not the Liberal Party of Canada have been able to recognize it and say, "If these are full time organizers and we are not paying them, something is going wrong here". Would it not?

How could it be contained to a small group of people, isolated people, without others within the organization knowing? If the allegations contained in the sworn testimony of the Gomery commission are true, to me it seems to be just inconceivable that only a few people would know about this. It has to be a larger problem than the minister is suggesting.

Hon. Jean Lapierre: Mr. Speaker, even if it is hypothetical, I have been searching quite a bit, as members can imagine, and this is what I have been told. On this idea that we had full time people at the party headquarters supposedly working for the party, the people I talked to have not seen them.

Supply

The reality is that some people may claim that they were working full time for the Liberal Party, but the legitimate elected executive of the Liberal Party did not see them as full time. Some of them might have been volunteers who would show up once in a while, but not full time staff. Obviously I would agree with the hon. member that if we have somebody there full time and we do not pay them we have to ask ourselves some questions. What we have heard about was potential volunteers who would drop by. The hon. member probably has the same in his riding association or at his party headquarters once in a while.

As for this whole system of people being full time and paid by somebody else, nobody has seen that, nobody I have talked to, and they were the elected officials, members of the conseil de direction. They have not been privy to that type of stuff.

That is why I say let us wait until the end of the Gomery inquiry, because a lot of those people who are supposed to have been full time or whatnot, they have to get in the box and answer the questions and Justice Gomery will decide, but at the present time we have a lot of question marks. I need those answers.

If people have been working full time for the Liberal Party and not getting paid by the Liberal Party, they should be totally reimbursed, I do not mind, but we have to know. Right now there are allegations, but people who were at headquarters never saw them full time.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I have a question for the Minister of Transport. It is quite difficult to follow him. On one hand, he admits that there is a little group—or clique, for he also used that word—and, on the other hand, he pretends that this can happen in other parties as well. We agree that it could happen.

Unless I am mistaken, however, it was not the Conservative Party or the NDP or the Bloc Québécois that controlled the national unity fund. It was his party that managed that fund. I think that he will admit that.

Given that and given the existence of a small group, would the minister not agree that in a party that is at all informed and transparent, people usually know what is going on? It was not the Holy Spirit who inspired the Prime Minister to create the Gomery commission. In three and a half years, the Bloc Québécois asked 444 questions before the Prime Minister decided to create the Gomery commission. We must not forget that.

I would like to hear the Minister of Transport on that. How can he explain that nobody at any location or level in his party saw or heard anything? Everybody knows that the Prime Minister was number two in the party at that time. I was not in the House when all that happened, I am a new member here. However, among the general public, everybody knew and saw what was going on. The Liberal Party was the only one seeing nothing.

Today, I have an opportunity to ask the question in the hope of getting a credible answer. I would like to have an answer to this: if there is a clique, a small group, it cannot be in the other parties, but only where people had control of the fund and could help themselves to it. A transparent and perceptive party must know where the clique

is and should identify it. That is the reason why the misappropriated money should be put into a trust fund.

• (1640)

Hon. Jean Lapierre: Mr. Speaker, I want to tell the member that I did say, in light of the allegations, that perhaps a group abused the situation. It has been said that it was the party, but that is not true. The government implemented programs. The party, its supporters and the executive managed the party. I can say personally, as political lieutenant, that the Quebec wing of the Liberal Party does not manage the government whatsoever. That is not its job. The government manages and the party is separate.

So, are there people who might have abused the situation in the party's name? Did a group abuse the situation? It is possible. That is what Justice Gomery is currently trying to determine. The member says that everyone knew; well, I am sorry but that is not true. In fact, in the media, we were all trying to get the scoop. I wanted the scoop just like everybody else. In reality, they were the only ones who knew the truth. That is why I find this is a bit surprising from the Bloc Québécois. In reality, those who learned the first disturbing facts were not members of the Bloc, but *Globe and Mail* reporters, including Daniel LeBlanc. He should get credit for his investigative reporting at the very least.

The member read the morning paper and asked the question in the afternoon. That was the member's contribution. These investigative journalists will, I hope, keep doing what they do since that is essentially why this country needs a free press.

What we were all trying to do, none of us successfully, was to learn all the facts. That is why we created a commission of inquiry, since it has exceptional powers that no press agency has. So, a commission of inquiry is able to do the work. We are learning disturbing information every day. We have agreed to this, because we want to learn the truth. We want the report and, once we have it, we will take action; and that is a promise.

[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, there have been a number of references today, I believe by the Minister of Transport and by other members of the Liberal Party, of these forensic reviews. I believe those forensic reviews were commissioned under the direction of that minister. He may want to confirm that the reviews have been filed with the Gomery commission.

Would he would be prepared to table those in the House so the public would have access to them?

[Translation]

Hon. Jean Lapierre: Mr. Speaker, they certainly will be available. These accounting analyses cost us an arm and a leg. It cost some \$200,000 to find out what happened and how the bookkeeping was done at a time when the Prime Minister and his people did not have control over the party.

The auditor was asked to conduct analyses in Quebec and at the national level. All the members of this House can consult these two audit reports, of some 200 pages, on the Liberal Party of Canada website. Everything was looked at. I am telling you, this money did not end up in the party's coffers. I can assure you of this since the auditor looked at every donation, every receipt, everything and it cost us an arm and a leg.

However, we have no idea if anything happened outside this context, in a parallel situation, without our knowledge, but the inquiry will find that out. Do you think that anyone who abused the name of the Liberal Party would tell us? Do you think that anyone who collected dirty money would brag about it? That is why we need the inquiry.

Liberal supporters are just as upset to hear about these things as I am. They are following the work of the inquiry and they are appalled, and rightfully so. All this happened without their knowledge and the name and good reputation of the Liberal Party has been abused. That is why we want this cleaned up. If there are any individuals or groups that abused the party's name, then they should pay.

• (1645)

[*English*]

The Deputy Speaker: 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 Renfrew—Nipissing—Pembroke, National Defence; the hon. member for Edmonton—Leduc, Taxation; the hon. member for Desnethé—Missinippi—Churchill River, Transport Canada.

[*Translation*]

I believe the member for Portneuf—Jacques-Cartier has used only 10 of the 20 minutes allotted for his speech and I understand that he wanted to share the remaining 10 minutes with another member.

The member for Saint-Bruno—Saint-Hubert.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the motion brought forward by the Bloc Québécois simply asks that the Liberal Party deposit the money into a trust account. It is not complicated and it makes a lot of sense.

When one realizes that a sum of money belongs to someone else, based on what people have said under oath, the least one can do is to part with that money, to put it aside for some time and then decide what to do with it once the work of the Gomery commission is completed. However, that money must first be deposited into a trust account because some people said under oath that it does not belong to the Liberal Party. This is why I have a hard time figuring out why the Minister of Transport keeps saying the contrary at the top of his lungs.

I would like to remind members that the Liberal Party ran three campaigns with tainted money. Let us not forget that it was the member for Outremont who first used that term. We must prevent that party to run a fourth campaign with that tainted money.

The current Prime Minister, the member for LaSalle—Émard, did nothing until he was pushed to the wall by the opposition, the media

Supply

and the ire of the public. If the current Prime Minister is still refusing to give back that dirty money, the House must force him to do so.

The Prime Minister does not have to wait for the end of the Gomery commission. For example, Bernard Landry, the president of the Parti Québécois, has a very strict code of ethics, that is, one that is healthy and normal. So as soon as allegations were made at the Gomery commission that money had been paid to the Parti Québécois, he immediately put it in a trust. He is awaiting the next phase, that is, the end of the Gomery commission. That is the way things usually work. That is how people act when they have a good code of ethics.

It is true that these are allegations, but remember, they are very serious, documented and made under oath. Let us not forget that.

How can anyone oppose the motion by the Bloc Québécois? I had a lot of trouble finding reasons, but I found three of them. Naturally, I will now elaborate on them.

Spontaneously, the first reason that came to me is that the Liberals are in denial. They deny the facts, do not see reality and are not aware of what is going on. Yet, as I said just now, the allegations at the Gomery commission are documented, serious and made under oath.

I have drawn up a little list so that, together, we can remember all of this. First, let's talk about the sources of the money. There is the money officially paid to the Liberal Party by the companies of Jean Brault and Groupaction: \$166,000. There are the salaries and "other payments" made to Alain Renaud, who was working for the Liberal Party: \$1 million. There are the payments to PluriDesign "for the cause": \$530,000, broken down into \$430,000 and \$100,000 according to Jean Brault's estimates. Phoney invoices from Commando: \$70,000, including \$50,000 for certain organizers and \$20,000 for eastern Quebec. There are payments of various invoices: \$44,000, including a Liberal Party video by Nathalie Tremblay, \$24,000; Verchères golf club, \$14,100; and Georges Farrah's canvassing at the Summit of the Americas, \$6,000. And there is more.

There is the assistance sought by Mr. Corbeil after the 2000 election: \$60,000. The hiring of "Liberal friends": \$230,000. Who are these Liberal friends? They are Daniel-Yves Durand: \$500 a week for two months; Serge Gosselin: \$80,000; John Welch: \$97,000; Marie-Lyne Chrétien: 8 months at Groupaction; Wiseman: \$20,000 or \$25,000. There is also the payment by Richard Boudrault: \$40,000 for three election workers, and a loan from Richard Boudrault for the 1997 election. There are cash payments in 1997: \$50,000. There are cash payments to put off the call for tenders on the "firearms registry" account: \$50,000. There is a phoney invoice issued by Gaby Chrétien for Liberal Party funding: \$4,000. The total comes to \$2.2 million.

As you can see, these facts are so specific that one cannot just shrug them off and say they are not serious allegations. I remind you that they are very serious, and documented, and made under oath. So it is not very likely that the Liberals are going to deny the facts.

The second reason why one might perhaps not vote in favour of the motion is that one might deny that there was a system. For there was indeed a system in that party.

Supply

● (1650)

One would have to be very naive to think that no system existed for organizing all this misappropriation of funds from the Liberal government. According to my colleague from Nepean—Carleton, it was theft.

We have learned from the commission that there was indeed a system. According to sworn testimony—I remind you—the system consisted of networks, in the plural, or cliques, still in the plural, where some very highly placed public officials, owners and employees of greedy communications agencies, and senior Liberal Party officials met, but most of all and most importantly, as the crowning touch, with political direction. The obvious pretext was to plaster Quebec with red flags and use flagpoles to drive Canadian unity down the throats of Quebecers—a failing proposition, obviously. In fact, 54 members of the Bloc Québécois are here in the House and they are the living proof that it failed.

The results of the next election campaign will show again that they achieved the opposite effect, and I do not dare yet to predict the results of another referendum.

I want to tell you a bit about the system that was discussed at the Gomery commission. First there was Jacques Corriveau, the main Liberal Party financier and bagman, who took 10% of the agency commissions collected by Groupaction on sponsorship contracts awarded to Polygone. Through this scheme alone, Jacques Corriveau was able to collect half a million dollars for the Liberal Party of Canada.

Jean Brault was highly sought after financially by the Liberal Party of Canada between 1995 and 2002. He and his companies provided more than \$2.2 million, either in cash or through the payment of fictitious professional fees, the payment of phony invoices, the settlement of bills incurred by the Liberal Party, such as for golf tournaments, restaurants, videos, etc., the payment of contributions to funding activities, and Groupaction hiring various people who never worked there. This dirty money is only a start. Further testimony will make it possible to add to it.

While the member for Outremont blames these acts on a parallel group or clique, as he just said, in order to minimize the situation, the witnesses at the Gomery commission tell us that the highest levels of the Liberal Party were involved.

The office of Prime Minister Jean Chrétien, Jean Pelletier, Jean Carle approved the budgets and projects. Every year, the Department of Finance replenished the Canadian unity fund, which was financing the Sponsorship Program. The Treasury Board and its president, the member for Westmount—Ville-Marie and its vice-president, the current Prime Minister, closed their eyes to certain dubious practices. The bagmen and agencies doing partisan work for the Liberal Party filled their pockets.

The system worked extremely well. Funds were merrily taken from the Department of Public Works to fill the Liberal Party's coffers, while greasing the palms of agency friends. The latter tried, by the way, to reproduce in Quebec the model that they had learned on the federal level, but it did not work. The Liberals must put the dirty money into a trust fund.

● (1655)

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, I would like to ask my colleague, following her intervention filled with allegations, if, on one hand, she believes in the Gomery commission and if, on the other hand, she believes that it is also a good approach to have pursued civil action against those who have allegedly diverted funds?

Furthermore, does she believe that it is a good approach to go before criminal courts when we think we are able to prove that some individuals have committed fraud, what could even be called influence peddling? Does she agree with these approaches?

Finally, she insists on telling us that it is absolutely extraordinary that the Parti Québécois has established a trust account, as if this were the panacea of the century. If my memory serves me well, having heard some comments and read probably the same newspapers as my colleague, it seems to me that I heard that it had received \$100,000 from the famous witness whom she mentioned a lot in her speech. As far as I know, according to what the leader of the Parti Québécois said, with his hand on his heart, \$20,000 was put into the trust account. Where is the other \$80,000? That is the question I would like to ask my colleague.

Mrs. Carole Lavallée: Mr. Speaker, I have such faith in the Gomery commission and in all the other legal proceedings under way that I think it is important to deposit the money in a trust right away and to at least wait for the commission to complete its work before deciding what to do with that money placed in trust.

[*English*]

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I listened carefully to the previous speaker. There was mention of Mr. Brault and some of his testimony. I am surprised the opposition is making all its decisions based on that testimony. Mr. Brault has been indicted for fraud. He is being sued for \$30 million. There will be other witnesses testifying before Justice Gomery in the next number of weeks.

I go back to the fact that the public accounts committee has reported. There were 29 recommendations and the government has acted on 16. The special counsel for financial review has reported and made recommendations. Nineteen individuals and companies have settlement claims to the tune of \$41 million. These were all actions taken by the Prime Minister and the government as soon as the recommendations came through.

Does the member agree that it is important for Gomery to finish his work in the next number of months as far as witnesses and to ensure that his report is completed as soon as possible so the government can then act on those recommendations that the Gomery report brings forward?

[*Translation*]

Mrs. Carole Lavallée: Mr. Speaker, obviously I believe that the work done by the Gomery commission is extremely important. I believe the allegations that have been made have been well documented. They have been very serious and made under oath.

That is why we must take the money that was diverted to the Liberal Party, put it in trust and wait for the conclusion of the Gomery commission before deciding what the Liberal Party should do with that money, depending on the outcome of the trials or the findings in the Gomery report.

[*English*]

Hon. Walt Lastewka: Mr. Speaker, some of the 19 defendants who have been served statements of claim to the tune of \$41 million are members of some of the groups she has mentioned: Groupaction, Groupe Everest, Gosselin and Jean Lafleur Communications. It would seem that out of justice of proper law in Canada this will now be brought to the Superior Court in the judicial district of Montreal and the court proceedings should go forward with the statements of claim for these various communications agencies.

Does she agree that this action by the government is the proper way to serve justice in our country called Canada?

• (1700)

[*Translation*]

Mrs. Carole Lavallée: Mr. Speaker, the way to do justice to Quebec and Canadian taxpayers is to prevent the Liberal Party of Canada from waging a fourth election campaign with dirty sponsorship money.

Paul Martin has said that he had the moral responsibility to act. But as early as 1993-1994, the Liberal Party received contributions from certain agencies, and as a result—

The Acting Speaker (Mr. Marcel Proulx): I apologize for interrupting the hon. member, but I thought I heard the name of an hon. member of this House. I believe she knows the rule.

The hon. member now has the floor to rephrase her remarks.

Mrs. Carole Lavallée: Excuse me, Mr. Speaker, I got carried away.

I was saying that the Prime Minister said he had the moral responsibility to act. We all agree on that point. However, beginning in 1993-94, the Liberal Party received contributions from certain communications agencies, notably those of Jean Brault and Jean Lafleur and all of those that the hon. member named. So the Liberal Party waged a campaign with dirty money in 1997, in 2000 and in 2004. The same thing must not happen again in 2005.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, first, I want to congratulate the hon. member for Saint-Bruno—Saint-Hubert for her excellent speech. I think it will be remembered as one of the best analyses of this scandal, and particularly of the irresponsibility of this government and of the Prime Minister, who does not want to finish the job that he should be doing.

I am also very proud to rise in this House to defend the Bloc Québécois' motion. In my opinion, this motion makes perfect sense under the circumstances. I will read it again, so that those who are watching us at home can see that it is easy to understand and that it should normally enjoy a consensus in the House. So, the motion reads as follows:

That the House call on the government to immediately establish a trust account into which the Liberal Party of Canada can deposit all funds received from companies and individuals tied to the sponsorship scandal and identified in testimony before the Gomery commission.

Supply

This motion asks that the government, as the steward of the Canadian and Quebec taxpayers' money, act responsibly following the revelations made at the Gomery commission and establish a trust, that is an account to ensure that, when the Gomery commission has completed its work, when Mr. Justice Gomery has presented his findings and recommendation, the money will not have disappeared—as too many people with close ties to the Liberal Party of Canada probably imagined would happen—and can actually be recovered.

So, the government is basically being asked to act like a reasonable person—or a good parent, as we used to say—and to establish an account, so that the Liberal Party of Canada can transfer at least \$2.2 million and thus satisfy the wishes of the House and of the government. Again, this measure would ensure that, at the end of the Gomery commission process, we can recover that money. Let us not forget that this whole scheme was funded with our taxes.

So it seems to me that the argument often used by the federal Liberals, that we have to wait until the Gomery commission finishes its work, is totally irrelevant. We want to ensure that this money will be recovered when the commission tables its report and makes its recommendations. That is why we must take immediate action, before the money disappears. This is the only responsible thing to do, and it is what the government and the Liberal Party should do.

Instead, our friends opposite are resorting to sophistry to delay, once again, assuming their responsibilities, which, unfortunately, has been the case since the new leader of the Liberal Party took over the party and became the Prime Minister of Canada. All his decisions have been the result of pressure from the opposition, particularly the Bloc, public opinion and the media.

Once again, the Bloc Québécois is doing its job and showing the Prime Minister, the government and the Liberal Party the way forward. That is why I am extremely proud to belong to this party. On this side, we know full well that, sooner or later, the Liberal Party of Canada and the government—if it is still there after the election—will have to move in the right direction.

I am pleased to see that there is consensus among the opposition parties on this motion. As a result, we expect that the House will adopt this motion next week. I hope that the Prime Minister and the government will obey the decision of a majority in this House.

Once again, this motion is in keeping with the work being done by the Gomery commission and aims simply to ensure that the government assumes its responsibilities and ensures the proper use of public funds. When funds are misappropriated, we must take steps to recover them. In this case, in order to ensure that, ultimately, these funds can be recovered, the Liberal Party of Canada must immediately put this dirty money, identified in testimony before the Gomery commission, in an account created by this Liberal government. We are talking about \$2.2 million.

Supply

•(1705)

I would still like to add one element regarding the political aspect and I believe my colleagues mentioned it earlier today. Since the referendum in 1995, we have seen the Liberal government and the Liberal Party of Canada consistently sliding, identifying Quebec and Canada's interests with the federalist interests, as if the sovereignist option had no legitimacy. To quote Jean Chrétien, who was talking here in this House only a few months ago, any and all means are acceptable when it comes to preventing Quebecers from making a democratic and informed decision about their common future.

This totally anti-democratic vision led to the sponsorship program aimed at increasing the visibility of the federal government. They thought that by increasing their visibility, they could promote federalism, which in my view is insulting for Quebecers. We went from there to another vision that is becoming progressively clear in the testimonies heard at the Gomery commission, a vision in which the interests of the Canadian federalism have become the interests of the Liberal Party of Canada.

We have seen it many times in the attitude taken by that government and that party who believe they are the only party in Canada. To them, there is no other alternative than the one they promote, whether for forming a government or planning a society.

Finally, things have slipped. We must understand that through this system they were defending not only a vision of Canada that is totally anti-democratic and the partisan interests of the Liberal Party of Canada. They also found a way to be very generous with governing party's cronies and finally, as the Gomery commission has shown, to increase funding for the Liberal Party.

There has been an impressive shift since 1995 and it did not go unnoticed among Quebecers as indicated by the opinion polls made public in the last few weeks. Not only did last June election showed that the Quebecers wanted to teach a lesson or two to the federal Liberals, but Quebecers are now looking forward to the next election and the opportunity to condemn even more strongly the actions of the Liberal Party of Canada and of the agencies with close ties to the Liberal government and that party.

Quebeckers could not be fooled by the shenanigans of Jean Chrétien's Liberals and others, like the current Minister of Environment who thinks that Quebecers can be brainwashed to become good disciplined federalists.

That is not how things work in the life of a people. Values, objectives, and national identity are such that the number of flags and the amount of money spent in publicity will not stop history. I believe that is quite obvious in Quebec since in the last election 54 Bloc Québécois members were elected, which brings us back to square one.

The sponsorship scandal is not our doing, but theirs. We are placed in a situation where the sovereignists in Quebec are going to take the offensive, are taking the offensive. We hope that the federal election will be called as quickly as possible in order to teach the federal Liberals a lesson and also to get to the bottom of this all, to what lies behind the sponsorship scandal, namely the question of the Quebec nation. We want to settle that once and for all.

Once again, we are not the ones who created the situation. The Gomery inquiry will, I believe, enable us to convince those Quebecers who were not, unfortunately, convinced in 1995 that a healthy and democratic political life, without the corruption we are seeing at the federal level at present, requires us to have our own country, that it requires Quebec sovereignty. This is what lies behind the sponsorship scandal, and what puts an end to that scandal will be the sovereignty of Quebec

In my opinion, the hon. member for Gatineau is a pretty extraordinary woman. She really believes the party line she has been given. She is trying to draw a comparison with the situation in Quebec. She speaks of the \$100,000 mentioned by Jean Brault at the Gomery inquiry. She speaks of the \$50,000 the Quebec Liberal Party supposedly received from Jean Brault's agency.

•(1710)

It is not at all the same thing. The Deputy Premier of Quebec, Jean Dupuis, who is a Liberal working with Jean Charest, has no desire for Quebec's sovereignty. He has made that clear. Quebec's system is not perfect, but it has avoided scandals in awarding contracts or plumping up the electoral funds of various parties. It is quite likely that Jean Brault somewhat naively thought he could set up the same system in Quebec as the one in Ottawa, but it did not work.

The beauty of the Gomery inquiry is that it has shown us that the same people in Ottawa, who got rich on the backs of the taxpayers, wanted to set up the same system in Quebec, but it did not work. Quebec's political party financing legislation and the parties' ethics, whether the Parti Québécois or the Liberal Party of Quebec, ensured that this system did not get off the ground. Even though some people made contributions that did not comply with Quebec legislation, the system generally prevailed. The proof is that Jean Brault did not get the Société des alcools du Québec contract.

Quebec's chief electoral officer was called by some people to conduct an investigation following the revelations at the Gomery inquiry. He looked at the case and said there was nothing to investigate, that it was an obvious aberration, and that the guilty parties would be found, those people who contributed to the Liberal Party of Quebec or the Parti Québécois, those who set up their expense accounts so that their employer could deposit a cheque. Sometimes the employer did not even wait for an invoice and issued a cheque immediately. That is illegal and it is in this context that Bernard Landry did the only responsible thing, the only honest thing, and that is to create a trust account.

Supply

Commissioner Gomery now says, "I cannot provide you with the list because that is not my mandate." Indeed, Radio-Canada journalist, Pierre Tourangeau, followed a similar path and he arrived at the same result as the Parti Québécois. So far, with their resources, since the Gomery commission states that it does not have jurisdiction in that regard, they have managed to track down somewhere between \$20,000 and \$30,000. However, they have acted entirely in good faith, which is not the case with this government and this party. They have been given a chance. They should take it and maybe approach the problem differently than they have been doing since at least the year 2000, if not since 1997.

The Liberals must take their responsibilities to the end and not just talk about them. I understand more and more the definition of a Liberal: You talk, you talk, you talk and you do not take action. You do not do anything, except maybe slip a little something to your cronies.

In that sense, we are doing them a service today. We are giving them a chance to change course or to make a fresh start with the Canadian and Quebec public. In my opinion, as far as Quebec is concerned, it is over forever. On the other hand, the Liberals may still have an opportunity to redeem themselves in the eyes of the citizens of Canada.

If they were intelligent, they would accept the solution offered to them by the Bloc Québécois and the other opposition parties, which is to establish a trust account. Also, because of the close relationship between the government and the Liberal Party of Canada—in fact, the Prime Minister is the leader of that political party—that party should be asked to deposit the \$2.2 million in that trust account immediately, as well as any other amount found by the commission as it continues its work.

There is no reason to wait. The first responsible step to take is to establish that trust account. However, I would like to add a few elements. I said it and I will repeat, the sponsorship scandal was not caused simply by the greed of ad agencies with close ties to the Liberals or by the greed of the Liberals themselves. It is also related to the issue of Quebec sovereignty. After the 1995 referendum, the federal government thought it could buy Quebecers with a program aimed at increasing its visibility, but that effort failed, as I mentioned earlier.

Why was the government able to do such a thing? Because it had money, which brings us back to the fiscal imbalance. If the federal government and the federal Liberals acted responsibly with regard to the fiscal imbalance, they would not have these huge surpluses and they would not have been able to hide from the public, from the Auditor General and from Parliament that, for many years, they funnelled millions of dollars out of the system. In Quebec and in most provinces, money is so tight that everybody knows exactly what is spent on health, education, culture and infrastructure.

• (1715)

Here, the need creates the means. First, someone has the idea. This was the case with Mr. Chrétien and no doubt with the people around him. So, for example, it was decided to set up a sponsorship program. No problem. The money is there, and there is a little secret fund. It is not a problem if they lose money, because there will be more and they can get as much as they want.

I recall that, since the Liberals have been in power, over \$70 billion in unforeseen surpluses—come on—have gone in part to repay the debt, when it should have been used to enable the provinces to meet the needs of their people in health care, education, culture, the fight against poverty, highway or other infrastructures, public transit, and so on. But no, the government prefers to continue to have the provinces, especially Quebec, in a stranglehold. It uses the money to create new programs, but deviations continue.

I would not be surprised if there were also a scandal in the case of the firearms registry. Indeed, some facts have started to come out at the Gomery commission. We are totally in favour of such a program and we do not question its soundness. However, it is totally out of line that a program that was supposed to cost, according to what Martin Cauchon said in the House, \$2 million a year, will end up costing almost \$2 billion, and that it will have zero effectiveness, which is a record.

I received yet another letter from one of my constituents who has been trying for four and a half years to register his firearms. I was also told a story that I will relate as an anecdote to lighten up the atmosphere, since what is happening here, in Ottawa, is so serious. One of my constituents managed to register his Black & Decker as a firearm. That is how totally ineffective this program is.

I am convinced that some firms, particularly those which specialize in computer systems, have taken advantage of this ineffectiveness to suggest some gizmo or some other program. As I mentioned to you, certain facts came out at the Gomery commission. This \$2 billion went into someone's pockets; it did not simply disappear.

The same happened with the \$4 million or so national unity fund. At the time of the referendum, Option Canada's estimate was \$4.6 million, if I remember correctly. But the Auditor General at the time was unable to find out how this \$4.6 million was spent. He gave up, because there was insufficient documentation.

This kind of thing could not happen in Quebec, where there is a requirement and a desire to manage money properly. It could happen, however, should the federal government repeatedly show surpluses and manage to keep all the money it wants to cover its needs, invade other jurisdictions and implement programs like the one that led to the sponsorship scandal, with which we are taking issue.

All in all, everything that is coming out of the Gomery commission these days is a clear indication of how worn out this government is. We have known it for quite some time. The Bloc Québécois was denouncing it back in the late 1990s. Just think of Auberge Grand-Mère and other conflicts of interest we raised. The ethics commissioner at the time, who reported to the Prime Minister—imagine that—said there was no problem. We saw that coming. We can safely say that, as early as 1997, the Liberal government was already showing signs that it was at the end of its worn out rope. The wear and tear is even more obvious from the Gomery commission.

Supply

Once the trust has been set up, the only logical thing to do will be to call an election, so that these worn out Liberals can be sent back to the opposition. They are riddled with corruption and unable to put their party in order. They have become devoid of imagination and are unable to resolve the problems of the unemployed.

In this context, I encourage the House to adopt the motion put forward by the Bloc Québécois. I thank the opposition parties for supporting it.

• (1720)

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I will repeat what I have said in another question to one of the Bloc members. The Prime Minister said time and again that if the Gomery commission that he has set up, or the special counsel whom he has appointed, conclude that sponsorship money was paid to the Liberal Party, that money will be repaid in full. I am surprised that the Bloc Québécois, which usually has respect for justice and for the procedures established by the Prime Minister, is looking at allegations made by people involved in another criminal process. I would like to quote what the Prime minister said on April 13, 2005 to journalists here outside this House:

Doing the right thing doesn't mean much when the right thing is easy to do. The true test of character is whether you do the right thing when it's difficult. I believe that Canadians look to their political leaders to take responsibility and to show character, and as Prime Minister, I accept my responsibility, and I am accountable. And I have taken the hard, the difficult decisions, and we need to hear Mr. Justice Gomery's conclusions. Establishing the Gomery commission has cost me and my party political support, but it was and remains the right thing to do, because it is needed to defend and protect the integrity of our political process.

And I would add "of our judicial process" as well. That matters a great deal more than the ambitions of any political leader, be it Stephen Harper, Gilles Duceppe or Jack Layton. I would like to know from the member if he will respect the judicial process or if he will accept Mr. Brault's allegations.

Mr. Pierre Paquette: Mr. Speaker, to be responsible is also to be logical. When the Prime Minister terminated the sponsorship program, he did not wait for the completion of the Gomery commission. In fact, he set up the Gomery commission when he saw that there was a problem. He launched legal proceedings to recover the money and he fired Gagliano. We knew about it. I remember very clearly that we were in the Standing Committee on Foreign Affairs—I was with my colleague, the member for La Pointe-de-l'Île—and we had requested that Mr. Gagliano, who had just been appointed ambassador to Denmark, appear before the committee. He came and we tried to ask questions related to the sponsorship scandal, which was starting to come out. We did not have the Auditor General's report, but we had information and we asked questions.

It is the Liberals, who talk about respecting the judicial process, who prevented us from asking questions of Gagliano. They covered him. When, later, they had to face the facts, which they could no longer deny because everybody knew about them, they brought him back. Why? To try and have him take the rap. That is the tactic of the Prime Minister, of the Liberals and of the government—to hope that somebody else will take the rap. We will never accept that.

• (1725)

Hon. Eleni Bakopanos: Mr. Speaker, I just want to say that Mr. Gagliano was recalled by the Prime Minister. I would like to put my question again. Will the process that has been put in place and for which someone, namely the Prime Minister, has assumed responsibility be respected?

Mr. Pierre Paquette: Mr. Speaker, he did so because public opinion figured out that he was involved in the sponsorship scandal. This has nothing to do with the recall by the Prime Minister. He had to do it, the same way that he will have to establish a trust account; otherwise, he will lose his election. He is already losing it anyway.

[*English*]

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, justice should not just be done, it should be seen to be done. We have heard a lot of the former from the government over here and a lot about justice being done, but we have not heard anything from the government about justice being seen to be done, which is at the heart of this motion today.

We have sworn testimony, under penalty if it is perjured, establishing \$2.2 million used to buy at least two federal elections in Quebec by the Liberal Party of Canada. A trust fund for this amount seems a reasonable thing in order for justice to be seen to be done while the Gomery inquiry continues. Would the hon. member care to comment on justice being seen to be done?

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I fully support what the hon. member just said. Indeed, justice has to not only be done, but also be seen to be done.

I cited the example of Mr. Gagliano. Everyone knew, it was a matter of public knowledge, that he was involved in dealings where there appeared to be irregularities in the bookkeeping. That did not stop the government from appointing him as Canada's ambassador to Denmark. Only under the pressure of public opinion and opposition parties was Mr. Gagliano recalled.

I find it unfortunate that the government and the Prime Minister are not assuming their responsibilities and taking the initiative—that is what leadership is all about—to prove that they are being honest. Instead, they constantly have to be pushed and backed into a corner before they act.

The Acting Speaker (Mr. Marcel Proulx): It being 5:28 p.m., pursuant to order made earlier today, all questions necessary for disposal of the opposition motion shall be deemed put, and a recorded division deemed requested and deferred until Tuesday, April 19, 2005, at the expiry of the time provided for government orders.

It being 5:29 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

INCOME TAX ACT

The House resumed from February 4 consideration of the motion that Bill C-265, an act to amend the Income Tax Act (exemption from taxation of 50% of United States social security payments to Canadian residents), be read the second time and referred to a committee.

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, I am very pleased to rise to speak this legislation. First, I congratulate a couple of my colleagues who have helped push this matter. One of course is the member for Calgary Southeast. In the previous Parliament he brought this to the attention of the House and asked a very reasonable request of the government and the House to make changes on this. That was not forthcoming. Therefore, I congratulate my colleague, the member for Essex who has been an outstanding representative in this chamber. He has been a very effective member of Parliament. I told him immediately, when he was putting the legislation together, how pleased I was and how important it was.

Bill C-265 is an act to amend the Income Tax Act to reduce from 85% to 50% the inclusion rate on United States social security benefits paid to Canadian residents. How did this come about? In the late nineties, the inclusion rate for Canadian citizens who were in receipt of United States social security meant that 85% of it was exempt. If a person earned social security or received a social security pension, 15% was included that person's income.

We could ask why is that fair? Why would it be the case or why would it be treated that way? If we go back to the reason why Canadians are getting United States social security, we would know that they did not get any deductions as we do on the Canada pension plan. All Canadians who are required to pay the Canada pension premium have weekly deductions on their pay for that pension. At the end of the year when filing their income taxes, they are able to deduct it.

Therefore, it is only reasonable that the amount of money they get from Canada pension would be included as part of their income, and that is only fair. However, that is not the case with respect to United States social security. We are talking about Canadians who worked in the United States. They paid into the United States social security, but when they paid their income tax, they did not get a deduction for it. I should add a little known fact. Those Canadians who worked in the United States were always taxed at the highest rate.

The United States, unlike Canada, has basically one rate as one moves through the system. There are several rates depending on, among other things, one's family or marital status or whether one has children. What the American taxation system did for individuals working there was to assume they would have no deductions whatsoever and they would tax them at the very highest possible rate.

There could be an individual who worked in the United States and might have supported three, four, five or six children in Canada and a spouse, but they were taxed at the highest rate. There was some rationale to this. I suppose from the point of view of the Americans, they can say that they do not know how many dependants a person

Private Members' Business

has. A person could tell them that he or she had six or ten dependants, but how would they police that? Therefore, they taxed everybody at the highest rate.

Canadians who were paying into the United States social security system paid at the very highest rate in the United States and then were given a credit when they filed Canadian income tax. At the same time they did not get a deduction.

Is it reasonable at this point, when they finally get a pension from the United States, to have favourable tax treatment? Of course it is. It is only fair. That is the way it was in this country for a long time.

I mentioned the member for Calgary Southeast and his work on it. He saw the injustice as soon as it took place and tried to convince the government to do something about it because it was only fair. We could say we are only talking about a few people, but that is not the case.

• (1730)

About 80,000 residents in Canada are recipients of the United States social security. For those individuals, all of them seniors, this is a big deal for them. In my riding of Niagara Falls, I have hundreds of people who are in receipt of United States social security. It was a rude awakening for them when they found out that instead of getting an 85% deduction on their inclusion rates, it became only 50%. This is a huge increase.

If people are dependent on United States social security, it is highly unlikely they will get a pension from Canada. They can only work in one place at one time. They are dependent upon that and all of a sudden they are getting a 70% tax increase. This is a huge burden that was placed on those individuals who found themselves now the victims of this new treaty.

How did it come about? This was negotiated between this government and the government of the United States through a series of protocols and acts. They went in with their eyes wide open. Why sell out these 80,000 Canadians? I have no idea why they would want to do that.

Mr. Joe Comartin: It's for money.

Hon. Rob Nicholson: My friend indicates that is because they could collect more money from them. While they would be trumpeting and telling people how wonderful they were to seniors, they would be reaching into their pockets and pulling money out them.

It was wrong then and it is still wrong today. People notice. They even notice this bill. It is so vital to a group of Canadians that they have been following this very carefully.

In the last week an individual from Niagara Falls, whose name I have permission to release, Mr. Fred Ruish, called my office. He hopes it is still going through Parliament and that this will be discussed and adopted. My office has had discussions with him. In my conversations with him, I have told him we are doing our very best to push this through. I ask members on the other side to have a look at this and the fairness of it.

Private Members' Business

The government does not balance the books on what it takes in by collecting more money from Canadian pensioners receiving United States social security. This is a very small amount in the overall scheme of things, but it is a huge thing for those individuals who receive this payment.

This is now at the point where Parliament will have to decide on this. Canadians across the country, including my own riding of Niagara Falls, Niagara-on-the-Lake and Fort Erie, are quite interested in this. Quite apart from the numbers and their location in the country, I have maintained, as have my colleagues, that it is a question of being fair to people who have contributed, paid and have been part of one regime. Then they find, when they are ready to collect their social security which they depend upon, that the rules have been changed. This is a big injustice. I cannot understand how the government walked into this with its eyes open, but it did.

An hon. member: Susan Whelan.

Hon. Rob Nicholson: The hon. member mentions the name Susan Whelan. I am not sure who negotiated this on behalf of the government. Whoever it was, this was a sad day for people who were trying to protect senior citizens.

This has my complete support. I am very enthusiastic and pleased that we have brought it to this chamber. I hope all hon. members will put aside partisan differences. Quite frankly, I do not care brought it in at this point, if this Parliament can join together and get the bill passed because it is the right thing to do.

• (1735)

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, the previous speaker, the Conservative Whip, has touched on what I think is the essential point. It is fairness and justice with regard to this issue.

Like him, I want to pay a testimonial in my opening remarks to a couple of people from my riding in the city of Windsor, the county of Essex. They have been instrumental in keeping the fight going. This fight is basically 10 years old now. This fight has been conducted by and large by people who were retired when it started. These were people in their early sixties to early seventies who of course have now advanced in age, and a good number of whom, sadly I have to say, have passed away without achieving justice from the government.

I want to mention Olive Smith who has been the leader in our community for a good number of years. In spite of ill health on her part and ill health on the part of her husband, she has led the fight and been an inspiration to the community. She helped start a group that is commonly referred to as CASSE, Canadians Asking for Social Security Equality. This is a group that started back in the mid-nineties. It has continued on pursuing this fight for the people in my riding and my community, but also for people who are in the same circumstances right across this country.

The other person I want to mention is Bill Thrasher. He has really picked up the ball in the last few years. He was instrumental at the start, but as Olive's health has become more difficult for her to cope with, he has picked up and provided the leadership. He is constantly pressing this issue because he has a desperate need to obtain justice for himself and for those people on whose behalf he is working.

The whip of the Conservative Party mentioned some numbers. I would challenge him a bit on these numbers. When this process began, 80,000 individuals in Canada were affected by this change in their tax status. There were 80,000 recipients of social security benefits in Canada at that time.

We are not sure, because I cannot get the figure from our Department of National Revenue, but the estimate is that almost half of those people have passed away without receiving justice.

It is quite simple. This is about a contract that was made between a government and their taxpayers. The government said that if they made this contribution, it would tax them on only some of that revenue now and not on others, but when the taxpayers received the benefit from this down the road when they retired, the government said it would similarly only tax them on this amount, and it was a fifty-fifty split.

As they made the contribution to social security, they were taxed on only 50% of that money. They were exempted from the other 50%. On the other hand, when the money was coming out, they were taxed on only 50% and received the other 50% tax free. It was a straight contract between citizens and their government in the United States.

We then entered into a tax treaty with the United States, so that people receiving Canada pension in the United States would have their tax assessed on that revenue income by the United States national government, and people receiving social security residing in Canada would be taxed by the Canadian government.

The American government, to their credit, honoured the arrangement between Canadian pension receivers, who were Canadians, but living in the United States, so that they were taxed at exactly the same rate, although they were now being taxed by the U.S. government. To our eternal embarrassment and shame, Canada broke the deal. Instead of taxing on 50%, Canada began taxing on 85%.

• (1740)

We have to appreciate, in the sense of personal tragedy, that we had 80,000 recipients of social security in Canada who had their income changed overnight, fairly limited income in a lot of cases. All of a sudden they were losing a significant amount of dollars to the federal government in this country because of additional taxation.

They had established their lifestyle based on what the U.S. government had been taxing them. In most cases they had no way of adjusting. They were on a fixed, retirement income. Most of them were too elderly at that point to take a part time job, but some of them were forced to take one, actually.

I always tell a couple of stories with regard to this because the conduct of the government is really offensive. This was done when this Prime Minister was the finance minister. He knows because the member from Calgary told him, Mr. Thrasher told him, and Ms. Smith told him. There were hearings in the Senate on this and it was made very clear to the government that it had messed this up. The Prime Minister has repeatedly refused.

Private Members' Business

He was in my riding one time and the CASSE people were out front demonstrating. He would not confront them. He slid in through the backdoor of the hall and he left through the backdoor of the hall. That is real leadership in this country. That is a really fair way to treat our retirees and our senior citizens.

I want to mention a couple of stories. I was canvassing in one of the elections. One day a man started talking to me about the social security injustice. He mentioned that his brother, who had lived in his own apartment, was now living with him because he could no longer afford his own apartment. He had to move in with this brother. This was a man in his mid-sixties who had been independent all his life.

The man told me that his brother spends almost the entire day in his room. He comes out to go to the washroom, he comes out to get his food, and he takes his food back into his room. He has become a total recluse because he is so embarrassed that he cannot pay his way through life. He worked hard all his life, built up a pension plan that would allow him to retire with some dignity, and this is what happened.

The other story I tell is about a couple who are members of my church. Both of them had worked in the United States and had retired to Canada. They were Canadian citizens. They had never owned a house because their jobs had never allowed for that. They had looked forward to owning a house in their retirement. In fact, they bought a house the year before this change came into being. They both got slapped with what, in effect, was a 35% increase in their taxation.

For about a year they were able to continue holding on. They had taken out a relatively modest mortgage, but their incomes were small and that taxation was hurting them badly. To add to the tragedy, the husband contracted an illness and died within a year after that. There was absolutely no way his wife could manage to keep the house, so within a two year period, she had to give up that dream they had all their lives and give up the house. She had to sell it. To this day, when I see her in church, and I mean this literally, she still curses the Prime Minister. She is that angry. That anger reflects the attitude of most of the recipients of social security in Canada today toward the government.

● (1745)

This group has been extremely effective at bringing their cause forward. The government cannot claim it does not understand it. They met with the former deputy prime minister from Windsor West, the Right Hon. Herb Gray repeatedly. They met with both of my Liberal predecessors in my riding. They also met with the former member from Essex and the member from Chatham.

They educated them so that they would understand this. They met with the federal functionaries, who I think made the mistake initially and convinced the government; however, when they were proven wrong the government did not have the ability to reverse what was a real error and a gross injustice.

That injustice continued up until the members from Essex and Windsor West lobbied. It was a bipartisan lobby. We lobbied the finance minister who prepared the last budget and we received no response. What is it going to take for the government to come down

because I have no hope that it is ever going to change? The government is going to be gone in another few months and we will finally get some justice for these people.

● (1750)

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, it is a great honour to rise in debate on Bill C-265 introduced by my colleague from Essex, who is a new member of this place but who has already proven himself to be an extraordinarily talented, hard-working and dedicated representative of his constituents.

That is nowhere better evidenced than the fact that we are debating this bill tonight, a commitment he made when he first ran for public office many years ago that he would not forget or abandon Canadian seniors, particularly those residents in the Windsor area who depend upon their social security income for dignity in their retirement. He did not forget them. To the contrary, one of his first acts in the House of Commons was to introduce this bill to restore justice and fairness for Canadian citizens who depend upon social security for their retirement income.

This is a matter that is very close to my heart. I was the revenue critic for the official opposition when I first came to this place in 1997. The government at the time brought forward a bill to give effect to amendments to the U.S.-Canada tax treaty. The government, not surprisingly, it is part of its track record, essentially misled us back in 1997 when it told us that this huge tax amendment bill contained technical amendments that had no substantive effect on Canadians and that we should just pass it at all stages without even looking at it.

Thankfully, the day before we were to consider the bill I got a call from Bill Thrasher from Windsor, who spent an enormous amount of time on the phone explaining to me how the government had managed to betray senior citizens in Canada who receive social security. He painted the whole picture for me about a somewhat complex series of changes to the Canada-U.S. tax treaties.

The upshot of it was quite simply this. In 1995 the 80,000 Canadian senior citizens who received and relied upon U.S. social security payments for their retirement income were taxed at an inclusion rate of 50% and by 1997 the government had decided to increase the inclusion rate to 85%, increasing their effective tax burden by 70%. The government did not disclose this in the bill back in 1997. It did not tell anybody about it. It even tried to sneak it by the seniors who were relying upon this income.

Sadly, because of the Liberal government's total mismanagement of this file, people were already losing their homes, as my colleague from Windsor just described and as my colleague from Niagara mentioned earlier. This massive, uncalled for increase in taxation on the retirement income of these modest income seniors had a very concrete and devastating effect on many of them. For many of them, this was their retirement income.

Private Members' Business

Perhaps some of us do not quite understand the situation. There are tens of thousands of Canadians who principally work in the United States. They cross the border everyday or they may work there for months at a time. When they pay their U.S. social security premiums, they pay them with after tax dollars, unlike Canadians who effectively get to write off the value of their CPP premiums. Canadian recipients of U.S. social security have in effect already paid a tax burden that their counterparts here at home never had to pay in making contributions to their public pension plan.

• (1755)

One of the basic principles of benefits for seniors is that the state enters into a de facto contract with people in terms of promised benefits. In a sense they are politically vested benefits. If people want to have financial stability, they need to be able to calculate and rely on a certain retirement income.

I submit that it is immoral to change the rules on people, not only as they are approaching their retirement age but, worse yet, when they have retired, when they have no more choices and when they cannot generate income any longer. To pull the financial rug out from under them is immoral. That was the effective result of the changes to the tax code adopted by the government in the mid-1990s. It was a total betrayal of these 80,000 Canadians, people who had helped build this country, many of whom were veterans who defended it in foreign wars, all of whom lived by the rules, obeyed the law and tried to build a better country, most of whom raised families and invested in this country's future. I guess they made the mistake of taking jobs where they could get them in the United States and then being treated by the Liberal government as second class citizens.

What I found to be particularly disturbing, and I have ever since I first encountered this issue eight years ago, was how the representatives of many of these Canadian seniors in border constituencies, the largest concentration being in the Windsor area, were members of the Liberal government. Usually these Liberals say to people, as part of the nudge, nudge, wink, wink at election time, is, "Elect us. We will be in government. We will deliver the goods for you. We will defend your interests. We will stand up for you. They cannot do that in the opposition but we will in government". That is what Susan Whelan said to them, what Herb Gray said to them and what the whole lot of the Liberals in the border constituencies across the country said to social security recipients. They betrayed those people and they betrayed that public trust.

Why did Susan Whelan let this go through when she had a chance to stop it? I remember sitting in the House of Commons industry committee in October 1997 fighting tooth and nail against Susan Whelan's efforts to ram through this 70% tax increase for her constituents, for her seniors on fixed incomes who were losing their homes and their apartments, some of whom were having to eat cat food. I have the letters from these people and sadly some of them have since passed on without seeing justice done.

In this bill, which I originally introduced several years ago, we are trying to undo the injustice of the tax changes in 1997. We are trying to make one very simple change: to reduce the inclusion rate on U.S. social security income from 85% back to where it was for decades to 50%.

We are not asking for special treatment. We are not asking for something that would cost a lot of money. We are not asking for anything except basic fairness and justice for people who have worked their whole lives and deserve to live with a modicum of dignity as seniors. That is why all members of the opposition parties, I believe, have endorsed this bill.

If the government wanted to let justice happen, it could accept the passage of this bill at all three stages here tonight and send it over to the Senate for ratification. This does not need to be held up for any prospective election. This could be passed and, indeed, the finance minister could have done right by people like Olive Smith. Years ago he could have done right by them in the budget. In fact, and I do not think I am going out on a limb here, let me say that the Conservative Party would be quite happy to accept an amendment to the budget implementation act to give effect to Bill C-265.

I know my colleague from Essex has worked hard on this but I see he is indicating that he too would accept allowing the government to take credit for doing this. This does not have to be a partisan football. This could and should be an all party effort to restore justice for these seniors.

I just want to say in closing that my dear friend, Olive Smith, who has been a champion on this issue of fairness for years, is now in a period of very difficult health. I want to send my best wishes to her and say that we will continue to fight and I promise her that help is on its way. We will restore justice for people who were badly done by, who had worked hard and who deserve to live in dignity.

• (1800)

Mr. Wajid Khan (Mississauga—Streetsville, Lib.): Mr. Speaker, I welcome the opportunity to speak to the bill put forward by the hon. member for Essex. The bill would exempt from taxation 50% of the U.S. social security benefits received by taxpayers in Canada. Currently, the exemption is 15%.

This government does not support the bill. I recommend that hon. members of the House not support this bill for a very simple reason: Canadian seniors receiving the Canada pension plan, the Quebec pension plan or old age security benefits are subject to tax on 100% of their income under our tax system, just as employees are generally subject to a tax of 100% of their employment income.

Of course if that senior citizen is a low income taxpayer because of our progressive tax system, he or she, depending on the circumstances, may pay little or no tax on that income.

As a basic rule, however, a senior citizen is subject to tax on 100% of income because income is income, whether it is employment income, investment income or pension income, and it is a basic premise of our tax system that taxpayers having the same income should pay the same tax.

Private Members' Business

As I mentioned, a senior living in Canada who is receiving U.S. social security benefits is taxed at only 85% of his or her income. I invite members to consider carefully that statement and what it means. Two senior citizens, one receiving CPP and the other receiving U.S. social security, each with the same amount of income, are taxed differently. The senior citizen receiving CPP would, all other things being equal, pay more tax than the senior citizen receiving U.S. social security benefits. The tax system, as it stands, grants preferential treatment to recipients of U.S. social security benefits. I will discuss in a moment why the disparate treatment exists.

First, I want to state that this government will not support a bill that seeks to widen this disparity, a bill that would extend the existing exemption of 15% to 50%.

In the United States, the maximum inclusion rate for social security benefits is 85%. This may serve as some justification for granting the current 15% exemption to Canadian taxpayers in receipt of those U.S. benefits but I am not persuaded as a matter of tax policy.

As a general rule, and it is a sensible rule, U.S. law does not apply to Canadians living in Canada.

New Zealand does not tax capital gains, which is its choice, but that does not mean a Canadian taxpayer selling property situated in New Zealand should therefore not pay tax on any gains.

Canadians are taxed according to Canadian rules and a fundamental aspect of our rules is that similarly situated taxpayers should be taxed similarly, regardless of where their income comes from.

We also have tax treaties with a number of countries, including the United States. These treaties are exceptionally important for they allow Canadians to engage in international trade and commerce without worrying that competing jurisdictions would both tax the same revenue. Without these treaties, a good deal of commerce simply would not take place.

In negotiating these treaties, there is always a quid pro quo. The rule in the current Canada-U.S. treaty that grants a 15% exemption to Canadian recipients of U.S. social security was the result of a negotiated settlement with the United States. Previously, our arrangement had been that the country where the payment arose would have exclusive taxing jurisdiction in respect of these benefits.

•(1805)

As a result, these payments were subject to a final 25.5% withholding tax imposed by the United States. For low income Canadians, this high withholding tax constituted a considerable hardship, since if the benefits had been taxed by Canada these taxpayers would have paid little or no tax.

In negotiating the treaty we sought and obtained residence based taxation in order to help these low income Canadians. In exchange, we agreed to a 15% exemption. This was a negotiated settlement. We got what we wanted: residence based taxation. This allows for low income seniors who are receiving U.S. social security benefits to access our progressive rates and pay little or no tax instead of being

subject to a punitive 25.5% withholding tax imposed by the United States.

The United States in exchange received a concession on our part, a 15% exemption so that the maximum inclusion rate under our law would be the same as the maximum inclusion rate under their law. In parallel, recipients of Canadian social security benefits residing in the United States are taxed there according to the U.S. rules and so would also benefit from a maximum inclusion rate of 85%.

The bill proposed by the Conservative member would extend the exemption of 15%, arrived at through negotiation, to 50%. What would then be the answer to the retirees receiving Canada pension plan, Quebec pension plan or old age security benefits who ask why they are paying twice as much tax as the person receiving U.S. social security benefits?

In conclusion, the bill should not receive the support of the House.

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, Bill C-265 would not be possible in large part without the efforts of Olive Smith, the fearless leader of CASSE, Canadians Asking for Social Security Equality, a citizens' group formed to fight the 70% Liberal tax hike on their retirement incomes, a tax hike that sent many Canadian seniors out of security and into mobile homes and nursing homes.

Olive Smith spent some of her later retirement years caring for her bedridden and ill husband until he finally passed away. Olive herself is in declining health these days and is no longer in the mobile home she shared with her late husband. Sadly, she is now in a nursing home.

Bill C-265 is for all the Olive Smiths across Canada, devastated by a callous, money-hungry Liberal finance minister, now the Prime Minister, in order to offset massive Liberal government spending.

Bill C-265 is in memory of Canadian seniors who never got to see justice before passing away. It is for those Canadian seniors still waiting for justice. Justice should come from the Liberal government and it has not. It has been eight years and still the Liberal government is fighting this measure.

I asked the Liberal finance minister to include this modest tax reduction for low income and middle income Canadians in the 2005 budget. There was no answer. There was no reply. There was no line item in the budget. It is justice denied yet again.

I should never have had to introduce this private member's bill in the first place, but I thank God that I am here today to do it, because it is the right thing to do.

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Bill C-265 is a simple bill, simple to understand and simple to implement. Bill C-265 reverses a cruel 70% tax hike foisted on Canadian seniors who collect U.S. social security as the basis of their retirement incomes, Canadian seniors who lived in Canada, worked in the United States, spent their money in Canada, planned for retirement in Canada and retired under a rule that 50% of their benefits would be included for taxation. Then they had the rule changed on them. All their retirement calculations changed. Let us imagine getting to the end of our life and worrying about not having enough money to get through.

That is what happened to seniors in this case, seniors in British Columbia, Quebec, Ontario and the Maritimes. There were thousands of them with modest means forced from their homes and apartments into mobile homes or nursing homes or forced to live with family members instead of being independent. This happened at Christmas 1995. Let me repeat: this happened at Christmastime.

Adding insult to injury, this Liberal government and this Liberal Prime Minister, then the finance minister, promised a return, a solution, a retroactive rebate. All would be made well again. That was an election promise in 1997, a Liberal promise broken. It has been eight years and justice has not only not been done, but judging by Liberal speeches defending the 70% tax hike, justice is not even seen to be done.

I have spent a lot of time talking to seniors who collect CPP and who have 100% of their benefit included for taxation. Not one senior has agreed with this Liberal government's assertion that returning the rate of inclusion of U.S. social security benefits to 50% is a bad thing. There has not been one senior who agrees. Every one of these seniors agrees that this wrong should be righted. Not one of the seniors I have spoken to have said they would feel ripped off if this were to happen.

Shame on the Liberal government. Its excuse is lame. It is pathetic. It demeans the fair-mindedness of Canadians with a benevolent decision founded on a false premise. Shame.

I thank hon. colleagues in the Conservative Party. I thank the Bloc for its support. I thank the NDP for its support as well. I thank all the opposition parties.

In closing, I call on Liberal members to support this and end the bitterness and sadness of the golden years of thousands of Canadian seniors, to right a wrong and finally bring about justice and restore tax fairness. I would like to seek unanimous consent to put the following motion: that Bill C-265 now be deemed adopted at all stages.

• (1810)

The Acting Speaker (Mr. Marcel Proulx): Does the hon. member have the unanimous consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Marcel Proulx): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Marcel Proulx): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Marcel Proulx): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Marcel Proulx): Pursuant to Standing Order 93, the division stands deferred until Wednesday, April 20, immediately before the time provided for private members' business.

ROUTINE PROCEEDINGS

• (1815)

[*English*]

COMMITTEES OF THE HOUSE

HEALTH

The House resumed from April 4 consideration of the motion.

The Acting Speaker (Mr. Marcel Proulx): There are two minutes remaining in this part of the debate.

Pursuant to order made earlier today, all questions necessary to dispose of the motion are deemed put and a recorded division deemed requested and deferred until Wednesday, April 20, at the expiry of the time provided for government orders.

ADJOURNMENT PROCEEDINGS

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

[*English*]

NATIONAL DEFENCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, when I made the request for an adjournment debate regarding the response I received from the President of the Treasury Board to my question of February 11 concerning another multi-billion dollar government reorganization, I was surprised, as were all Canadians, to see that this question is now linked to the Gomery commission on the fraudulent misappropriation of taxpayers' dollars.

Canadians know that it was the Prime Minister as the right-hand man to former leader Jean Chrétien who presided over the loss of tens of millions of dollars to such programs as the \$2 billion gun registry and the missing millions from the defence department.

Canadians understand that when the Prime Minister chooses to take credit for being in control of Canada's finances on matters of Canada's deficit, he is in effect taking credit for the loss of tens of millions of dollars as the one in control of financial decisions. Control means total control. Taking credit for the deficit follows taking credit for all decisions regarding the expenditure of taxpayers' dollars.

Shortly after Mr. Chrétien appointed the Prime Minister as finance minister in the 1990s, changes occurred, such as the removal of financial comptrollers, which eliminated financial oversight functions in Canada's public service in departments like national defence, Solicitor General, HRDC and for whoever was reviewing the so-called unity fund that directed dollars to feed the sponsorship program.

The Prime Minister's removal of financial comptrollers allowed for that scandal of the waste of millions of taxpayers' dollars. Canadians recall famous fiascos such as the Jane Stewart HRDC scandal and the current Deputy Prime Minister's role in the thoroughly discredited Liberal gun registry, a program that she stated would only cost \$2 million and we are now told by the government funded CBC it will cost \$2 billion. The gun registry is also implicated in a sponsorship scandal.

The President of the Treasury Board in getting up and bragging that the position of the comptroller general and the rehiring of department comptrollers to re-establish internal audits conveniently ignores the fact that it was his government that cut those checks and balances out of the system in the first place.

It was the Prime Minister as finance minister who cut the funding to those positions as one of his first acts as Mr. Chrétien's finance minister. The public service reorganization is at the root of the Gomery commission inquiry into government corruption, the removal of accountability in government financial decisions.

As finance minister and the vice-chairman of the Treasury Board, the Prime Minister participated in every major financial decision of the Chrétien government. What Canadians fear from another so-called government bureaucratic reorganization is the hidden agenda of the Liberal Party whenever it announces reorganization. The last reorganization led to the sponsorship scandal. Let us not forget the other waste of taxpayers' dollars in the name of so-called efficiency and reorganization.

Canadians fear that the only lesson the Prime Minister seems to have learned so far from the Gomery inquiry into the Liberal Party corruption is the consequence of getting caught. It is the terrible record of poorly conceived and administered politically motivated government programs like the gun registry and the sponsorship program that frightens Canadians.

In responding to my question the President of the Treasury Board stated that most of the missing millions that had been stolen from the Department of National Defence had been recovered. What was

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missing from that comment, and I look forward to a detailed response, is how much and from whom.

At the time it was stated that there was evidence that this was a multimillion dollar fraud ring involving at least two departments, national defence and public works, and that for \$146 million or \$168 million to have been stolen, others had to have been involved—

• (1820)

The Acting Speaker (Mr. Marcel Proulx): Order. The hon. Parliamentary Secretary to the President of the Treasury Board and Minister responsible for the Canadian Wheat Board.

Hon. Diane Marleau (Parliamentary Secretary to the President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, maybe I am wrong but if memory serves me right the office of the comptroller general was decimated under the Conservatives prior to our taking office, but I am not absolutely sure.

I want to talk a little more about some of the good things that we have been able to do. Not everything is doom and gloom.

The government has made a strong and clear commitment to improve effectiveness and provide better value for Canadians' tax dollars. I am pleased to say that we have made some significant progress in the quality of the services that we offer and I know we have to make more progress.

[*Translation*]

During the last decade, the Government of Canada has significantly increased its use of technology to improve services. For example, about 70% of our financial transactions, payments and transfers are now done through the electronic banking network that we have established with Canadian financial institutions. The Canada Revenue Agency has become one of the most automated and efficient tax agencies in the world.

[*English*]

I am proud to say that Canada has earned a well-deserved reputation as a global leader in e-government. The 2005 Accenture report on customer service for citizens ranked Canada first among 22 countries in e-government for the fifth consecutive year. Canada has once again been ranked number one because of our citizen centred vision to meet the growing expectations of our citizens and businesses.

The Government of Canada continues to provide high quality programs and services for Canadians. For example, all of our 130 most commonly used services are now online. We also recognize that Canadians look for access through traditional means. We are working to improve telephone and in person services. Service Canada is part of this effort.

[*Translation*]

Our permanent goal is to provide easy access to programs and services that are better suited to the changing needs of Canadians, whether they live in urban, rural or remote communities.

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[English]

The government has made significant progress on a wide range of fronts. We will continue to focus on improving services, lowering costs and providing better services for people across the country.

Mrs. Cheryl Gallant: Mr. Speaker, what happened to all the missing millions at the Department of National Defence? Why is there no public inquiry into the amounts of money greater than that which was defrauded from taxpayers from the sponsorship program?

So far, no charges have been laid. Only one person has been identified in that scandal and that person, the government claims, single-handedly masterminded this fraud and now is living in the Caribbean. I am informed that he is being sued by the computer company Hewlett-Packard, which got stuck with the bill for this, and DND for \$100 million. That is \$46 million to \$68 million less than what the government tells us was stolen. Who got the \$46 million to \$68 million that is not in the lawsuit? Only a public inquiry with full disclosure similar to the Gomery commission inquiry into government corruption will provide those answers.

I look forward to a government announcement of a public inquiry into what is behind the missing millions of dollars from the Department of National Defence.

Hon. Diane Marleau: Mr. Speaker, it seems rather sad that at a time when things are going so well for this country, low interest rates, decent unemployment rates, no deficit, we are paying down the debt, that all the opposition can centre on are all kinds of scandals and inquiries. We do not like what happened. That is why Paul Martin set up the Gomery inquiry. That is why he took all of the steps that he did, but it does not prevent us from being—

• (1825)

Mr. Marcel Proulx: Order. May I remind the hon. member not to use names and refer to titles please.

The hon. member for Edmonton—Leduc.

TAXATION

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, this is a follow-up question to one I had months ago with respect to capital cost allowance rates. It is a very specific thing, so for people observing this debate I want to explain what it is.

Capital cost allowance is a tax deduction for business related capital property and provides for the depreciation of these assets. The CCA rate is applicable to about 44 classes and is intended to reflect as closely as possible the useful lives of these assets. This rate essentially allows companies to write off their capital equipment at an accelerated rate. It allows them to turn over their equipment. There are two reasons, two large reasons I would argue, that we should improve this.

First, it makes companies more productive, more efficient, and puts our manufacturing sector on a level playing field. That is very important. One of the things the Conservative Party thinks needs to happen is an increase in our productivity here in Canada. The gap between ourselves and the United States has been increasing certainly over the past number years. As well there are the emerging economies, India, China, Brazil. We are very concerned in terms of our future standard of living.

The second reason is actually a stated goal of many Canadians, which would be environmental reasons. It allows companies to adopt newer technologies and newer equipment which is more environmentally friendly, and more energy efficient, which should certainly be a goal of the government.

This is in line with what the finance committee recommended. It was the 14th recommendation in the prebudget submission that:

The federal government revise Canada's capital cost allowance rates by 31 March 2005 such that they meet three criteria:

—similar asset classes are treated similarly;

—Canadian rates are similar to the rates for comparable asset classes in the United States and other countries; and

—Canadian rates reflect the useful life of the assets.

Moreover, the government should review these rates annually to ensure that they continue to meet the three criteria identified.

The government in its budget adopted some measures with respect to capital cost allowance rates, and we support those. They are limited, but we support those. I think the biggest one missing is to have a universal increase in the capital cost allowance rates, particularly for the manufacturing sector.

The Canadian manufacturers and exporters have called for this for a number of years, have argued very strongly for it. We need to support them. We need to support our manufacturing sector industries. They employ Canadians. Generally they pay very well. We need to have Canadians succeed in that sector.

I am calling on the government to adopt basically what was in the finance committee report and to change the capital cost allowance rates in the ways in which the Canadian manufacturers and exporters and other groups have called on the government to do.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the hon. member's question is excellent and it is worthy of some kind of debate. It is always of concern to the federal government as to whether our capital cost allowances are in line with our major competitors.

I would argue with the hon. member that the Government of Canada has responded in large part to the finance committee's report, specifically in one unique area.

Let me set it up first by saying that we are always looking at ways in which Canadian companies can be more competitive. We are always looking at whether our corporate tax rates are in fact competitive. Currently, Canada has a slight advantage over the Americans in terms of our corporate tax rate. Budget 2005 tries to maintain that slight advantage by reducing the corporate tax rate from something in the order of 21% down to 19%.

The other area is where the hon. member is in fact correct. What is important to a corporation is not only its tax rate on its income, but also its ability to write off assets.

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I would like to direct the hon. member's attention to budget 2005, in particular the accelerated write-off rates with respect to capital cost allowance for environmentally friendly technology. This is a specific example where the government has gone away from the useful life concept, that is how long will this particular asset last in a normal working circumstance, to an accelerated write-off.

The government has said on pages 182 and 183 in budget 2005, for a particular public policy reason, that capital assets used for environmentally friendly technology will enjoy an accelerated write-off, much like it did in 2004 budget when we said computer technology assets did not reflect the useful life of those assets. Therefore, accelerated the time that corporations could write them off.

In budget 2005, I point the hon. member to page 183 concerning class 43.1 assets. These assets include wind turbines, electrical generating equipment, small hydroelectric facilities, stationary fuel cells, photovoltaics and equipment powered by waste fuels, equipment that recovers biogas from landfill and equipment used to convert biomass into bio-oil. We can see the government's thinking on a matter such as that, which is to encourage industry to invest in those kinds of assets and put the necessary capital into those kinds of assets in order for energy to be generated from what are effectively environmentally friendly sources.

The government has responded to the very issue that the hon. member raises. The issue he raises is an important and has in large measure been responded to in budget 2005 in a specific area.

• (1830)

Mr. James Rajotte: Mr. Speaker, the key is that it has only been partly responded to with certain issues. Depreciation rates are accelerated for pipelines, combustion turbines for electricity generation, electricity transmission, cable for telecommunication infrastructure and rates will increase for investment in more efficient renewable energy generation, including cogeneration. However, the specific area I would like the parliamentary secretary to address is the manufacturing sector, which any industrialized nation needs to have as basis of its economy.

The manufacturing sector is 18% of our GDP and accounts for a lot of the high paying jobs in Canada. I want to read from the CME's 2005 budget analysis. It gives some credit to the government for the budget, but I want to read the following statement:

—the government's failure to accelerate depreciation allowances for manufacturing equipment is a major disappointment. It is clear from this budget that while the government is willing to spend heavily on one hand, and use the tax system for environmental policy purposes on the other, it just doesn't get it when it comes to building a competitive investment environment in Canada. After building up expectations that the federal government would address the challenges facing Canadian industry, the few measures introduced in this year's budget—

The Acting Speaker (Mr. Marcel Proulx): The hon. Parliamentary Secretary to the Minister of Finance.

Hon. John McKay: Mr. Speaker, I would respectfully suggest to the hon. member that the government does in fact get it. The government uses a variety of instruments in order to keep Canada in a competitive environment.

The first and foremost area where the government gets it is in the reduction of corporate tax rates. As I say, we have gone from 28% down to 21%. Budget 2005 brings us down to 19%.

In specific areas in budget 2004 and budget 2005 we have responded to the very concerns of the hon. member. We looked at the useful life of computer assets and high tech equipment and said that the technology was changing so quick that having a five year write-off was silly and that a three year write-off would be better. We did that in budget 2004.

In budget 2005 we specifically said that we would go off the useful life concept in order to stimulate investment in a particular area. If there are other areas that have—

The Acting Speaker (Mr. Marcel Proulx): The hon. member for Desnethé—Mississippi—Churchill River.

TRANSPORT CANADA

Mr. Jeremy Harrison (Desnethé—Mississippi—Churchill River, CPC): Mr. Speaker, it is a pleasure to rise today and ask about some new proposed Transport Canada regulations, which to people in northern Saskatchewan are known as the Liberal canoe registry.

People at home might wonder what a Liberal canoe registry. I will tell them.

These new regulations would require individuals who operate commercial vessels, taking people onto the water for money, including outfitters, guides, adventure tourism operators, commercial fishermen, to take a course commonly known as a captain's licence type course, which they can only currently receive in Vancouver or in Halifax.

First, travelling to Vancouver or Halifax from northern Saskatchewan is quite expensive. Second, the cost of the course itself is approximately \$350. It is a three day course. It is completely useless for my constituents in northern Saskatchewan, many of whom have spent their entire lives on the water. A requirement of the course is to literally learn how to navigate in the middle of the Pacific Ocean. That is quite different from navigating on a creek or a small lake in northern Saskatchewan. This type of one size fits all regulation is completely misguided and unneeded.

What looks like a good idea cooked up in a downtown Ottawa office tower, looks only half baked on the ground in northern Saskatchewan. I would like to challenge the Transport Canada bureaucrats and the Liberal politicians, who are pushing this, to come to northern Saskatchewan and look on the ground. Come and see what is going on in northern Saskatchewan and then try to tell me that this is a good idea.

I do not know how anyone could possibly think it would be a good idea to send northern aboriginal guides to a captain's licence course in Vancouver or Halifax. Why should they learn how to navigate in the middle of the Pacific Ocean so they can have some employment for three months in northern Saskatchewan, taking people out and guiding on traditional hunts? This is utterly ridiculous.

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These regulations, if enacted, will have a very real negative effect on employment in my riding in northern Saskatchewan. I come from the poorest riding in the country, with the lowest average income of any riding. Over half of my constituents are aboriginal. Employment opportunities are very limited and a lot of the employment opportunities that do exist for aboriginals and otherwise are in the industries of outfitting, guiding, commercial fishermen and adventure tourism. We have one of the highest unemployment rates in the country.

If these regulations are enacted, people will lose their jobs for no good reason. They will have to go to Vancouver or Halifax and take a captain's licence course. They cannot afford this. It costs \$350 to take a three day course. This is completely ridiculous.

We have seen a government that obviously does not care and a government that obviously does not understand northern Saskatchewan. If the government did understand, it would not try to force this down the throats of the residents of my riding, which is what they are trying to do.

We have seen \$2 billion sent down the creek with the—

• (1835)

The Acting Speaker (Mr. Marcel Proulx): The hon. Parliamentary Secretary to the Minister of Transport.

Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, I would like to thank the hon. member for asking these questions and raising the issue of safety. Safety is a serious topic that deserves serious attention.

The safety of small vessel operations, including the safety of guides and outfitters, is as important to us as the safety of a coastal fishing vessel or a deep-sea freighter.

We recognize that guides and outfitters are by nature, resourceful, capable and independent. Their roots are founded in members of the first nations and the explorers, trappers and settlers who first navigated the waterways of Canada. Inappropriate rules for this industry sector would not be accepted nor would they have the desired effect on safety.

Every year in Canada too many lives are lost as a result of small vessel accidents. We know that on average there are 150 pleasure craft related fatalities and 30 to 40 lives are lost on commercial vessels every year. The number of incidents with injuries, property loss or environmental damage is many times higher.

Marine accidents can be prevented or mitigated by appropriate safety measures that reduce risk and eliminate unsafe operations. These incidents and fatalities occur for a wide variety of reasons but usually there is a human error involvement. Often the vessel is deficient in some respect, the weather is bad and, coupled with errors in judgment or lack of knowledge, things go terribly wrong. If effective safety equipment is available and timely rescue efforts are launched, lives and property may still be saved.

Every size and type of vessel can get into trouble. Accordingly, there is a multi-faceted strategy to address safety. Some of the items in the strategy are well-known and others are not. What may come as a surprise is that the rules referenced by the question from the hon. member have been in place for many years.

All vessels, except for very small, low-powered pleasure craft, must be registered or licensed. Licensing helps us to understand what kind of vessels are out there and where they are. Licence numbers make the work of rescue and enforcement agencies easier.

The licence for a small commercial vessel costs \$50 every five years. As regulations evolve, Transport Canada is looking at changes that would make the licensing fee requirement less difficult for outfitters registering multiple vessels. The department is also introducing new standards to make the use of life jackets more widespread.

Due to numerous accidents, the crewing regulations were changed in 1997 to introduce a requirement for basic safety training for operators of small commercial vessels. The original due date for this training was July 2002. In order to give sufficient time for operators to meet this requirement, a policy was developed to allow operators until 2007 to receive this basic safety training, provided they have signed up for a course.

Non-powered vessels, such as canoes, do not require a licensed captain. Consultations are now underway with small commercial vessel operators about the proposed training requirements for persons in charge of these vessels.

Regulation and common sense require all vessels to be properly constructed. Vessels are also required to carry lifesaving safety equipment such as life jackets or personal flotation devices. Many of those who debate the need for these requirements may not understand the risks or do not place a priority on safety.

That being said, regulations, standards and safety programs are constantly evolving in order to improve safety. Our regulatory processes and our commitment to consultation will help to develop safety requirements for guides and outfitters vessels that are reasoned and reasonable.

At this point, the challenge is to engage these stakeholders in a meaningful way in order that that we fully understand the safety—

• (1840)

The Acting Speaker (Mr. Marcel Proulx): The hon. member for Desnethé—Missinippi—Churchill River.

Mr. Jeremy Harrison: Mr. Speaker, I thank the parliamentary secretary for that spontaneous response. I, quite frankly, cannot wait until that is played on the radio tomorrow because the residents of northern Saskatchewan will be laughing at that answer and will be laughing at the Liberal government for continuing to believe that registering canoes in some way will increase the safety of residents of northern Saskatchewan. It is preposterous and I cannot wait until that is played.

It will definitely help me be re-elected for one thing, but it will also serve as another example of how the Liberal government does not care about northern Saskatchewan, does not understand northern Saskatchewan and, quite frankly, does not give a damn about northern Saskatchewan. I think that has been made increasingly clear when we hear that answer. I must say that I am flabbergasted that the government believes that registering canoes is a good idea. It is just ridiculous.

Hon. Jim Karygiannis: Mr. Speaker, the only flabbergasting thing that I hear is one individual, a member only caring about one sector of the country and ignoring the west, ignoring the east, and ignoring the Great Lakes.

We on this side of the House are responsible. We are going to ensure safety from coast to coast to coast. We are working with the hon. member's constituency. If he needs training, and if there are

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more than 10 people who need to be trained, people will go out there to train them.

The hon. member is grandstanding in order to say, "I will get re-elected". Well, I have news for him. On this side of the House, we care about safety and uniformity from coast to coast. If the hon. member thinks that his little part of the world is an exception, I have news for him. It is still part of Canada. It is still part of what we consider to be regulations from coast to coast to coast.

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): 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 6:44 p.m.)

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