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OFFICIAL REPORT
(HANSARD)

Thursday, February 24, 2005

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, February 24, 2005

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

Hon. Paddy Torsney (Parliamentary Secretary to the Minister of International Cooperation, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Delegation of the Canadian Group of the Inter-Parliamentary Union.

[*English*]

This report concerns the participation of members in the 111th assembly and related meetings of the Interparliamentary Union held in Geneva, Switzerland, from September 28 to October 1, 2004.

I hope all members will avail themselves of the report with regard to the issues that were raised and the participation of members from all parties of the House who worked diligently on behalf of Canada and Canadians and distinguished themselves once again.

* * *

• (1005)

COMMITTEES OF THE HOUSE

INDUSTRY, NATURAL RESOURCES, SCIENCE AND TECHNOLOGY

Mr. Lynn Myers (Kitchener—Wilmot—Wellesley—Woolwich, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Industry, Natural Resources, Science and Technology in relation to Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec.

* * *

PETITIONS

MARRIAGE

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, it is my honour today to present 13 petitions on behalf of the people of Saskatoon—Rosetown—Biggar and citizens across Canada, stating: “We the undersigned citizens of Canada draw the

attention of the House to the following: whereas marriage defined as the lifelong union between one man and one woman is—

The Speaker: Order, please. The hon. member for Saskatoon—Rosetown—Biggar knows that she cannot read the petition. She can only give us a summary. I can tell from the “whereas” that the hon. member is reading. She has stepped over the line. I know she will want to give us a brief summary of the petition.

Mrs. Carol Skelton: I am sorry, Mr. Speaker. My constituents pray that Parliament defines and uses the traditional definition of marriage when it makes its final statement on the issue.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, it is indeed a pleasure and privilege for me to rise, as I have been doing almost daily, to present yet another petition on behalf of my constituents of Prince George—Peace River. These citizens are from Dawson Creek, a small city in the southern part of my riding on the Peace River side.

They wish to draw to the attention of the House of Commons that marriage is the best foundation for families and the raising of children. They note that in June 1999 a motion was passed in the House that called for marriage to continue to be recognized as the union of one man and one woman to the exclusion of all others. Therefore, the petitioners call upon Parliament to pass legislation 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.

• (1010)

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I am pleased to present several hundred petitions from my riding and all across Canada. These petitioners are aware that the majority of Canadians support the current legal definition of marriage and the voluntary union of a single male and a single female.

They petition Parliament to use all possible legislative and administrative measures, including invoking section 33 of the Charter of Rights and Freedoms, the notwithstanding clause, to preserve and protect the traditional and the current definition of marriage as between one man and one woman to the exclusion of all others. I am aware that we as members cannot personally support petitions we present but if we were, the House knows I would.

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I have a petition that expresses the view that marriage should be protected and remain as the union of one man and one woman to the exclusion of all others.

The Budget

[Translation]

ATLAS STAINLESS STEELS SMELTER

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I have the honour to table a petition signed by the employees and pensioners of the Atlas Stainless Steels smelter and the members of the Sorel-Tracy community, who want to inform the House that the possible closure of the smelter would jeopardize 400 direct jobs, 1,200 indirect jobs and \$34 million in wages in the regional economy, and mean a 25% to 30% drop in pension benefits.

Consequently, the petitioners are demanding that all levels of government intervene to ensure the recovery of the Atlas Stainless Steels smelter and support for the pension plan.

* * *

[English]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 23 consideration of the motion that this House approves in general the budgetary policy of the government.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, this is the 11th consecutive Liberal budget since 1993 after four elections, and it is that finance minister's second budget but the first budget since the last general election. I have to say what a difference a minority makes. It is true, after all, that the prospect of a hanging in the morning does focus the mind.

It was, I have to say, quite touching yesterday to see members of the government gleefully applauding measures that only during the election campaign they denounced as half-baked and downright dangerous. One thing has not changed: there are still two federal Liberal parties, the one that campaigns on certain promises and the one that governs on something else.

During the election we told Canadians that the Liberals were hiding massive surpluses. They said we were just being fiscally reckless. Yesterday all those surpluses miraculously appeared.

We all know, of course, the famous projected numbers that last year's surplus would be \$1.9 billion and it turned out to be \$9.1 billion. In the debate during the election campaign I will not forget the moment when the Prime Minister turned to me and said that he knew the numbers. It turns out he knew the numbers, he just did not know their order.

The message should not be lost. Put simply, the government, as managers and custodians of our money, lied to the Canadian population during a national election campaign and we in the Conservative Party were telling Canadians the truth.

Our platform, which the Liberals criticized as being fiscally irresponsible, committed to over \$50 billion in new spending and tax reductions over five years, the number the Prime Minister called dangerous. The Liberals have now committed exactly the same amount. Last June that \$50 billion was a scary, black hole but now it is all sweetness and light. The black hole has become a veritable fountain of bright ideas.

What was clearly unaffordable and liberalized during the election is now presented as being unavoidable.

We should not believe for a moment that this kind of deception of falsification of the state of public finances comes without a cost. These kinds of numbers and this kind of fudging represents missed opportunities, as does much of this budget, opportunities that will not necessarily present themselves again.

For instance, these hidden hordes of money have allowed the government to indulge over the last decade in countless off-budget initiatives, initiatives poorly conceived, poorly planned and poorly executed, resulting in the worst incidence of waste mismanagement and scandal in our country's history.

I remind the House of the HRDC boondoggle, the gun registry, the GST rebate mismanagement, unaccountable foundations and, of course, the sponsorship scandal. For Canadians this means lost opportunities for themselves and their families. For government it means a smaller revenue stream, which threatens our ability to provide well into the future the quality of social services Canadians deserve and have come to rely on.

[Translation]

The astronomical surpluses amassed and hidden by the federal government are also the source of a dangerous fiscal imbalance. This imbalance is creating great tension within the Canadian federation.

While the provinces are struggling to fund the health care, infrastructure and educational programs the public is demanding, the federal government is hiding billions of dollars, which it does not even know what to do with.

This problem is still here and is even getting worse. We will continue to dog the government tirelessly on this issue and we impatiently await the report of the parliamentary committee we struck, against the wishes of the Liberal government, to study this problem. We will continue to defend open federalism and fight the dominating and paternalistic federalism of the federal Liberals.

●(1015)

[English]

I want to begin my analysis of the budget by focusing on the things that we like. Some of the tax reduction measures in the budget are measures that this party has been fighting for continuously over the past several years. While they are tardy and timid measures, they are the direct result of pressure that has been put on the government by Conservative members.

The Budget

I know the government would like to take the credit and be complimented on some of these measures, and it does deserve some commendation, but, in fairness, commendation should also be given directly to members of the House who have long argued for these measures. For instance, the budget does contain tax reductions to business. However it should not be forgotten that for years there has been no stronger advocate of corporate tax cuts and tax reduction for business than our finance critic, the member for Medicine Hat.

There are some personal tax reduction measures, especially the raising of the personal exemption which most benefits low income Canadians, a measure which by necessity reduces the taxes of all Canadians. I have to point out that this has been advocated for some years by members of this party, including my predecessor, but advocated by someone who actually did this when he was the provincial treasurer in the province of Alberta, and that is the member for Okanagan—Coquihalla.

Finally there is the removal of the completely unnecessary and counterproductive jewellery tax, a special excise tax on jewellery, a position that has been strongly advocated by our member for Vancouver Island North.

• (1020)

[*Translation*]

This budget talks about benefits for agricultural cooperatives. A member of our caucus, who has not yet been elected, lobbied hard for the dividend exemption for agricultural cooperatives, which the government has finally implemented. I am talking about future member of Parliament Josée Verner.

[*English*]

When it comes to adoption expenses, which finally have been dealt with in the budget, nobody was more persistent over the years than the member for Prince George—Peace River.

When I look at the new announcements in the budget, they almost all come from the Conservative platform: tax reductions and spending increases for the Canadian military.

We have to tell Canadians that the spending increases are half of what the government claims they are and are far from what will be needed in the long term. However, for at least taking this step forward, credit has to go to a long line of Conservative defence advocates from both of our predecessor parties, to whom today's defence critic takes no back seat, and that is the hon. member for Carleton—Mississippi Mills.

All of these Conservative members in the House have done what Conservatives have consistently done. They have endured countless slurs and taunts for defending principles and ideals which government members now want to embrace at the last minute as their own. They have done this, not just with these measures, but historically in the not so recent past with issues like low inflation, the reform in the GST and with free trade. The Conservative Party will always stand up for principles ahead of their time and will always push government members to do what is right, even if we have to fight them to take the credit.

Even the proposals we like in the budget are inadequate or uncertain, for example, the increases in National Defence. None of

the new money can paper over the fact that the government still has no actual plan for National Defence. It has no record of competent management. It has no history of emphasizing its importance. It has started in the budget with exaggerating and double counting the size of the actual increase. This is an unfortunate approach to the most serious of public policy matters.

September 11, 2001 should have reminded the government that we live in a dangerous world, a world in which armed forces are not only the strongest instrument of national defence and internal security, but also the clearest expression of sovereignty and international influence.

We have seen the indisputable deterioration of our military readiness and capability under the Liberal government, a deterioration so tragically symbolized by the sad events on board the HMCS *Chicoutimi*, a deterioration which, until the circumstances of this minority government, the Liberal government was absolutely determined to perpetuate into the future.

Our equipment is continuing to decline and properly equipped personnel continuing to shrink. Today, Canada's defence spending, as a percentage of our economy, ranks among the lowest in NATO. Our reach, our credibility and our prestige as peacekeepers have been as severely tarnished by government neglect as our combat capability. Currently, Canada is part of no less than 17 peacekeeping missions, the government likes to tell us, but the vast majority of these missions exist only on paper, some of them deploying less than 10 soldiers.

[*Translation*]

Today, Canada ranks 34th among the countries taking part in UN peacekeeping activities, the same ranking as Togo.

[*English*]

Our DART have to rent aircraft to deploy to parts of the world in urgent need of assistance. We do not yet know if the moneys in the budget will address the need for heavy lift capacity or the need to modernize the equipment our forces use.

We are pleased to see a commitment to recruit 5,000 frontline troops, but how will they be equipped? What will they do? We learned last week that our present shrinking forces have not even been able to get the government to put adequate boots on their feet.

Only time will tell whether Canada can actually recruit, train and equip those men and women we have often put in harm's way in the interests of international peace and security.

The Budget

• (1025)

[*Translation*]

For more than 10 years, the federal Liberals have neglected and ignored our armed forces and now they are showing some repentance, albeit delayed. Rebuilding our armed forces is, however, a lengthy process. On this, as in all areas that come under federal jurisdiction, our party will be more vigilant than every. We are all too familiar with the impermanence of Liberal promises.

[*English*]

I have expressed some satisfaction with the new moneys for our armed forces, as we have obviously in this party, but Canadians can count on us to watch carefully, to press the government to develop a plan and to ensure it actually delivers on the promises it has made.

If we are somewhat in the dark on the government's defence plans, our view is crystal clear compared to many other initiatives in the budget, beginning with the Kyoto accord.

Last Wednesday the Kyoto accord finally came into effect, and the government is now committed to meeting its targets. In the budget we see the government setting aside another \$5 billion for nebulous environmental purposes, but we know there is no plan for meeting our commitments.

The government is still contemplating buying hot air from other countries, many with worse environmental records than Canada, instead of actually reducing air pollution in this country. This is perhaps the worst environmental and economic proposal that has ever been placed before us. We in this party will never support the purchase of hot air credits from other countries.

I believe that on the Kyoto accord more and more Canadians are coming to realize there is no chance whatsoever that we will make the commitments the government has signed on to without inflicting grievous harm on our economy. Frankly, they increasingly wonder why we would do that when it would not improve Canadian or global air quality.

Eight years have passed since the government started specifically identifying spending budgets dealing with Kyoto commitments. What do we have? We have set aside \$3.7 billion since 1997 for environmental initiatives. What has happened with the money? All we know is that some \$658 million has not even been allocated to anything, while \$1.2 billion remains unspent, sitting in some bank account. After eight years, the government still cannot bring forward a plan. It cannot even spend the money it has already allocated.

[*Translation*]

Everyone acknowledges the importance, the urgency even, of protecting the environment, but this will never be accomplished by allocating billions to unachievable and unclear objectives.

[*English*]

I point out that this pattern is repeated in much of the budget. Blocks of money have been set aside for grand purposes, but there are no actual proposals or plans in most cases to achieve them. The House should not think for a second, while we may let this budget pass, that we will support the government's implementation plans for these initiatives if indeed they ever materialize.

The government's non-existent child care program is one such initiative. The minister lectures Canadian women on families on what they should want. He had it all figured out in the 1960s and now he will finally do it. Canadians have moved on, parents have moved on and they want choice. We will oppose any scheme that funnels money into buildings and bureaucracies when it should go directly into tax assistance for Canadian parents and their children.

[*Translation*]

The same remark applies to the municipalities and infrastructure: no plan is in place as yet. We in the Conservative Party are going to insist that the federal government respect provincial jurisdictions. Without a commitment to that, we will oppose any and all federal intervention.

• (1030)

[*English*]

I have been and will be frank with Canadians on my assessment of this budget, and the backdrop of this should be clear. We are only eight months from the last election. We, and I believe all opposition parties, have tried to make this Parliament work and I can point to a number of advancements and achievements in this regard.

However, it is ultimately up to the official opposition to make the judgment on whether it is time and whether it is appropriate to force an election. In my judgment, Canadians do not want two elections in one year, and it is not in the national interest to do so unless it were overwhelmingly obvious that we must do so. That does not exist at this time, but I point out to the government that the standard it has had to exceed here is not very high. The budget, while it will get the government through the spring, does not give any confidence to us in its ability to lead the country into the future.

Perhaps most troublesome about the government is its unwillingness once again in this budget to come clean on its surpluses and to allow proper debate about the size and uses of this money. I said already, in last year's budget 2004 the government projected a budgetary surplus of \$1.9 billion for fiscal year 2003-04, which was off a magnitude of four, a year that was scheduled to end only eight days after the budget was presented. We know the actual result, but we did not learn the truth until the fall of 2004. As a result, not only was Parliament misled and unable to debate the use of public funds, but more serious, the Canadian people were systematically misled and lied to in a national election campaign.

The Budget

In budget 2004 the plan was for a surplus of \$4 billion for 2004-05. Now the government tells us the surplus is close, that it will actually be \$3 billion. This is only after front-loading nearly \$3 billion allocated to Newfoundland and Labrador and Nova Scotia for the offshore promises the Prime Minister tried to wiggle out of, and after \$5 billion was set aside without any plan or any proposal or any debate in more special funds. In other words, the real surplus for 2004-05 is closer to \$11 billion, not \$3 billion.

Since 1997, the government has understated its surpluses by a whopping \$63 billion, and there is absolutely no end in sight to this practice. Now in this budget the government tells us the surplus for this coming year of 2005-06 will be only \$4 billion, but how can anybody trust these people anymore?

The Auditor General as recently as last week told Parliament that:

Since 1997, the government has transferred more than \$9 billion to various foundations in advance of need, and \$7.7 billion is still sitting in their bank accounts.

And the Liberals did it again yesterday. Why can this money not be returned to Canadians in the form of lower taxes?

[*Translation*]

We are also concerned about the rate at which the government plans to increase spending, that is 7% for the next few years. We have past experience with the results of unplanned spending, when this government spend without any specific plan, without the knowledge of Parliament, and without the slightest respect for the most basic accounting practices.

[*English*]

While the government fudges and fiddles with the numbers, Canada still faces the challenges of the real world, and as a nation the government is not responding on our behalf. We have seen the Canadian dollar soar to new highs, causing difficulties for our exporters, not because our productivity has increased but because the prices of our raw materials has risen, and this creates great challenges that the budget simply papers over.

While the government continues to dither, our competitors are not standing still. China is a growing force, not only as a consumer of our raw materials but also as a competitor in manufacturing, in textiles for example. China is also becoming a magnet for international investment. Canada is not prepared to deal with the situation and the urgency is building.

● (1035)

[*Translation*]

Hon. Stephen Harper (Calgary Southwest, CPC): I might mention what occurred during the Prime Minister's visit to China. President Bush managed to persuade the Chinese to put voluntary restrictions on their textiles in the U.S. but our Prime Minister refused to follow suit. Without a shared commitment with the U.S., we do not have the power to do the same.

[*English*]

We continue to dole out massive foreign aid to China. While we face these challenges of China as a new competitor, we continue to dole out foreign aid to it, to a global military and economic superpower. Now we see that China wants to buy some of our companies which leads me to this question. Will some day China

buy some of our biggest natural resource companies with CIDA money?

What about the United States, the country the Prime Minister does not see? While he travels all around the world, changing his tune daily on missile defence, trying to assemble some kind of G-20 organization, he ignores the G-2, the largest economic relationship in the history of the world, the relationship between the United States of America and Canada. We will not always be able to piggyback on the United States. In fact, our free trade efforts have stalled. We see across the country disputes and obstacles to free trade rising, whether it is lobsters in Yarmouth, or flowers in the Niagara Peninsula or disputes with agriculture and softwood lumber that have only become worse.

The United States has its own challenges on fiscal and trade deficits, and without new emphasis on strengthening our relationship, we can be sure that the resolution of these problems is more likely to harm Canada than to help us.

[*Translation*]

There is no country in the world that would not be delighted to have the United States as a neighbour and economic partner. This government, however, appears to be unwilling, or unable, to take advantage of this economic relationship, the most productive of any in the world.

[*English*]

A few statistics do back up our contention that it is time for a major change. It is in fact time for a bold budget, not just time for the minority compromise we have seen in this Parliament.

During the past 40 years Canada's GDP per worker has remained little changed compared with that of the United States. We remain stuck at about 85% of the American level. Unprecedented in our history over the past decade or so, our standard of living relative to the Americans' has declined. For a nation that has endured numerous innovation, competitiveness and productivity programs from the federal Liberals, we have precious little to show for it. We are where we were 40 years ago.

As the Conference Board of Canada put it last week, "Lest any Canadian think that the productivity gap is irrelevant, it more than accounts for the income gap of \$6,078 per Canadian". Having a family of four with some \$24,000 a year less income to spend than it would have in the United States is nothing to celebrate.

Unemployment rates in this country are stuck well above those of our American neighbours. This has persisted for a quarter of a century. It was not always this way. Back in the early 1970s Canadian and American unemployment rates were the same. Ours were often even lower and now they are locked into a gap that should be unacceptable to the government and unacceptable to Canadians. It is unacceptable to this party.

The Budget

The TD Bank pointed out recently that Canadians' purchasing power has risen only 0.24% a year over the period of the Liberal government. In other words, Canadian living standards and disposable income have not risen at all.

This is my problem with the federal government and with the Prime Minister. I got into partisan federal politics originally because I wanted to see something done about the federal deficit. So many Canadians wanted to see something done about it.

The reason we wanted to see something done with the federal deficit was not so the federal government could hoard Canadians' money and waste it on its pet projects. We wanted to see it for the benefit of Canadians. That has not happened. That is only going to happen when Canadians get rid of the present government and its irresponsibility.

There are other challenges that are not addressed in the budget. There is still no national securities regulator, no plan for a discussion, no plan on how to proceed with something which virtually the entire business community in this country has been demanding. There is no plan on how we are going to deal with the issue of bank mergers which is not going to go away.

Equally ominous with regard to our future productivity is the fact we are no longer getting our fair share of foreign direct investment. In fact we have been experiencing a net outflow. Sadly, too many Canadians and Canadian businesses see better opportunities elsewhere. There is little prospect of reversing this trend unless and until there are major changes in tax policy affecting the Canadian business investment environment.

The tax cutting measures brought forward in the budget, all of which we have supported and will support strongly, should nevertheless be bolder and they should be implemented sooner. They are affordable. In fact we cannot afford not to do them. We must get on with them.

High marginal tax rates should have been addressed in the budget. They have not been, especially for people like researchers and medical professionals whom this country is trying to attract and trying to keep. Effective marginal tax rates have hit an astounding 80% for lower income Canadians faced with clawback provisions on key social benefits.

Do we need any more evidence that we need strong tax reduction and a tax overhaul? We wanted to see the capital tax eliminated in the budget. It is a job killer. It has no place in the Canadian tax system and it should be gone before the planned phase-out in 2007.

The evidence is clear that the effective business tax rate in this country remains well above that of the United States. The C.D. Howe Institute has stated that Canada's effective tax rate on capital is 31.5%, substantially higher than in the United States where it is 20.1%. Our business tax rates are not competitive with those in the United States, period, and will not be even after the reductions in this budget.

• (1040)

Countries such as Ireland and Australia have moved aggressively on tax reduction for business and individuals. They have shown the benefits. They are bringing in investment. They are bringing in new

revenues. They are moving forward both in terms of their economy and their social services. This country should be able to do the same. We should have the richest country in the world, not one just struggling to maintain its place.

Let me conclude by saying that a budget is one of the most serious and solemn acts a democratic and responsible government can make. Even in a minority government context, a budget should not be just about ensuring the survival of the government or the triumph of the party. It must be about ensuring our future prosperity as a country, our success as an economy, and our security as a society. It must be the expression of a vision.

Sadly, there is no such vision in this budget. Avoiding an immediate hanging is one thing. Expressing a vision for the future is another.

[*Translation*]

The government may avoid being defeated in the House, but it cannot avoid being criticized. Our duty as an official opposition is not to keep the government in power, or to defeat it, but to ensure that it is serving the interests of Canadians.

[*English*]

There are many things in this budget that we do not like. There are many others we would like to have seen that are not there. Many problems that could have been addressed in this budget were not, such as income support for our farmers and rural economy, the long gun registry, the unaccountable funds in foundations. Passage of this budget does not mean the days to debate and challenge the government on those measures will not come very soon.

Many of the positive steps taken by the Liberals in this budget do not go far enough or occur fast enough to have a substantial impact on the well-being of Canadians. Most of the money for child care, for gas tax transfers to the cities, and for climate change is delayed until the end of the decade, and there is absolutely no plan in place on how to actually spend it anyway.

As I have said, we will not defeat the government at this time. In this budget the government is following the Conservative Party's lead on some areas that are important to Canadians. It is moving forward on tax relief, on defence and support for caregivers. We will continue to hold the Liberals to account where spending is unfocused and wasteful.

The Budget

At a time in world affairs when decisive and determined action is needed especially on the economic front, I believe that the Canadian government is in fact dithering. It is dithering on living standards. It is dithering on productivity in the Canadian dollar. It is dithering on taxes, dithering on the environment, dithering on infrastructure, dithering on child care, dithering on foreign policy, dithering on bank mergers, dithering on management and accountability, dithering on out of control programs like the gun registry, dithering on aboriginal issues. I could go on and on. The Liberals are playing for time. They are simply dithering with our future.

When the times comes, and it will, this party will be ready to give Canadians new pride in their past and new confidence in their future.

Mr. Speaker, I move:

That the motion be amended by adding after the word "government" the following:

but however regrets that the budget does not reflect Conservative principles since it fails to immediately implement the proposed tax reductions for Canadians; proposes spending to implement the fatally flawed Kyoto accord instead of addressing real environmental issues; contemplates massive spending on a bureaucratic child care program instead of delivering child care dollars directly to parents; makes no commitment to the agriculture sector and rural Canada to provide aid at a time when Canada's regions need it most; does not eliminate the wasteful spending on the long gun registry; does not immediately provide adequate resources for Canada's military, so that our armed forces can become fully combat capable as well as equipped for peacekeeping duties; continues to place billions of dollars in foundations and trusts contrary to the express recommendations of the Auditor General; and indulges in a massive increase in bureaucratic spending.

• (1045)

The Speaker: The question is on the amendment.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in fact the debate is not really on the amendment, because it is quite clear that, if the Bloc Québécois supported it, there would not be enough Conservatives to vote for fear of triggering an election. Let us therefore debate the budget itself.

To begin with, I will say to you that the budget tabled yesterday by the Minister of Finance is, in its current form, totally unacceptable to Quebec.

The main characteristic of this budget is indeed that it totally ignores Quebec, and in fact is contrary to the interests and aspirations of Quebec.

Michel Audet, the Quebec finance minister, was critical yesterday of the fact that the budget does nothing to correct the fiscal imbalance. Mario Dumont and Bernard Landry had the same reaction. René Roy, of the FTQ, thinks that this budget sidesteps the real problems of Quebec, as do Claudette Charbonneau of the CSN, Réjean Parent of the CSQ and François Vaudreuil of the CSD.

The president of the Fédération étudiante universitaire du Québec, Pier-André Bouchard, speaks of a lack of vision. François Saillant, of the FRAPRU, speaks of failure to respect the commitments of the Liberal Party. The President of the Board of Trade of Metropolitan Montreal, Isabelle Hudon, speaks of a bad budget on the whole.

The verdict is clear. This budget runs counter to the interests of Quebecers.

I can now affirm that, if the government does not seize the opportunity to amend its budget, the 54 members of the Bloc Québécois will vote against this budget and will be present in the House to vote against this budget.

The government has chosen to completely ignore the most urgent problem, the fiscal imbalance. Yet no one in Canada is unaware that the federal government is swimming in budget surpluses. And neither is anyone unaware that Quebec and the provinces are having difficulty funding health, education, social programs, municipal infrastructures, roads, research, regional economic development and so many other of their responsibilities.

In short, no one is unaware that the money is in Ottawa while the needs are in Quebec and the provinces. Responsibilities that are crucial for the future of Quebec, and of Canada. No one is unaware that the money is in Ottawa and that that money comes from people's pockets.

In choosing deliberately to ignore the fiscal imbalance, this budget is a slap in the face to all the elected officials of the National Assembly, and hence to the population of Quebec. On Monday, Jean Charest, the Premier of Quebec, said that the fiscal imbalance had not been resolved. Allow me to quote him:

The proof of this is that the federal government continues to swim in surpluses while Quebec struggles to balance its budget.

And he continues:

Thanks to the fiscal imbalance, the federal government's spending power has become a power to intrude in the fields of provincial jurisdiction.

The man who is saying this is an ardent federalist. The budget tabled yesterday is an eloquent demonstration of this reality.

The reality is that this "serious structural problem", to use the words of Quebec intergovernmental affairs minister Benoît Pelletier, and I quote him:

—suggests a prospect not favourable to the affirmation of Quebec.

Quebeckers pay their fair share of income tax and they want their national government, which is the Government of Quebec, to be able to assume all of its responsibilities.

That is all Bernard Landry and Mario Dumont are saying. That is all I am saying. Henri Massé and Claudette Charbonneau are saying the same thing, as are Yves Séguin and Michel Audet, the Quebec finance minister.

A survey published yesterday made it very clear that Quebeckers share this point of view. In fact, the only persons who continue to deny reality are the members of this government. Quebeckers want their national government, the Government of Quebec, to collect the largest share of income taxes.

• (1050)

Quebeckers want the federal government to stop its intrusions and they want it to give back Quebec's money. The situation is worse under this Prime Minister's government than it was under Jean Chrétien's, and that is saying something.

Not only does the Prime Minister refuse to keep his promise to improve relations between the federal government and Quebec, but he does things totally contrary to what he has promised.

The Budget

With this budget, the government increases its intrusions. An intrusion, for those who do not know, is defined as the act of entering without invitation a space, a society or a group. That is exactly what this government does as it constantly meddles in Quebec's exclusive jurisdictions, when nobody has invited it.

At present, Quebec has a federalist government. Even that government, which is ready to defend Canadian federalism at all costs, has found it necessary to stand with the other members of the National Assembly to denounce this situation.

While it intrudes more and more, the federal government also maintains its financial stranglehold on Quebec. After 10 years of uninterrupted growth and zero deficits, Quebec is still in a fragile financial situation, and that is the work of the Prime Minister, who is the father of the fiscal imbalance.

The Prime Minister may well refuse to admit paternity, but he cannot hide it. He had a golden opportunity to resolve the fiscal imbalance. He has refused to do so. I offer him another opportunity to do so with our amendment.

I remind him that Quebec has 200 elected representatives, 125 in the National Assembly in Quebec City and 75 in the House of Commons. Of these 200 Quebec representatives, there are 179 who agree with the conclusions of the Séguin report on the fiscal imbalance; there are 179 who agree on the solutions needed; there are only 21 who are blocking Quebec's path; those are the 21 federal Liberal members from Quebec; the 21 federal Liberal MPs, including the Prime Minister, are the ones working against the basic interests of Quebec.

Today, we deeply regret that the Liberal Party and the Conservative Party have the same attitude to Quebec. I invite all Quebecers not to forget that this government, led by this Prime Minister, has refused to make any compromise on this issue and that the leader of the opposition has already forgotten his promises to defend Quebec's interests.

The Minister of Finance points out that this budget covers five years rather than two, as is usually the case. This is especially arrogant, given that this is a minority government, which is very likely to disappear well before its promises can actually materialize. The government is laughing at Canadians, giving virtually nothing the first year, crumbs the second and the whole kit and caboodle in the years after. It is a bluff, it is a snow job.

Once again, we have the Prime Minister's little masquerade of underestimating the budget surpluses. This is intellectual dishonesty, and no one is fooled. This year, he is piling it on with his inflated promises over five years. If the government thinks that it can manage to stay in power for five years with this kind of budget, it is dreaming in technicolor.

The worst thing, though, is the government's insensitivity to workers. It has diverted tens of billions of dollars from the employment insurance fund over the past few years. In doing so, it has violated the spirit of the act, as the Auditor General has stressed repeatedly.

The members of the Standing Committee on Human Resources, Skills Development, Social Development and Status of Persons with

Disabilities, including the Liberal members, agreed to recommend to the government that an independent fund be created to put an end to this institutionalized diversion of funds. But once again, the Prime Minister has missed an opportunity to end an injustice. Once again, the government is obstinately rejecting common sense.

In the meantime, the government announces a tiny reform to employment insurance. As a supposed change, it is a real insult to workers. The government announces \$300 million a year and then turns around and says it is going to continue excluding hundreds of thousands of working people who have contributed. It is announcing pilot projects, so it says, but what it is really announcing is that the regions will continue to suffer.

The government must understand, once and for all, that the discriminatory requirement whereby people entering the work force must accumulate 910 hours—now 840—in order to access the system is just driving young people out of the regions of Quebec.

•(1055)

The problem will not be solved by slightly relaxing the stringency of this discriminatory measure. The Prime Minister must know that his government is part of the reason for the exodus of young people.

The government must also realize that the globalization of trade and competition from China are killing our manufacturing industries. Thousands of workers have lost their jobs over the past few years, and many of them have a very hard time finding another. The need for a program to help older workers has never been so great as it is today. But the government just ignores these workers, most of whom have contributed for years and years to employment insurance. Finally, the government could have put an end to what seasonal workers call the "gap".

I do not dare even imagine what this government would have done had it had a majority. The Prime Minister really does not have his priorities straight. How can this government refuse to help working people while swimming in budget surpluses? How can it spend \$12 billion on defence and refuse to do justice to seasonal workers, to older workers and to women, who have been paying into employment insurance? How can the government be ready to make a gift of hundreds of millions of dollars to the oil industry while refusing to help workers in the regions of Quebec? How can the Prime Minister be prepared to allow companies to use tax havens and his own family company to save more than \$100 million in taxes while refusing to correct a huge injustice in the employment insurance system?

The Liberals, we will recall, have made all kinds of promises about employment insurance before elections, but have always renege on them.

The Budget

In the early 1990s, I took to the streets of Montreal in 20 below temperatures, along with tens of thousands of other people, to demonstrate against the Conservative cuts to unemployment insurance. At my side was a member of Parliament from Quebec: the member for LaSalle—Émard. At that time, he claimed to be on the side of the workers and the regions of Quebec. He has turned his back on all that. He has turned his back on the workers, the regions of Quebec, and even Quebec. The Prime Minister has gone back on his word, on his responsibility for the fiscal imbalance and on his previous commitments.

He wrote the 1993 Liberal red book promising to fund social housing. Despite repeated commitments from the government, not a cent was earmarked for social housing in yesterday's budget.

The Liberal government could have taken advantage of this budget to announce its intention to settle the parental leave issue with Quebec. Tens of thousands of workers currently do not have access to the federal parental leave program. The Government of Quebec is prepared to implement a much more accessible and generous program. How is it that the federal government is prepared, contrary to all logic and the most elementary notion of equity, to give Newfoundland and Nova Scotia billions of dollars as a gift, while refusing to hand over \$275 million to the Government of Quebec for parental leave for Quebec families?

The fact is that this Prime Minister has no sense of priorities. He has no leadership. He has no judgment. Quebec families have been totally forgotten in this budget.

The budget also announces \$5 billion to fund a national child care system. Why would the federal government get involved in child care? The answer is simple. The federal government is swimming in cash, as a columnist wrote this morning. The federal government is swimming in money and it is taking advantage of that to intrude more and more. If the federal government has more money than it knows what to do with, we have suggestions to offer.

The government should just transfer the money for child care to the Government of Quebec and not meddle with day care needlessly creating yet again standards, overlap, discord and a great deal of bureaucracy.

Quebeckers should know that \$1 billion a year means \$230 million for Quebec, which is less than 15% of what the Government of Quebec spends on child care. Quebec wants to be left alone to take care of its own business and for this government to transfer Quebeckers' money to the Government of Quebec. The Bloc Québécois also calls on the government to give Quebec its entire share of the funding with no strings attached.

• (1100)

The government has announced that it will inject billions of dollars into implementing the Kyoto protocol. Stephen Guilbeault, the Greenpeace spokesperson for Quebec, is bitterly disappointed. Once again, the government has no plan. Not only does it have no plan, but the Minister of Finance did not even utter the word "Kyoto" in his speech.

The Liberal government is going to create more bureaucracy and Canada-wide programs that are inefficient, poorly drafted and have no overall plan. The government refused to listen to the public, the

environmental groups, the Bloc Québécois, the NDP and even the recommendations of the OECD to amend the tax system in order to apply the polluter-pay principle.

I must say that it is discouraging to see to what extent the members of the Liberal Party and the Conservative Party in this House do not understand the urgency of the situation. If it were not for the NDP and its leader, I would say that Canada is indifferent to climate change and the environment and that only the Bloc Québécois is concerned about this issue.

What does this government need to understand that the situation is dramatic and that resorting to tricks is no longer good enough. Yet, this is a critical issue, which goes beyond partisan differences. In fact, by lowering taxes for businesses without targeting these companies, the Liberal government is once again rewarding major polluters, such as oil companies. The government is showing once again that it wants to put the burden on the shoulders of ordinary citizens and let large emitters continue to pollute with impunity. No wonder Canada has the worst record among all western countries when it comes to increasing greenhouse gas emissions. If the government is sincere about reducing greenhouse gas emissions, it should adopt the territorial approach, let Quebec implement its own plan and transfer Quebec's financial share unconditionally.

I am convinced that this would allow Quebec to achieve its reduction targets at less cost and with much greater economic benefits. It is not too late to make that change. As things stand, Quebec's interests are being totally ignored, and the Kyoto objectives will never be achieved. Canada is currently not assuming its responsibilities, and this fall, at the meeting of the signatories to the Kyoto accord, a shameful record is all that it will be able to show.

This year again, the government announced a significant increase in the defence budget. It is about to spend over \$12.8 billion for defence and another billion of dollars for security. The reality is that the Canadian government does not have a foreign policy and it does not have a defence policy. How can it allocate billions of dollars for the army, when we do not even know what role this army will play in the future? The government has it all wrong. It hands out money first and then thinks about the army's role. It does not make any sense, and this is why we end up with submarines that do not go underwater and with helicopters that do not fly.

Also, while we are pleased with the modest increase for international aid, we must point out that, at this rate, Canada will never achieve its objective of allocating 0.7% of its GDP to international aid. In fact, this government has decided to spend four times more on defence and security than on international aid. This goes squarely against Quebeckers' wishes. And it shows once again that this indecisive Prime Minister does not have a sense of priorities.

The Budget

The government is failing Quebec producers, particularly dairy farmers. This government is announcing that it will spend \$30 million to recover taxes not paid by companies with foreign subsidiaries, with collections expected to total \$30 million. This says a great deal about the government's willingness to stop the extensive use of tax havens. If the government wanted to, it could recover hundreds of millions of dollars. Naturally, the Prime Minister's family business would be forced to pay its taxes in Quebec and Ottawa.

The government is announcing that the guaranteed income supplement for seniors will be increased by \$400 per year—over five years. This is what the government has announced.

I see that I have just one minute remaining although I would have liked to touch on a number of other issues.

In conclusion, all this clearly demonstrates that currently Quebec does not have the means to reach its full potential and control its own taxes, which is one of the essential elements of sovereignty. It comes down to this, the control of the money. We do not have control of the money.

• (1105)

This budget proves that it is high time Quebec once again assumed full control of its finances, and that the only way forward is sovereignty for Quebec. Sovereignty for Quebec is the only way we can solve these problems.

Consequently, I will move the following amendment to the amendment, seconded by the member for Saint-Hyacinthe—Bagot:

That all the words after the expression “does not reflect” be replaced by the following:

“the concerns of the population and therefore demands that the government resolve the fiscal imbalance, put forward a real plan that provides for the investments necessary to meet Canada's commitments on reducing greenhouse gases, and immediately implement the 28 recommendations contained in the report on employment insurance tabled by the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities in the House on February 15, 2005.”

• (1110)

The Speaker: The debate is now on the amendment to the amendment.

The hon. Parliamentary Secretary to the Minister of Finance on questions and comments.

[*English*]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I think it is reasonable to assume that this budget will not enjoy the support of the Bloc Québécois. I suppose I cannot say that I find that of any great surprise, but really I do not know that there is any budget which would ever enjoy the support of the Bloc.

In all the years I have been here I do not think the Bloc members have ever voted in favour of any budget measures, and I believe that since its inception they have never voted in favour of any budget measures, so I suppose they are maintaining their historical pattern of not supporting anything that is in the budget.

There is really nothing that the Government of Canada could ever do that would make the Bloc happy. It persists in this fiction of a

fiscal imbalance and enjoys these rhetorical flourishes about how “the needs in the provinces are here and the money is in Ottawa”, which is of course complete nonsense and a complete misunderstanding of probably the most significantly well run working federation in the world.

The other comment I have is on the forecasting. I do not know whether the hon. member noted that the forecast for this year is 2.9% of GDP growth, which is basically what all of the other forecasters, out of the consensus, forecast. The problem is that the hon. member wishes to take the higher end of the forecast and put at risk balancing the budget, so I want to know from the hon. member whether in fact he would risk the government balancing the books by taking on the higher number, which we heard this week was something in excess of \$7 billion.

How does he propose to balance the government's budget in the event of an economic downturn? Does he simply want to put the government's finances at risk? Does he simply want to roll over all the money? Does he see it as the responsibility of the Government of Canada to balance the books of the provinces?

• (1115)

[*Translation*]

Mr. Gilles Duceppe: Mr. Speaker, we have a tradition of voting against the budget precisely because there is a tradition of broken promises on the other side of the House.

The parliamentary secretary is telling us that there is no such thing as a fiscal imbalance. This is a case of everybody being wrong except him. I remind him that all political parties in Quebec, all provinces and territories, all opposition parties here and 80% of Quebecers think fiscal imbalance is a reality. He should come to Quebec and explain to Quebecers that it does not exist. Even the Prime Minister's Quebec lieutenant, the transport minister, confessed yesterday that fiscal imbalance was synonymous with fiscal pressures. Synonymous means the same thing. Maybe the parliamentary secretary does not quite get it, but if the Liberals admit there are fiscal pressures, it means they are admitting there is a fiscal imbalance.

The parliamentary secretary also told us that we would like to drive the government into deficit. Let me tell him that we introduced an anti-deficit bill, but the Liberals voted it down.

On top of that, his budget projects a GDP increase of about 2.9%, when our projections are lower, at 2.7%, a figure that is confirmed by senior analysts in connection with the surplus. If we are saying that it is possible to achieve a balanced budget with a lower GDP increase, it is because we are not underestimating or hiding surpluses like the Liberals do. That is the problem. Everybody understands except the Liberals. This time, they are fortunate enough that the Conservatives are afraid of an election. Otherwise, we would have a field day in Quebec, after a budget like this one.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I would like to thank the member for Laurier—Saint-Marie for his speech.

The Budget

I take this opportunity to make a little comment for my Liberal colleague, who said that he did not think that he would see the day when the Bloc Québécois would vote in favour of the Liberal budget. For my part, I never thought that I would see the day when the Conservatives would vote in favour of the Liberal budget. I always said that the Prime Minister had always been more Conservative than Liberal. We saw this last night. Yesterday, when they left the House, the Conservatives did not even say that they would analyze the budget; they immediately announced that they would vote for it or that they would arrange to do so.

I think that the question I want to ask the member for Laurier—Sainte-Marie is very important. I visited the Forestville region, where 2,500 people were in the streets. I also visited the Gaspé region, my cousins from the Gaspé Peninsula, on the other side of Chaleur Bay, who are facing the same problems as northeast New Brunswick and Newfoundland. In parliamentary committee, the Liberals voted in favour of a \$2 billion budget to finally solve the problem of seasonal workers; today, they are satisfied with only \$300 million allocated to this in the budget.

Could the member for Laurier—Sainte-Marie tell us whether he is satisfied and if he thinks that people in the Gaspé region are satisfied? These poor workers cannot get money to feed their families, as is the case in our region. At the same time, when we look at the figures, we see that \$300 million is allocated to workers who lost their jobs, as opposed to \$4.6 billion in tax cuts for big corporations. This is what the budget of the Liberals and the Conservatives is all about.

Mr. Gilles Duceppe: Mr. Speaker, I have always said that the Liberals campaign as if they were the NDP, but that they govern like the Conservatives. We now have the proof of that.

The hon. member is talking about the people in Forestville. I was also in Forestville to meet with them. But what I regret is the contempt the transport minister had for these people on television this morning. He said that unemployed people who are reasonable and people who do not have a political agenda, like the Bloc Québécois, will find this budgetary provision wonderful. This is utter contempt. There is no such thing as a reasonable unemployed worker who is satisfied with a few crumbs. Are we to understand that those who are asking for more and are saying that they have been robbed are not reasonable people? Are we to understand that those who are saying that the Liberals took their money to pay off debts and do not want to pay the unemployment insurance debt are not reasonable?

This is utter contempt, but what else could we expect from this minister. In his prime, not that long ago, before he entered politics, he stated that the politics of the poor makes poor politics. That is what he said. It reflects very well the spirit of his leader. Both have the same vision of our society: they take money from those in need and give it to their cronies.

• (1120)

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I would like to thank the leader of the Bloc for his very important speech on this incredible budget. It is a budget that is not being accepted by most Canadians. Indeed, not only Quebeckers, but also a majority of Canadians find this budget unacceptable. Furthermore, I

want to comment on this incredible marriage between the Liberals and the Conservatives.

However, here is the question that I want to ask the leader of the Bloc: how can he explain the generous gifts that were given to big businesses through tax cuts? How can he explain this, when workers, students, women, the disabled, farmers, and so on, have great needs and major problems?

An hon. member: And aboriginals.

Ms. Judy Wasylycia-Leis: And aboriginals, indeed. How can he explain these gifts to a very small group in our society, when there are no assistance programs for most Canadians?

M. Gilles Duceppe: Mr. Speaker, my explanation is that this is an electoralist budget. It represents those the Liberals defend. It is an electoralist budget because of the Conservative Party's electoralist attitude as well. Both fear the opinion of Canadians and Quebeckers. Both fear the voting public. They do not want to have an election, and they have made compromises based on the Conservative platform in order to avoid that. That is the explanation.

More generally, however, I think the government has always shown disdain and arrogance toward the least advantaged in society, and toward Quebec even more. This is manifest in its lack of recognition of those in need everywhere in Canada and in Quebec, but even more so in its lack of recognition of the particular situation in Quebec. There is a special situation in Quebec, which is hit harder by fiscal imbalance and has a duty to protect, defend and promote the future of the Quebec nation. This is a reality not necessarily shared by the other provinces.

It is always the same old story with Liberal budgets in this connection. But this time they have few Quebec MPs from their party. It was worse when there were more of them, and could claim to be speaking on behalf of Quebeckers, while what they were doing and saying was the exact opposite of what Quebeckers expected from them. They were taught a lesson in the last election. Now they ought to be able to understand that the general interests of the population are not served by showing contempt for Quebec's institutions, its workers and its jobless. The interests they are defending in this budget are the interests of the Liberal Party of Canada, with the backing of the Conservatives who are, in turn, defending the interests of the Conservative Party of Canada, while both of them neglect the interests of the people.

[English]

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, this budget is a profound disappointment, particularly to anyone who voted for the Liberals based on the lie that they share New Democrat values. That is what the Prime Minister pretended that he stood for in the election. He asked Canadians to choose their Canada.

Here is the Canada that he has chosen instead. Our pollution will rise. Tuition is going to continue to be a burden and become more expensive. More people are going to live on the streets. Workers will keep paying EI premiums for an insurance that they will never collect. Aboriginal squalor will grow; however, corporations will get billions of dollars in tax cuts.

The Budget

That is not the vision that was promised by the Prime Minister when he went to Canadians and asked for their support. It is not the fundamental change that he promised Canadians. This budget is a betrayal of the progressive votes that he sought in the campaign's dying days. The only vision that the Prime Minister seems to have had was of the opposite side of the House. The budget is a set of broken promises.

• (1125)

[*Translation*]

This budget breaks Canada's promises to the world on foreign aid and the Kyoto protocol and reveals that the consultations were only a farce, a piece of theatre.

Our finance critic had exactly one meeting with the minister. After that, nothing. I take this opportunity to congratulate the hon. member for Winnipeg North on her excellent work, despite the finance minister's refusal to listen.

[*English*]

The relationship between the finance minister and the Conservative leader leaves one wondering what the member for Calgary Southeast would have to say about it, the same sect relationship.

My party had hoped that the Conservatives would not be quite so enthusiastic about this budget. My party had hoped that there would be the ability to perhaps make changes to honour the promises that the Liberals made to so many Canadians, and promises that they made time and time again over the years and broken.

I am speaking of their promises to cut pollution, to make education affordable, to build affordable housing, and to play a role in the world that makes us proud. It did not. The budget did not honour the Liberal promises to Canadians, pure and simple. Our party cannot vote for this betrayal.

Our country faces grave challenges. We are behind the world on environment. We have squandered a decade of unprecedented resources. We are neither educating nor training the workforce the way we should be. We are not investing in our economic engines and cities. Our economy is ill-prepared for the sustainability revolution that is to come and that other countries are embracing. We ignore demographic shifts and leave immigrant professionals driving cabs. We leave our first nations living in squalor.

[*Translation*]

We have more obligations to our children than simply reducing the debt. But let us be clear: a reduced debt is a good thing, but our obligation to the next generation goes much further than that. It must include clean and healthy air, accessible education, non-profit child care. This budget does not achieve that.

[*English*]

Canadians did not vote for these choices. Liberals did not even campaign on these choices. If Canadians want balanced budgets in every sense, they need to vote NDP. We now see once again that voting Liberal means voting money for Bay Street while forcing people on to the streets because there is no affordable housing and we are not building it the way we should.

Dumping billions of dollars into unaccountable foundations and eviscerating federal leadership and social policy does not build the country we want.

I want to address some of the key betrayals in the budget because far from "delivering commitments", the title the Prime Minister chose for this document, the budget should be entitled "dithering on commitments", or worse, "betrayal of commitments", because that is the truth of the matter.

I do want to acknowledge there were some positive first steps made on child care. After 12 years of broken promises to do something about child care, it is about time there was some reference and some dollars put aside. We welcome the fact that there has finally been some movement, but we will be vigilant in ensuring that kids are protected through non-profit child care in a public system. We must invest in our children, but it must be in a framework that has been proven to work. We do not want to see big box Wal-Mart child care centres peppering this country.

• (1130)

[*Translation*]

Without a firm commitment to fight poverty, a child care program is insufficient. This budget gives billions of dollars in gifts and tax reductions to big businesses, while their profits are bigger than ever. And yet there is no increase in the child tax credit. Child poverty will continue, once again because of Liberal broken promises.

There is not one penny for building social housing. That is completely unreasonable. We are still travelling on the path laid out by the Liberals, a path from which we can see the gap between rich and poor growing wider every day.

This is not the Canada for which the people voted a few months ago. Yesterday, they were betrayed.

[*English*]

It is a budget that rewards wealth, instead of rewarding work. Canadians did not vote for dirtier air and more pollution but that is what they will get. In this budget we did not even hear in the speech a reference to Kyoto, the most important international agreement to cut greenhouse gas emissions that has ever been put together. There was no commitment to mandatory emissions standards. In fact, the Liberals voted against our proposals to do something about pollution in that sector. There is nothing on transferring subsidies from the polluting forms of energy, like oil and coal, over to the renewable forms of energy, the clean energy of the future. There is no vision whatsoever for the future when it comes to energy and pollution.

We did more at the City of Toronto in embracing efficiency than the Prime Minister has provided for in his budget. Cities and communities are also doing much more without much help from the federal government.

The Budget

The fact is that the government has no plan, no commitment and very few ideas with regard to dealing with this issue. It is simply impossible now for Canada to keep its promise to the world and to its citizens to meet the greenhouse gas reduction objectives that we signed onto. We have broken our promise to the world on pollution and we can look forward to more smog days next summer. In fact, we even have them now in the wintertime, where people cannot breathe and they have to head off to the emergency rooms. They can thank the Prime Minister for the lack of action on that.

I want to thank the leader of the Bloc Québécois for including our concern about this in his excellent subamendment to the speech on the budget.

If the short-sightedness on the environment is staggering, and it is, then the continued choice to put education out of reach is nothing short of despicable. Not one penny was invested in lowering costs for students. Students and their families are facing a crushing debt burden, and worse than that, they are having to decide not to go to school. What a waste of our resources. We have all these young people, with their talents available and wanting to invest their lives in an educational future so they can make a contribution to the economy of this next century, and we deny them that possibility by putting education out of reach. It is not acceptable.

The budget does provide, however, for students only when they die. It is absolutely absurd. They are going to write off student debt if the student is dead. Who is supposed to celebrate that? It also refuses to train workers or to educate young people. It is simply an asinine public policy and the Liberals should be ashamed of themselves.

What about our place in the world in the global community? We expected some real action in this area. In fact, the leaders of the opposition parties made a proposal with regard to foreign aid. However our foreign aid levels will not rise to the level that Canada has long promised the world. We have put it off. We welcome the investment in peacekeeping but foreign aid prevents conflicts that peacekeeping is then later required to solve. They go hand in hand. Given the generosity of Canadians in response to the tsunami, we want to help those in need and keep this long broken Liberal promise to the world, but again we will not see it in this budget.

We have the opportunity to make a choice about our place in the world and whether we are going to respond to Canadians' moral imperative that they demonstrated with their generosity, which was that Canada should be behind the investment all around the world that is needed in order to lift millions and millions of people out of poverty and disease. Instead, we stand at the back of the pack and do virtually nothing. There are many other issues that we should discuss in this budget and our members will be raising them in the debate days to come.

• (1135)

[*Translation*]

As for employment insurance, it is incredible to see the government's lack of action, after the good work that was done in the standing committee. On this topic, I want to thank the hon. member for Acadie—Bathurst for his hard work as the NDP's representative on that committee.

With respect to the aboriginal people, they are stuck in absolutely incredible poverty because of the government's lack of action.

We can also talk about pensions. No action was taken to help those who are older now and remain poor. This budget is a failure when it comes to pensions. The Liberals have not even attempted to address these chronic problems affecting average Canadians.

My party cannot, in conscience, support this budget, because it simply does not deliver the goods, and that is that.

[*English*]

My party cannot vote for this budget. We wanted to engage with the government to improve the budget after it was delivered, which is what should be happening in a minority House of Commons to honour the progressive votes that were given to both of our parties. However it is clear again that the Liberals do not deliver on NDP values, despite what the Prime Minister says at election time.

If people want to see NDP values in action, they will have to vote NDP and then they will see balanced and pragmatic approaches to dealing with their concerns based on their values.

We are deeply disappointed that the Prime Minister has broken his word, not for ourselves, but for the people who are living on the streets, the people who are trying to go to school, the people who need to receive assistance from EI, even though they have paid into it for years and are unable to get that assistance, and for the people who are choking on smog.

The budget is a betrayal, which is why we will be voting against it.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, we have now heard from two of the parties that will never have to make choices in this Parliament.

The NDP members love to preach to the choir. They set out their menu of 10 or 15 crises priorities. They do not have to balance it according to all other priorities. They just have to go with their priorities. They announce it as their 15 favourite crises that need to be done.

When the government actually addresses two or three of those so-called crises, so-called important things that need to be done, NDP values, then there are still twelve left and they can add another three on because they did not get those covered off in this particular budget.

I wonder what part of this budget the hon. member does not like. Does he not like the health care, which was initially \$41 billion additional money in September and then the minister added a further \$805 million for healthy human resources, healthy living, disease prevention, pandemics, et cetera?

Did he not like the part about the seniors? Did he not like the increase in the GIS, the \$2.7 billion over the next two years to increase the seniors GIS to \$400 and \$700 for singles and couples respectively?

The Budget

He did not seem to like the part with respect to investing in people. He did not like the \$5 billion set aside for child care. After all, was this not one of his priorities? These are all his priorities and he does not seem to like any of them because he did not have to make any choices.

I ask the hon. member what particular aspects of those three choices did he not like?

• (1140)

Mr. Jack Layton: Mr. Speaker, it is rather clear that the hon. member did not bother to listen to my speech because we singled out the child care investment as an important first step. The member chose to ignore that reference and I guess we have to treat his commentary on my observations in that light.

I take considerable offence, as I think most Canadians would, to the wave of the hand definition of crises that we are facing in this country as so-called crises. Let him say that to the people who are living on the streets because they cannot afford any housing, because the government has not built any houses.

Let the member stand before homeless individuals and ask them about their so-called crisis. That is shameful. Let him say that to people who have to go to an emergency ward, as they do by the thousands, because they cannot breathe the air. Let the member say to those people that they have a so-called crisis. Let him talk to the families of those who have died as a result of the pollution that has been produced by the lack of action of the government. Let him tell them that their crisis is so-called as he stands beside them.

This is the kind of callous arrogance that drove Canadians to send the Liberal Party into minority status in the election and yet it comes right back with that callous approach.

On the so-called crisis of children living in poverty, I ask the member to go to a food bank and greet people by saying that their crisis is a so-called crisis.

What about students who cannot afford to go to school? It is all well and good for the children of those families who can afford it. Maybe that is all the member and the government care about. The government is going to give a break for a student who dies and still owes some debt. Who does that help out? It helps out the banks because they are the ones that need to collect the debt, so they do not have to collect it from the families.

Why do students have this kind of debt? It is because the government cut funding to post-secondary education in unprecedented ways and levels. As a result, students are having to work extra jobs, take part time courses and are graduating with massive debts.

Instead of having an investment strategy to create jobs and a focused strategy on training, we see once again no action and no plan.

For the member to suggest that Kyoto and climate change is a so-called crisis is to ignore all of the evidence. Let me name just one. The Arctic climate change assessment put together by the circumpolar Innu people and agreed to by Canada said that it was a crisis and yet the government and its representatives want to simply diminish the issue with a wave of the hand.

We were very specific about the choices that we wanted the government to make but it is very clear what choice it has made. Indeed, it was a stampede from the Conservatives to come out and celebrate the budget that they had helped to create. It was an absolute stampede.

When the Prime Minister became the leader of his party we said that the Liberal Party had taken a turn toward conservatism. Who could have predicted in the last week of the election that we would have a budget with huge corporate tax cuts and massive debt reduction proposals that will leave us with deficits in all of the other important areas, and that the Conservatives would be the first ones supporting it, the very ones the Prime Minister campaigned against in the election. It is a betrayal.

• (1145)

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, I would like to ask a few of simple questions today.

First, I would like to ask the leader of the NDP specifically whether he supports the plan in the government's budget to continually fund the gun registry. I understand there was a vote awhile back and he and many of his members supported to continue to fund it. Is it a long term plan of the NDP under his leadership to keep funding the useless, wasteful gun registry that makes criminals out of duck hunters.

Second, he railed against big box child care providers. Does he agree with the Conservative Party that the funds delivered for child care, rather than go to government run babysitting facilities, should be put directly into the pockets of families so they can make their own decisions about how to care for their families?

Third, what is so wrong with paying off the debt? When the debt is paid off, money is freed up to service debt, and in the long term there is more money for all the programs about which the NDP care so wildly.

Could he address those three points?

Mr. Jack Layton: Mr. Speaker, that from a political party that practically left Saskatchewan in bankruptcy. I do not think we have to take any lessons from the member's party on that one. In fact, the New Democrats came back cleaned up the mess.

I and certainly the New Democrats do not need to be lectured about proper fiscal management. The NDP, when in power, has the best record of any political party we can find. The member can check the numbers.

We support paying down debt, but the priorities are completely out of whack. There is a huge debt reduction campaign, which the Prime Minister said was his biggest objective, and there is an huge debt reduction proposal in this budget. Enormous contingency funds will be allocated with no debate whatsoever. I am shocked that the member opposite and his party would support such a budget.

I was beginning to think we were in a humour moment in the House. He asked the NDP about the gun registry. His party is going to support the budget of the government. What is this, some kind of a joke?

The Budget

How can the member from Saskatchewan stand and support a budget that gives nothing for farmers when they are living on the edge? However, he is perfectly happy to support the government because of its big tax cuts to big corporations on Bay Street. How will that help any of the farmers living on the edge. They are producing food for us and the world virtually for free? In fact, they lose money. They have negative income, and that party is going to support a budget that does nothing about that. Shame.

[*Translation*]

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to rise in support of the budget tabled yesterday in this House by my colleague, the Minister of Finance.

Once again, the federal budget bears the trademark that Canadians have come to expect from the Liberal government. This is a prudent and balanced budget for the management of public finances. It maintains the sound foundations of our economic success with well targeted tax measures. It also invests in the real priorities expressed by Canadians.

I am pleased that the budget includes a substantial program for the environment. I am pleased that the government is getting involved in the education of young children. However, as the Minister of Foreign Affairs, I am particularly pleased to see the significant amounts earmarked in this budget to expand Canada's role in the world, in defence and security, in development and, of course, in diplomacy.

Whenever I travel abroad, I am always struck by how Canada is respected and appreciated. Our unique and distinct identity is reflected abroad through our values, our actions and the responsibilities that we assume. Whether it is the contribution by our troops and police officers in maintaining peace and civil order in Haiti and Afghanistan, by our volunteers in Africa, or by our consular officers in the countries hit by the tsunami, that presence is what makes Canada truly different. This identity and the priority that will guide our government's initiatives abroad will be presented in a foreign policy statement which, I can assure the House, will soon be released.

The measures in this budget will allow Canada to assert itself even more confidently throughout the world.

• (1150)

[*English*]

It is a truism that modern foreign policy is a three D effort. Diplomacy, defence and development must all be harnessed together in a single coherent framework. The budget strengthens all three elements. It brings significant new funds for defence and development, and lays the essential foundation for transformation into a foreign ministry of the 21st century, embarking on a path toward a new diplomacy in tune with the aspirations and capabilities of Canadians.

One thing is clear. Canadians want their country to play a prominent leadership role in world affairs. They want us to defend Canadian interests and to promote Canadian values, and to do so with vigour, determination and intelligence. The budget takes some significant steps that deliver on the government's pledge to enhance Canada's place in the world.

To reinforce Canada's diplomatic capabilities over the next three years, we will boost the number of Canada's representatives abroad. Some \$42 million will be invested in this over the next five years. This recognizes the essential value of Canada's global network of embassies and consulates to our security and prosperity, and the need to effectively employ the knowledge and skills of our diplomatic personnel on the international stage.

We are also committing some \$40 million over the next five years to public diplomacy, which confirms the importance of the international activities of Canadian artists and scholars. We are also working with organizations like the Forum of Federations which will receive an endowment of some \$20 million to support its international activities in the Asia Pacific foundations, which will benefit from a \$50 million endowment.

Our international assistance will be increased by \$3.4 billion over the next five years. This will add significantly to the contribution that Canada is able to make to international development. From this envelope, some \$172 million will be devoted to a new Canadian debt relief initiative.

In the area of defence and security, I would like to underscore the important investments that are being made in the Canadian Forces. Almost \$13 billion in new money will be spent over the next five years. This is the largest five year increase in the last two decades. It delivers on the commitment to expand the Canadian Forces by 5,000 additional troops and 3,000 new reserves. This will significantly enhance Canada's military capabilities and enable us to project them overseas more effectively in support of our foreign policy goals. The new funding is a mark of our determination to transform the Canadian Forces so it is better structured to respond to the new asymmetric threat environment at home and abroad.

[*Translation*]

These investments are important because we face a security environment dramatically different than during the cold war. While prospects of nuclear war and tensions between superpowers have diminished, prospects of asymmetrical threats have risen.

Advances in technology have made threats more portable and harder to detect. And, the targets are increasingly innocent civilians and civilian infrastructure.

In a world where we face so many unpredictable threats, the strengthening and adaptation of our 3D, defence, diplomacy and development, approach is essential. If we are to play a leading role in advancing peace and stability, and meet the challenges posed by global terrorism, weapons of mass destruction and failed and failing states, we must ensure we are prepared to respond to emerging dangers.

The budget is an important step in achieving these goals. It contains a commitment of an additional \$100 million in each of the next five years for global peace and security, for a total of \$500 million. This money will go to funding a number of initiatives that will enable Canada to act decisively and effectively in addressing international security challenges.

The Budget

These initiatives will include renewal of the Human Security Program and a \$20 million contribution to support the African Union mission in Darfur.

I should also mention another measure closely focussed on the security of Canadian citizens: the \$59 million in funding for increased security at our missions overseas. This money will ensure that Canadians working for our country's interests do so in the safest possible conditions.

There is no greater responsibility for this government than the security of our citizens and the defence of Canada. That is why, almost one year ago, we put in place an integrated national security strategy that addresses the full spectrum of threats to our security, whether it be in Canada, within North America or internationally.

We have supported this comprehensive approach with major investments in our security and defence infrastructure. In fact, since budget 2001, we have invested over \$8.3 billion—not including today's numbers—on security and defence priorities ranging from border security to intelligence to emergency preparedness and air security.

The Government of Canada also understands the importance of a strong partnership and collaboration in providing the security of North America. We have a long and proud tradition of cooperation with the United States in the defence of North America. In this regard, the budget confirmed an investment of some \$433 million over the next five years in border security.

Whether it is on the Smart Borders Action Plan or in strengthening Norad, we have worked closely and effectively with our U.S. partners because we are deeply committed to our own security, the security of North America and to our partnerships.

●(1155)

[*English*]

That collaboration goes beyond North America because we know that ensuring our security must start well beyond our borders. Canada and the United States are partners overseas cooperating to address the challenges posed by terrorism, weapons of mass destruction, and failed and failing states.

In Afghanistan and Haiti, we have worked side by side to promote stability and security. In the Middle East, Canada is providing training. In Iraq, we are providing reconstruction assistance. We are also collaborating on efforts to stop the proliferation of nuclear weapons. Iran is a case in point.

This cooperation with the United States will continue. Indeed, the government's decision to invest in the Canadian Forces, as we demonstrated in yesterday's budget, will reinforce our ability to contribute to joint security initiatives. At the same time, it is important that the government weigh its priorities and review them carefully from the perspective of Canada's national interest.

There has been one other security issue which has attracted considerable attention in recent years, but which is not referred to in the budget. I am referring to the question of whether Canada will participate in the United States ballistic missile defence system. I would like to take this opportunity to inform the House of the government's position on this important subject.

●(1200)

[*Translation*]

The government has been studying the issue of missile defence for some time. We have been in close contact with our counterparts in Washington. The U.S. has weighed the risk to its citizens and territory against available resources, and has decided to proceed with deployment of a missile defence system. This is their right, and we understand and respect their decision.

Canada, however, must act in its own interests, and must determine where its own priorities lie. We must determine where investments will bring the greatest tangible results. After careful consideration of the issue of missile defence, we have decided that Canada will not participate in the U.S. ballistic missile defence system at this time.

This will not in any way diminish our ongoing cooperation with the United States. Security remains our shared priority. As part of the renewal of Norad, the government is exploring new and innovative ways to work with the United States in defence of North America, including a more integrated approach to countering maritime threats, development of a more comprehensive plan to deal with threats and emergencies affecting our two countries, and new military-to-military arrangements for the support of civilian authorities during crises.

We will continue our efforts to enhance the protection of North America, as set out in the new partnership statement that President Bush and Prime Minister Martin announced on November 30. We will work closely to build on the success of Smart Borders and engage Mexico to join our defence and security framework so that we may better align our roles, priorities and interests.

We will consider all options carefully, and we will pursue our priorities vigorously. We have already identified areas like border security and maritime security requiring enhanced binational cooperation and new resources. And, as we demonstrated in yesterday's Budget, we are committed to investing in these areas.

[*English*]

The government understands the importance of working with the United States on continental defence, and in the pursuit of peace and stability internationally. These are priorities for us and we will continue to make decisions that serve these goals. In doing so our guiding lights are and shall remain: Canada's interests and the security of Canadian citizens.

I call on all parties in the House to explain to our fellow citizens on both sides of the border the considerations our country has given to this decision. We must also respect our neighbour who has decided to move forward with the ballistic missile defence. On this side of the House, we believe we have made this decision based on policy principles and not on sheer emotion.

[*Translation*]

The message of the 2005 Budget is very clear. The government is making a critical investment in Canada's international stature. It shows that the government is listening to Canadians and understands that they want their government engaged actively and making a difference in the world.

The Budget

[English]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I want to take this opportunity to congratulate the foreign affairs minister for standing in his place today and at least according to this House the respect of making the announcement that Canada will not participate in Bush's missile madness. This is a very welcome decision.

I think that words of congratulation must go out to Canadians right across this country in community after community who have made their views known. The more they found out about missile defence, the more strenuously they registered their objection and their opposition. The foreign affairs minister's announcement today is a very welcome one.

It is extremely unfortunate that the Prime Minister did not see fit because it did not quite suit his political plan to make that announcement at the time the decision was made. I do not want to detract from the importance. It is an important victory for Canadians who understand the kind of role in the world that people around the globe would want for us.

In that regard, in view of the fact that we are debating the budget that is now before us, I want to raise a couple of brief questions with the minister. I note and welcome the fact that he acknowledged the tremendous contribution made by our embassy staff who work around the world for Canada and for Canadians.

I wonder if the minister could address some very serious concerns about the systematic erosion of status, presence and level of remuneration for our very professional and highly respected foreign service officers in the world.

I was shocked to be reminded lately of how serious that erosion is with two statistics. First, going back not very many years, there was a balance of fifty-fifty between the foreign service personnel that were located here in Ottawa and those that were out on mission, out in our embassies around the world.

It has now deteriorated to the point where the ratio is 4:1 Ottawa based to embassy based. I welcome the minister's indication that we are going to be upgrading the presence of our foreign service personnel around the world. Will we also be taking the opportunity to upgrade the level of remuneration? The second shocking point is that Canada has now dropped to number 20 of the G-20 countries in terms of our level of remuneration to our foreign service officers.

I also want to ask the minister to address the issue of the continuing humiliating low level of Canada's contribution to ODA.

I know he has pointed out that there are over a number of years increases in our commitment to ODA. Where are the targets and timetables that our Prime Minister always seems so fond to talk about when it comes to meeting the dictates and the demands of Bay Street, where are the targets and timetables that would take us from the humiliating low to which the Martin budget going back several years reduced us and has kept us at 2.24% of GDP being contributed to ODA to the .7% to which Canada has been supposedly an adherent and a supporter for many decades?

Would the minister please indicate whether we can look forward to targets and timetables? When can we hope that we will finally pull Canada out of this embarrassing position of lagging and falling

further behind in comparison to many countries that have already met and a number that have already exceeded the .7% ODA?

• (1205)

Hon. Pierre Pettigrew: Mr. Speaker, on the BMD question we have always said that we would make our decision in the best interests of Canada.

[Translation]

Ultimately, this decision is the result of our values and concerns as Canadians in a world in constant evolution. I believe that this is the Canada we want for the twenty-first century.

[English]

I want to thank the member for Halifax for her generous words concerning our diplomats around the world. We indeed have a very fine diplomatic service in Canada. We have invested a lot in terms of training and development of linguistic skills. It is important that we do everything we can to keep them with us and offer them challenging careers. I appreciate very much her support for improving their remuneration. I hear about that when I travel around the world.

Clearly, I will take the member's second point as support for the \$42 million in the budget that will allow us to send many more diplomats abroad. The member is right, I have publicly acknowledged many times that the balance of diplomats that we have at headquarters, vis-à-vis the ones we have in diplomatic missions abroad, was not the right one and that we were the lowest of the G-8 countries.

I am pleased that the budget, with \$42 million over the next five years, will allow us to redress this balance where we will have more diplomats serving Canadians in missions abroad. This is a priority that we had expressed and I am pleased that my department will be able to do this.

On the last question, frankly, I am at a loss for words because a \$3.4 billion increase in international assistance is an extraordinary contribution. This is a remarkable contribution. I believe that on the international front, we will be in the position of having doubled Canada's international assistance. If we take 2001, when we get to 2010, we will have doubled it. This is a very significant contribution to international assistance. I appreciate the member's support for more on that front.

I believe that foreign policy needs to integrate the three tools: our significant investment in defence, almost \$13 billion over the next five years; a doubling of our international development assistance; and, of course, substantial contributions as well to our diplomatic services.

• (1210)

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I want to thank the minister for coming today to speak on the budget. I was disappointed, though, with the minister's announcement, not so much with the content of the announcement but with the fact that he would come here and announce that Canada would not be involved in the ballistic missile defence system.

The Budget

The reason I am frustrated with that is because the same Prime Minister and the minister himself always gave indications that we would be bringing the debate to the House of Commons, that before there was a decision, there would be a debate and questions asked here in the House of Commons.

The NDP stands and claims great victory, but we have not had that opportunity. In committee, every time that we have looked at the ballistic missile defence system, we have had major concerns with the system, but the government was on the other side. Government members were explaining why we needed it. The parliamentary secretary was explaining why we needed the ballistic missile defence system. The Conservative Party had concerns. Now the minister stands in the House and makes this announcement.

The Prime Minister, even at a town hall meeting with CBC said, "Before any decision is made, there will be a vote in the House of Commons". That did not happen. I am frustrated and disappointed with the government on that count.

I am also disappointed that we have been waiting in Parliament and in our committee for the international policy review.

We have had the empty promises with BMD. We have had the empty promises that the IPR would be coming in August, then in October, and then at the end of January, or the beginning of February. We are now coming into March and the foreign affairs and international trade committee still has not had the opportunity to take a look at the vision that this government has on international policy.

I am wondering if the minister would stand today and tell us when we can expect the international policy review so that the foreign affairs and international trade committee can study it and Parliament can have an opportunity to debate it.

Hon. Pierre Pettigrew: Mr. Speaker, on the member's first point, this has been debated in Parliament several times. We have had the opportunity to discuss it regularly. There was a commitment to vote should we decide to participate in it. That is exactly what the Leader of the Opposition himself said. The Leader of the Opposition himself two days ago said exactly that, that there should be a vote if we decide to participate in it. We have now announced that Canada will not participate in it.

As for the international policy statement, I hope very much that we will be in a position to bring it to the parliamentary committee shortly. We have been working very diligently on it. It is a complex task because this is not only a foreign policy review that we are conducting this time, but an integrated international policy statement that integrates the four core international policy review departments of trade, diplomacy, defence and development, and beyond that, the 15 departments that have international activities abroad. It is a daunting challenge, but we will have the opportunity to discuss it in the parliamentary committee soon, I hope.

•(1215)

[Translation]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, I want to tell the Minister of Foreign Affairs that if Quebeckers were listening to him just now, they are extremely happy that Canada has decided not to take part in the missile defence shield.

However, had this moment occurred before the Canadian Ambassador-elect to the United States appeared before the Standing Committee on Foreign Affairs and International Trade, it would have been even better. In fact, currently, in all honesty, we have doubts about the significance of this refusal, after the ambassador-elect said, basically, that the Americans have everything they had wanted, even though it is the government's decision.

The ambiguity remains, and I want to ask the Minister of Foreign Affairs if he would agree to allow a debate in the House on this issue as a whole.

We fully agree that Canada must not take part in the missile defence shield, but what is the purpose of its participation in Norad? In our opinion, this needs clarification.

Also, a debate on this issue would allow consultations to be held, as the minister wanted. We know that the position has been taken and we agree with that position. However, for anyone who remains concerned or undecided about this decision, there needs to be some major action so that all Quebeckers and Canadians can agree with this position not to participate in the missile defence shield.

I am asking the minister if he would agree to allow a debate on this issue in the House.

I hope to have the opportunity to ask him a number of other questions about his speech and about what was not in the budget for foreign affairs. A few points have already been raised, but since the Speaker is on the edge of his seat and is indicating to me that my time is up, I will stop here.

I would like a response from the minister.

Hon. Pierre Pettigrew: Mr. Speaker, let us be precise. In our press release of August 5, when we agreed to the Norad amendment, and also that certain information would be transmitted to the American command in the missile field, we made this amendment in order to ensure that Norad remained relevant. For 30 years, nonetheless, Norad has had this mission, this role which is extremely important to us.

Allow me to read from the press release issued on August 5, 2004, in which we said:

It makes good sense to amend the agreement so that this essential Norad function can be preserved and Canada can continue to benefit from the security it provides to our citizens. This amendment safeguards and sustains Norad regardless of... ballistic missile defence.

Our position is clear: we will not participate in the “operation-ization” of this defence system. I am very glad that the hon. member for La Pointe-de-l'Île recognizes that the Liberal government has, once again, been able to reflect the priorities and values of Quebecers. The Government of Canada reflects Canadian values. We know that these Canadian values have deep roots in Quebec; Quebecers have made this clear.

I certainly appreciate that the hon. member for La Pointe-de-l'Île recognizes our government has, once again, reflected the aspirations of Quebecers in this delicate matter.

ROYAL ASSENT

●(1220)

[English]

The Deputy Speaker: Order, please. I have the honour to inform the House that a communication has been received which is as follows:

Rideau Hall
Ottawa

February 23, 2005

Mr. Speaker:

I have the honour to inform you that the Honourable Louis LeBel, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy of the Governor General, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 24th day of February, 2005, at 11:02 a.m.

Yours sincerely,

Curtis Barlow for Barbara Uteck
Secretary to the Governor General

The schedule indicates that royal assent was given to: Bill C-7, an act to amend the Department of Canadian Heritage Act and the Parks Canada Agency Act and to make related amendments to other Acts—Chapter No. 2; Bill C-4, an act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment—Chapter No. 3; Bill C-302, an act to change the name of the electoral district of Kitchener—Wilmot—Wellesley—Woolwich—Chapter No. 4; Bill C-304, an act to change the name of the electoral district of Battle River—Chapter No. 5; and Bill C-36, an act to change the boundaries of the Acadie—Bathurst and Miramichi electoral districts—Chapter No. 6.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, I will be splitting my time today with the member for Central Nova.

The Budget

It is my pleasure to rise and address budget 2005. At the outset I want to note a glaring omission, especially considering it was coming from a finance minister who makes his home in Regina, Saskatchewan.

I am talking about the fact that in the very long budget speech he did not even take note of the crisis on Canadian farms today; I see a friend of mine from the Regina area back here. Out on the farm today, it is a disaster. Farm incomes have been negative for a number of years. In 2003 we had negative farm incomes for the first time since the Great Depression. Today grain and oilseed prices are worse, if anything. They have fallen through the floor and of course we are still suffering with the mad cow crisis.

There was no mention of this farm disaster in the budget. There was certainly no help. The only thing in there was a reference to the cash deposit that producers must make to the CAIS program. In fact, a few weeks ago we moved a motion in this place, and had it passed, it would have eliminated the cash deposit. That did find its way into the budget document.

So again the Conservative Party is pushing the agenda on standing up for the Canadian farm. I am very disappointed that the finance minister, who is from Regina, did not even take note of the disaster on Canadian farms today.

First and foremost, budget 2005 really was an admission that the Conservative Party was right. In the last election campaign, the Conservative Party campaigned on a platform of tax relief and of increases in spending for the Canadian military. The government told Canadians that if we went down that road it would hurt Canada. It said that would drive Canada into deficit. We proposed spending over \$50 billion on those initiatives.

A few months later, we have a Liberal government back in power proposing to spend over \$50 billion on similar initiatives. But guess what? Now it will not drive Canada into deficit because now it is the Liberals doing it. Apparently somehow that makes a difference in how much money we have. I just want to point to that duplicity. It was completely dishonest. Unfortunately they got away with it, but I hope that Canadians will note what they have done and be mindful of that as we approach another election.

We have some criticism of this budget. I know people have pointed to the fact that we have said we will not bring down the government on this budget. It is true. We will not. We will not bring down the government because we think it has made some positive steps in certain areas. We are happy to see that. Again, it is an acknowledgement that the Conservative Party was correct on these things.

We do not think it went far enough and fast enough in some areas, there is no question about it. I will talk about that in a moment, but it is also true that the Conservative Party is here to serve Canada and we want to make this minority Parliament work. We think we can twist some arms to get the government to do some positive things.

The Budget

We have already done that. We recently passed a motion that really has forced the government to have independent forecasters come in, look at the books of the government and determine how large surpluses will be down the road so the government cannot again play games with these surpluses. It is trying to play games, but now we have an independent set of numbers and can say, "Wait a minute, we can see that government is lowballing the size of the surplus". It is doing that actually; it is lowballing the size of the surplus going into next year and the years after, next year by \$4 billion alone. That is why we are arguing it could do more, but I want to set that aside for a moment.

We are here to serve the public. Canada does not want an election today. That is very clear. We understand that. We are willing to try to make this Parliament work, but having said that, we are also going to twist Liberal arms to make sure that it works not for the Liberal Party but for Canadians.

We have criticisms. I have touched on a couple of them already. One of the criticisms we have is on the huge increase in the cost of the bureaucracy over the last number of years.

• (1225)

Since 1997 the cost of the bureaucracy in Canada has gone up 77%. Despite that, the government, even though it has lots of money for its own boondoggles and lots of money for the cost of the bureaucracy, gave a very begrudging tax cut to low income Canadians. When it comes to ensuring that people at the low end of the income scale have a few more dollars in their pockets, the government provides them with a \$16 tax break on their tax bill next year. I could spend that \$16 in a parking meter. That is \$1.25 a month. That is like a down payment on a large coffee at Tim Hortons. That is clearly inadequate; in fact, it is an insult. The government has to refocus and start to treat Canadians with a little respect.

Over the last dozen years Canadians have seen their take home pay frozen. They have seen no rise at all in their take home pay. Don Drummond, former deputy minister of finance and now chief economist at the TD Bank, has said over and over again that Canadians must have a national pay raise. The only way that can happen is if the government changes its priorities. It has to ensure that some of the surplus it generates is turned back to Canadians in the form of lower taxes. That must happen for the working poor and for middle income Canadians who often feel as if they are left out. They need to get that break.

We in the Conservative Party think that many of these measures are too little too late. I would say the same thing about national defence.

When the government announced its spending on national defence, it simply reannounced a number of things it had already announced, things like spending on medium range helicopters. The government made these announcements before, but they were put in the budget to make it sound like it is a great big number.

Of course we appreciate the spending on defence, and of course it should be there, but let us not pretend it is more than it really is. That is what the government does every time. It reannounces old spending and does it over a multi-year period so it sounds like a great big

number, but when it is spread out over five years it is a lot less impressive. We need to keep that in mind.

There are many things the government still has to do. Some of these contributions are welcome, but as our defence critic pointed out, there is still not enough money for maintenance of existing equipment. There will be some purchases of new equipment, which is welcome, but there is not even enough money for the maintenance of existing equipment.

The government has to do a lot more when it comes to ensuring that we look after the Canadian military. They are the people who defend us, the people whom we count upon to be our face in the world when they go on peacekeeping missions and when they deliver disaster relief as they did during the tsunami crisis in southeast Asia.

The Conservative Party has many other concerns with respect to this budget. One of the big concerns I have as finance critic is the government has announced a number of measures where it has committed huge amounts of money, such as \$5 billion for child care and \$5 billion for climate change initiatives, but there are no plans attached to them.

I get worried when the government oversees big pools of money and there are no plans as to how the money will be distributed to meet certain objectives that are in the public interest. That looks like a boondoggle in the making to me. The child care and climate change initiatives are going to cost \$10 billion. We should all be sore afraid.

The Auditor General condemned the government for setting up foundations where Parliament had no oversight, where there were no performance audits. It looks like the exact same thing with those two programs in particular. We are concerned about that as well.

My leader has said and I am saying that we will not defeat the government on this budget. We want to work with this minority Parliament in the interests of Canada. We know it has only been eight months since the last election. We have already had three elections in eight months in my part of the world in Alberta. I do not think Canadians want to have a fourth.

We will also hold the government to account. We will try to amend pieces of legislation that deal with some of these specific measures as they come through the House and committee to improve them. That is our role as the official opposition. We are here to work for Canadians.

• (1230)

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I would like to thank my colleague on the finance committee, the finance critic for the Conservative Party, for his speech today. I would like to explore further the Conservative support for the Liberal budget which we note is unprecedented. It is quite remarkable in every aspect. To have the Conservatives and Liberals on the same page on a budget is mind boggling quite frankly.

The Budget

We would certainly like to explore the reasons for that, especially in the context of listening to the member's speech. He talked about too little to late. He talked about the meagre \$16 a year for low income families as a tax break, that he could spend more in one fell swoop at a parking metre, how it barely covers a cup of Tim Hortons coffee, and the list goes on.

Why did his party agree to support the budget right off the bat without even trying to negotiate something better? Particularly since the member himself said that the Conservatives were going to try to make the minority Parliament work for Canadians, why did he not try to get something more out of this than he got, which was not very much? How does he explain his response in the context of the Conservative Party's finance critic's report at the finance committee which stated, "Canadians should not have to settle for another round of lost opportunities"?

Could the member explain how the budget is really not another round of lost opportunities?

•(1235)

Mr. Monte Solberg: Mr. Speaker, the member is asking why we were not able to negotiate more. I simply have to point out we were the only party that was able to negotiate anything. It was our party that pushed the issue of getting some tax relief for low and middle income Canadians. I grant that this is not nearly enough, that the government should do more, but we got something.

We also have been pushing to ensure that businesses got some tax relief so that we would not see jobs disappear overseas. It is important that we keep jobs in Canada. It is not enough, but we got something.

I agree this is not enough. We would like to see more, but we are not on the government side right now. We are in opposition. We used our influence as best we could to help the Canadian people. Although it is not enough, I think the Canadian public does not want an election today and they want us to continue to try to twist arms and to make this minority Parliament work.

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, I want to compliment my colleague on his speech. We are neighbours in Alberta. His riding and mine are side by side.

I have to admit it was kind of pleasant to walk into the office this morning. I did not get any e-mails on same sex marriage, but I received a whole bunch from farmers.

I have explained to farmers first of all that they must remember it is the Liberals who have failed to do anything. They have done nothing. It is unfortunate that they have done nothing in the budget. It means that in my riding a whole bunch of people will have to go to the bank, cough up their land and lose their property. That is an absolute shame.

I have already let it be well known that I cannot support a budget that will not support my farmers. I would like the member to respond to that.

Mr. Monte Solberg: I appreciate that question, Mr. Speaker. I appreciate my friend who has always been stalwart in standing up for people on the farm. I note that my leader in his amendment to the budget has called on the government to be much more aggressive in

providing support for Canadian farmers who are struggling like they have not struggled since the Great Depression.

We have seen commodity prices fall through the floor. Usually on the farm if cattle are not doing well, then maybe grains and oilseeds are, or vice versa. This time they are both in real trouble. We are seeing people in desperate straits.

That is why I am glad that my party and my caucus have been able to get some measures passed that actually did find their way into the budget. It is not enough, but it shows that we are showing some leadership on this and we are trying to move things forward to help Canadian farmers.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, I will begin by congratulating my colleague from Medicine Hat. He has done a fine job as the finance critic for the Conservative Party stickhandling through some very substantive issues. I will not comment on his skating skills, but his stickhandling on this particular subject has been tremendous. I am honoured to share my time with him.

As well, I would point out that the leader of the Conservative Party gave a very compelling critique of this budget pointing out its shortcomings, but at the same time recognizing that this is really a page out of the Conservative platform, albeit it does not go far enough. It does not move in a direction quickly enough as we would like to have seen.

It is symbolic of the fact that the Liberal government and the finance minister in particular have recognized the wisdom of the Conservative plan from the last election and have literally pulled much of the initiatives from the pages of that platform. The measures that we see in the budget just take some of the highlights of the Conservative plan.

The Liberals obviously look at the necessity of giving our military more in the way of equipment, more in the way of personnel, a pay raise for those hard-working men and women in uniform, yet much of this is going to be delayed.

In fact, I would describe this budget in many ways as a post-dated cheque. We are not going to see the actual impact of many of these initiatives for years to come, upwards of eight years, five years in many cases. Although the figures themselves seem enormous, when we start to delve into the detail, we find that much of this money will not be delivered on time and perhaps not at all.

What we see with the Liberal government is that much of the commitment goes beyond its mandate. It goes beyond the mandate of any government when it starts promising that these things are going to happen five years down the road. With the volatility of a minority government, it goes beyond arrogance to suggest that the Liberals can make these commitments with any surety.

The tax relief first and foremost that my colleague referred to is certainly meagre. He talks about it being a couple of cups of coffee at Tim Hortons; I would describe it more as a couple of happy meals, but people are not going to be very happy when they actually look at what their take home savings will be.

Mr. David Christopherson: And who voted for it?

The Budget

Mr. Peter MacKay: Mr. Speaker, we have not voted for anything of course. I hear the chipmunks on the other side already chirping. I can see him shaking his head, and I can hear it rattling from here.

The budget promises huge spending commitments for a national day care system. Again, there is no detail put forward. It is much the same as we see with the commitments on the environment and climate change. There are big sums of money, big promises, yet there is no actual detail as to how this is going to be achieved, how this is going to actually benefit Canadians.

The tax breaks I have discussed already. Corporate taxes are reduced by 3% to 19%, but only by the year 2010. The tax cuts will not occur fast enough to ensure that Canadians will improve their standard of living in any near future.

There has been much made of the proposal for our military. Yes, it is a welcome step in the right direction. Previous members of the Conservative Party, previous defence critics, such as Elsie Wayne from Saint John, New Brunswick, for years went on and on about the need to give the military the necessary tools and support.

Since the Liberal government took office in 1993, I am quick to point out that it has cut \$20 billion cumulatively from the Canadian Forces. This has left soldiers with aging and dangerous equipment, in some cases barefoot in the barracks as we heard last week from our current defence critic. The forces have been left with a lack of spare parts, a lack of overtime and abysmal living conditions. The list goes on and on.

At least this budget finally acknowledges some of the detriment and some of the harm that the Liberal government has wreaked itself. Yet the Liberals would like the country to stand up and applaud them for putting back a portion of the money that they took away. This is rather reminiscent of a pyromaniac returning to the scene of the crime and offering to help put out the fire. As the chief of the defence staff said a few weeks ago, this administration is responsible for the sorry state of the current military. It amounts to just putting back part of what was taken away.

Our suggestion is, yes, it is a step in the right direction. It is an acknowledgment of need, but the money is not going to come soon enough and it will not come in sufficient amounts.

• (1240)

The Senate committee on defence said that the forces would need at least a \$4 billion influx of cash immediately. What we see in the budget is a promise over the long term. Much of it has already been announced, and we know that that money will come will be swallowed up quickly in terms of the commitments for personnel and for equipment.

The long-standing deficits as far as operation and maintenance are yet to be addressed. There is in fact zero money for some of the equipment in the next two years where it is most needed. We continue to make international commitments, yet our ability to protect and ensure that those who do this important work to get that type of equipment in the near future is negligible. The big money plan for the Liberals will not flow for another four to five years.

As Senator Colin Kenny in the other place said in his report of last year on the previous \$800 million that had been promised to the military:

The vast majority of the promised capital money will not be spent for five years, or in the case of the Joint Support Ship, ten years. Experience has shown, however, that money promised frequently does not materialize.

That encapsulates much of the commitments that we see in this particular budget.

Before I move on to another issue, I want to talk a little about the state and the size of the DND cash requirement that will follow the international policy statement and the defence policy review. Members of the House will recall that that defence policy review has been promised since the 2002 throne speech, and it was reiterated again last fall. The minister has said that every month we review will be out of the next month. We are still waiting to see some of this implemented.

I would return to a related subject which deals with security and the promise of greater funding for security in this budget. Post-9/11, Canada has had to invest in security measures for counterterrorism, yet the two heads of CSIS, the past and present directors, have confirmed that it is not a question of if Canada will be attacked by terrorists, it is a question of when.

Over the next five years the government will spend another \$1 billion overall on security and emergency preparedness initiatives as announced. However, despite the seriousness of global terrorism, the budget base for public security will increase by \$170 million in the first year and roughly \$200 million each year after. We are again seeing very meagre commitments to this very pressing concern.

The measures outlined in the budget seem to respond to the concerns that have been raised by the Conservative Party and others. In particular I am concerned about maritime airport and border security. This is an area that has been identified time and time again as Canada's most vulnerable point of entry and point of attack. Not to be alarmist, but if something contraband comes into Canada, this is the most likely point of entry. That leaves us vulnerable. There will be more funding allocated to enable container screening and the development of systems of automated targeted and sharing of information with the United States on high risk cargo destined for North America. Only 3% of the current cargo coming into Canada is subject to examination and inspection. Therefore, there is a pressing need in this area.

There will be no new funding for border security. The promise for increased personnel at our borders has been ignored again. Members will recall the tragedy of last year when a border agent in British Columbia, albeit of natural causes, who was working alone. This is the case in many of these single person border crossings.

There is also a recognition of the deplorable state of emergency management after the 9/11 crisis and attack. This has to be approached differently. Critical infrastructure needs to be protected.

These are all areas which arguably have been overlooked in terms of specific funding.

The Budget

When I think about what could have been done for students, it is abominable that there is nothing in the budget that will provide any immediate relief for students.

My friend talked about the lack of attention to the agriculture sector. This is very true. Families, like the McCarron family from Antigonish, are left wondering what is in this budget for farmers, both east and west. This is an area completely overlooked.

It is the same with the fishery, another long-suffering area in our natural resource sector that was ignored by the budget. Places like Necum Teuch, Sheet Harbour in Guysborough and Eastern Shore of Nova Scotia are communities that are literally left wondering what is there for them in this budget. The modest reductions in income tax will not help working families to make ends meet.

• (1245)

Seniors, persons with disabilities and many Canadians are sorely disappointed that the government has with all that surplus and the opportunity done very little to give Canadians the type of relief and national pay raise they need

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I congratulate the member for Central Nova for his presentation. He raised one area about which I have great concern, and that is the surpluses. A piece written by Greg Weston in the media this morning talked somewhat about this, in other words collect money now and then decide later how it will spend it.

Mr. Weston referred to the Auditor General criticizing a recent report of \$9 billion being put into foundations. With this budget, there will be another \$5 billion stashed away in surplus, and this will all be decided later. That is \$14 billion which will be stashed away.

For health care, \$4.2 billion will put in a wait-in-times reduction trust. For child care, \$5 billion will put away. For defence strategy, \$13 billion in defence will be put away, although the budget describes where some of it will go. However, we do not where the bulk of the money will go.

Should the ministers be given the discretion to spend this money without debate in the House?

• (1250)

Mr. Peter MacKay: Mr. Speaker, it is a good question and it goes to basic issues of accountability. In recent days we debated the issue of foundations, taking money from the public purse and allotting it to these areas that are beyond the scope and examination of the Auditor General or even Parliament.

Taking massive sums of money and in some cases massive surpluses from working Canadians, employers and employees and hiding it away from the discretion and examination of the public through Parliament and the officers of Parliament, undermines public confidence. Not only that, it takes a lot of money out of the economy that could be put to good use.

Time and again Conservatives have asserted that Canadians know how to spend their money better than government in most cases. We have seen so many examples of abuse, waste and mismanagement, be it the gun registry, the ad scandal, the HDRC program and the procurement of expensive luxury jets without tendering. Yet the government persists in taking away large sums of money,

squirrelling and hiding it away from Canadians. Then in a very patronizing way, it suggests that it knows how to spend it better than taxpayers.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I would like to explore further with the member of the Conservative Party his party's support for the Liberal budget, which by all accounts is far from perfect, far from the objectives of Canadians and somewhat far from the concerns and ideas being advanced by the Conservative Party.

If I look again at the finance committee's report and the Conservative minority report in that document, it is very clear that the Conservative paper says that unless bold measures are taken, Canada will continue sleepwalking toward mediocrity.

From what I hear from the Conservatives, the Liberal budget is pretty mediocre. It is far from complete in terms of any substantive measures in areas except perhaps for tax cuts for the corporations where we do see some bold initiatives. Is this what the Conservatives mean by bold measures? Is this what the Conservatives means by ensuring that we raise the nation up beyond mediocrity? How can the member explain that kind of promise?

Mr. Peter MacKay: Mr. Speaker, I know my colleague from Winnipeg is very genuine in her commentary and question. While the budget is meagre, half-measures and a slow baby step toward the right direction of giving lower and medium income Canadians more access to their money, measures which I believe will not have an impact for years to come, it would be irresponsible and ignorant of the fact that Canadians do not want another election. If we were to just charge into this process and say that we were going to bring the government down regardless of what it does, it would not be in the interests of anyone, including the hon. member's party or any member of the House.

We are looking at this as a way to be constructive in our criticism, pointing out differences that the Conservative Party would put forward in our belief about what is good for the country, costed common sense measures that we think would improve the quality of lives for Canadians. We may disagree at certain points, but I believe the intent is genuine. I believe all members of the House want to put forward their ideas and have the opportunity to express them on the floor of the House.

• (1255)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I rise today to speak to the budget presented by the finance minister yesterday. I will be splitting my time with my hon. colleague from Laval—Les Îles.

I am very proud to be a Liberal and a Canadian. This year marks the eighth consecutive year that the Liberal government has brought in a balanced budget, a record unmatched in recent Canadian history. It was not that long ago, some 10 years or so, that the government, along with Canadians, made tough decisions that resulted in the elimination of the deficit, a \$48 billion deficit left over from the previous administration. The decisions made then and in subsequent years made yesterday possible.

The Budget

I want to sincerely congratulate the Minister of Finance. He went to great lengths to listen to members of our caucus, members of opposition parties and hundreds of stakeholders throughout Canada. He consulted and listened. He is a steady hand, and yesterday he delivered.

Today the people in my riding of Dartmouth—Cole Harbour are telling me that this budget is one that reaches out to all Canadians. They are saying that it is progressive and forward thinking. It is a budget that invests in people and one that provides tax relief for individual Canadians and businesses. In fact, by increasing to \$10,000 the amount of income Canadians may earn without paying federal income tax, we will remove 860,000 of the lowest income tax taxpayers, including 240,000 seniors, from the tax rolls.

The budget reflects in real ways the values I think most Canadians share, values that speak about fairness and the understanding that we are all in this together. It is a budget that reflects our collective responsibility to level the playing field for those most in need, to provide opportunity for all Canadians to live with dignity knowing that government can and will play a role in helping them meet those objectives. In a country as wealthy as Canada, people should come first, and the budget is an investment in people and their future.

I can say with much pride that the budget also delivers for Atlantic Canada, particularly Dartmouth—Cole Harbour. I will take some time to highlight some of the areas of the budget that touch in a particular way the people in my home community.

First, the budget confirms the funding for the agreement with the province of Nova Scotia to protect it from reductions and equalization payments resulting from increased offshore oil and gas revenues. The federal government will make an immediate payment to Nova Scotia of \$830 million. This agreement exceeds the Prime Minister's commitment of last June. Newfoundland and Labrador and Nova Scotia will be the beneficiaries of offshore revenues, as was intended some 20 years ago but came into being under this Prime Minister, this Minister of Finance and in our case our strong regional Minister of Fisheries and Oceans.

Building on a \$47 million investment in budget 2003, this is a good budget for the Coast Guard. The budget allocates \$275 million over the next five years to meet the needs of the Canadian Coast Guard. The funding will be used to procure, operate and maintain new large vessels, including offshore fishery research vessels and mid-shore patrol vessels to support conservation and protect fisheries. This is an issue that impacts directly on the people of Dartmouth—Cole Harbour. It is one that I have advocated for with the Minister of Finance and my caucus colleagues. I thank the Minister of Finance and the Minister of Fisheries and Oceans for this much needed investment.

Budget 2005 contains a new \$708 million five year initiative to support economic development throughout the four Atlantic provinces, including a \$41 million permanent increase in ACOA's annual budget, to a five year total of \$205 million. I am particularly delighted that the Atlantic innovation fund will be renewed, with \$300 million for university research, commercialization and innovation.

Two weeks ago I had the opportunity to speak at a conference hosted by the Association of Atlantic Universities. At this meeting I indicated my hope and support for renewed funding for the AIF, and the government has come through in a big way. This commitment is good for Atlantic Canada. It is excellent news for the university and the innovation community.

● (1300)

In my first speech in the House, I spoke about the importance of our military. Budget 2005 provides some \$12.8 billion in additional expenditures for the Canadian Forces. This is the largest increase in recent history and will have a tremendous impact on the hardworking military men and women across the country. Overall, the budget provides nearly \$13 billion in new defence funding, fulfilling our government's commitment, a commitment on which I ran this past June, to increase the size of our armed forces and to provide new equipment.

In the area of children, there is no more important commitment than those that we make to our children. Last summer, our government, under the leadership of our minister, made a commitment to work with the provinces and territories to build the foundations for a high quality, universally inclusive, accessible early learning and child care initiative.

With other important elements, like the Canada child tax benefit, the head start program and the 2003 multilateral framework already in place, the government will invest \$5 billion over five years to introduce a national early learning and child care initiative, a truly national child care system that is based on quality and universality that has been talked about for many years. The budget delivers on our campaign commitment.

The next area is seniors. The guaranteed income supplement provides low income seniors a basic level of income through their retirement years. Our government will invest \$2.7 billion into seniors, and this commitment will be fully in place in less than two years, not five. I, and many caucus colleagues, am delighted with that change. The maximum GIS will go up by more than \$400 per year for a single senior and \$700 for a couple.

The next area is caregivers and people with disabilities. Many families across Canada today are struggling to care for elderly parents or for children with disabilities. I know what it is like to provide care for loved ones who are ill. Investing in caregivers recognizes the tremendous burden that caregivers take off our health care system and take on themselves. Support for caregivers recognizes their contribution and the value they provide to everyone.

For caregivers, the demands on caring for a loved one can be overwhelming and difficult and the costs significant. In budget 2004 our government provided those who provide such care to claim up to \$5,000 of medical and disability related expenses. With this budget the government will double that amount to \$10,000 starting this tax year.

The amount of the child disability benefits starting this year will be raised from \$1,700 to \$2,000. With this, support for families with children with disabilities will be five times higher than it was at the beginning of this decade.

The Budget

The finance minister mentioned yesterday that we are a country that looks after each other, but we are also a country that understands the challenges of chronic poverty throughout the world. We have a duty to reach out to help others who suffer unimaginable challenges, not just in the present moment in Asia, but throughout the developing world.

I am proud of the work of our Minister of International Cooperation, a visible example to the world of our country's compassion and commitment to help the developing world.

Canada's commitment to international aid will increase by \$3.4 billion over the next five years and will ensure that Canada continues to meet its global responsibilities, including aid to Africa, debt relief initiatives for the world's poorest countries and support for immediate humanitarian responses.

I think all new members come to this place with the same intent, and that is to make their communities better, to make a difference and, in doing so, to make our country stronger. The budget does make things better, better for Canada and better for the people in my riding of Dartmouth—Cole Harbour.

I, along with my Liberal colleagues, campaigned last year on the need to improve health care; to reinvest in the military; to build a national, high quality, accessible child care system; and to support seniors and family caregivers.

I have spoken to these needs in the House and to my caucus colleagues, including the finance minister. I have spoken to and advanced the cause of our Coast Guard. I have spoken to the need to increase international development and investments in technology and innovation. Those needs have been met. We have been able to meet these commitments because the government put the finances of this country back on a solid footing and our fiscal record is unequalled in the G-8.

I am convinced that the measures and investments taken in the budget will have a tremendous impact for years to come. This is why I wanted to come to this place, why I wanted to serve, why I am here and why I am proud of the budget and proud to be a member of this government.

• (1305)

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I should caution Liberal members that what they have come up with as far as getting some more money into seniors' pockets, they should not exactly feel like Santa Claus. In reality, the amount works out to about 33¢ a day, but they will have to wait two years to reach that high plateau. I am sure this 33¢ a day to a senior living on, let us say a very basic income of \$10,000 or under, already well below the poverty line, will be thrilled with all the extra groceries they can buy with that kind of very generous gift from the Liberals.

I did not see anything in the budget about restructuring the infrastructure programs to address, particularly in rural communities, small communities that have no tax base in order to come up with the general one-third of the infrastructure programs that are available. Nothing in the budget addressed that despite the government being called on to rework that so smaller communities could take advantage of it. Maybe the parliamentary secretary could tell me if that is in the budget because I could not see it, or if smaller

communities can expect a change so that they can participate sooner than later.

Mr. Michael Savage: Mr. Speaker, let me address the issue of seniors. The \$400 for an individual senior and \$700 for a couple is no small amount of money. I have spoken to seniors in my area and they are very grateful that the government recognizes the contribution they have made and that it is taking steps to make their lives more comfortable. However that is not all we have done for seniors in the budget.

We have also introduced a seniors' secretariat that will give seniors a special role and voice at the cabinet table. For New Horizons for Seniors, the funding of \$10 million has now been more than doubled to \$25 million. On top of that, the \$10,000 personal exemption applies to all Canadians. Seniors more than anybody appreciate the investments in health care that the government has put forward: \$41 billion over the next 10 years to secure our foundations. Seniors need health care and they appreciate the efforts of the government.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, one thing that this budget failed dramatically to address was the nation's failure to provide treatment to those children who are suffering with autism.

We have a Prime Minister who rails that he will solve the health care problem for a generation. Meanwhile, this budget did absolutely nothing to address the very serious concern that there are children in this country with autism for whom basic ABA treatment is not provided, leaving families to cover this essential medical requirement to the tune of as much as \$50,000 or \$60,000 per year. This is unacceptable in a democracy that purports to support the universality of health care under a government that claims to be its defender.

Why has the government continued to fail to provide basic treatment to those children who are suffering with autism?

Mr. Michael Savage: Mr. Speaker, I appreciate the passion of the member opposite. The fact is that the government has done a number of things that should help families with autistic children. I certainly have a number of good friends, including my good friend, the former leader of the Liberal Party in Nova Scotia, who have been very active on this issue.

One of the things that the government has done over the past few years is dramatically increase medical research so that many ailments of children, including juvenile diabetes and others, get the attention they deserve.

The increase in medical deduction expenses is significant. There is no question that we need to do more for children, a lot of which the provincial governments as well have to step up to the plate on. With \$41 billion for health care over the next 10 years I think some provincial governments could do something for children with autism.

The Budget

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, it gives me great pleasure to rise today in Parliament to respond to the budget delivered so eloquently by our finance minister yesterday. I want to congratulate everyone who worked so hard to present such an action oriented, thoughtful budget that embodies so well the changing requirements of Canada.

• (1310)

[Translation]

This is an eloquent budget for Canadians, whatever their situation, whether they have young children, work in a company, or run a small or medium business, whether they are health care professionals, work in research and development or in technology, or whether they are concerned about the environment. This budget responds to the needs of seniors, in particular, and to our housing infrastructure needs. This budget responds to their needs.

This budget contains three major messages. First, Canadians know that the government keeps its word; second, our government has a vision for the future; and third, our government has a role to play with confidence on the international stage, one that we will play with pride and dignity.

[English]

In the time that I have I will deal with four main areas of the budget: seniors; workforce integration of newcomers; regional investments; and, if time allows, global responsibilities.

[Translation]

In my riding of Laval—Les Îles, there are over 27,000 persons between the ages of 65 and 74. More than 15,000 are women, 13,000 others are over age 75, and a little more than 3,000 are over 85. Only 920 of these people are men, unfortunately.

Today, the Province of Quebec as well as Toronto and Vancouver are among the regions with the largest populations of seniors. Not so long ago, in 1991, 92% of persons aged 65 and over lived in their own residence and 28% lived alone, as opposed to 8% of people between ages 15 and 64. These figures have not changed very much. As the finance minister said, women make up a large proportion of the elderly.

The seniors in my riding will be satisfied with this budget. The increase of \$2.7 billion over five years in the guaranteed income supplement far exceeds the \$1.5 billion promised for the same period. In all, 1.6 million seniors who are now receiving guaranteed income supplement benefits will benefit from this increase, including the 50,000 or so who will soon qualify for it. Our government takes care of the million elderly who are receiving the guaranteed income supplement and who will benefit from the 2005 budget.

The report of the Liberal Task Force on Seniors, tabled in February 2004, called for the creation of a ministry dedicated solely to seniors. Our government has responded. I want to say to that unidentified individual who appeared before the Task Force that the government is taking "a leadership role in developing a comprehensive integrated approach to today's and tomorrow's seniors". That is a quote from page 9 of the report.

The government is assuming its responsibilities and responding to the task force's request by creating the new National Seniors'

Secretariat, which comes with a commitment of \$13 billion over five years.

[English]

It means that with the establishment of this secretariat within the Department of Social Development Canada, seniors' organizations will no longer have to deal with a maze of different avenues when it comes to dealing with seniors' related policies. This secretariat will be equipped to promote better coordination of government programs and services that matter to seniors. It will also serve as a focal point for collaborative efforts with provincial, territorial and municipal partners.

[Translation]

I would like to add that I am very pleased the interventions I have made with the minister for a very long time have finally paid off.

[English]

While seniors are a growing population, the reality is that our workforce needs far outstrip the supply. Statistics Canada continues to tell us that if we do not pay attention we will have a society that cannot meet its labour force demands. If that happens, regardless of what we do as a government, productivity will suffer, services will suffer and our capacity to play any significant role on the world stage to have a robust economy will be diminished. Our birth rate is still below replacement value at approximately 1.2 persons per couple.

That is why our labour force today, and in the foreseeable future, will depend on the skills of immigrants. Newcomers have told the government that they need to be even better equipped to work within Canadian institutions and begin to put their skills to real use in their new home, Canada.

• (1315)

[Translation]

This is what the government did in its 2005 budget. Thanks to a \$398 billion investment to improve the settlement and integration programs and the client services for newcomers to Canada, we will have a workforce that can meet the needs of our prosperous economy. This includes investing \$125 million over three years for the next programs, the workplace skills strategy and \$30 million more over three years as well for literacy.

This government has a vision. Even the leader of the Conservative Party seemed to agree with what the Minister of Finance had to say.

[English]

He said that he did not see anything in this budget that would warrant two elections inside a year.

Yes, part of our vision as a government is our determination and commitment to developing people skills, human capital after all, because it is among the cornerstones of the Government of Canada's economic and social policy.

The Budget

As a country, we cannot on the one hand welcome skilled immigrants, bring them into this country since we need their skills, and then leave them to fend for themselves. As devoted as they may be to Canada, they will not stay.

We need to encourage that workforce to be as skilled as possible. We need an inclusive workforce. One of the ways we can continue to attract and retain skilled immigrants is by helping them to adapt to their environment. We must give them the support they need because Canada benefits. The \$398 million will go a long way to making that happen.

Part of our workforce integration strategy for newcomers will include the recognition that foreign trade professionals are a skilled group of people whose talents are being wasted. This is at a time when Canadians across the country are complaining about how difficult it is for example to find a family doctor. Those doctors that we have are overworked and are about to retire without a more cohesive replacement strategy in place.

Part of our government's vision to meet the increasing health care needs is to more effectively and quickly assist internationally trained health care professionals who have trained outside Canada with a \$75 million infusion over five years to strengthen health care under the 10 year plan, and to accelerate and expand their assessment and integration. Evaluation of their skills, knowledge, language proficiency and prior learning activities will be more effectively carried out.

[Translation]

Investing in the regional economies of this country is a major priority for this government. In his first Speech from the Throne in 2004, repeated in the 2004 budget, our Prime Minister made a commitment to work together with municipalities in order to create and strengthen inter-governmental partnerships, while complying with the respective jurisdictions. This is the only way to channel the national priorities and the objectives in the cities and communities of Canada.

Like rivers that flow to the ocean, the regions are part of a greater whole. We cannot allow ourselves as a government to be shortsighted, because it is only collectively that we can achieve our objectives.

[English]

Part of those first steps called for a 57.1% GST rebate. This has been increased to a full 100% which means municipalities will receive more than \$7 billion over the next 10 years to help them fund much needed infrastructure projects such as roads, transit and clean water.

Tomorrow starts today because economic development in the Quebec region will benefit since the government will also be investing more than \$300 million over the next five years to support the region.

What does this actually mean per capita in real dollars? It means economic development in the region will be supported by \$221.5 million or \$44.3 million per year and will become a permanent increase to Quebec's community economic development budget.

Local economic development among small and medium sized enterprises can then be supported by the Quebec agency.

● (1320)

[Translation]

By means of the community development program—

The Deputy Speaker: I am sorry that I must interrupt the hon. member for Laval—Les Îles but the hon. member for Cambridge has the floor.

[English]

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I appreciate the hon. member's speech on the budget. The member refers to the fact that this budget is allowing a \$75 million infusion into helping increase or improve the apprenticeship and accreditation process for medical doctors. Does the member realize that \$75 million over five years is really only \$15 million a year?

Given the fact that many municipalities, clearly my own municipality and those in the Greater Toronto Area, are spending millions of dollars already trying to find doctors, does the hon. member actually believe that \$15 million a year is going to solve anything?

[Translation]

Ms. Raymonde Folco: Mr. Speaker, my answer to the hon. member's question would be to say that, first, the Government of Canada is not the only partner in this undertaking. We must not forget that the provinces are the leading partners, if I may say, in this program. Second, in regard to doctors in particular, the medical associations all across Canada are also extremely important partners.

I would like to add that more of our doctors graduated abroad than in Canada.

[English]

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, I know there are other questioners, so I will be as brief as possible. I did not appreciate the speech. I never appreciate canned Liberal speeches. It really bothers me because what words I did hear come out of this speech did not make any reference whatsoever to one particular situation that is being ignored.

By the end of February, there will be many foreclosures on farms. I do not know how many for sure. The family farm will be shut down. By the end of March, there will be hundreds and hundreds more that will be shut down. There will be all kinds of problems developing because the banks have just been waiting for a budget that will give the farmers some relief in some way or another to get out of the mess that they are in. Obviously, this Liberal government does not seem to care about agriculture. No one is talking about it in their canned speeches.

I am really disgusted that a government should be allowed to sit back and allow farmers to crash and burn. That is exactly what will happen.

Why is the Liberal government not addressing this major crisis? This is a crisis. This is not only a little bit of a problem now. It is a crisis. I can yell as loud as I want, but idiots will not hear what I say. Listen to me closely, what are you going to do for the farmer? You have not done anything in this budget—

The Budget

The Deputy Speaker: I remind the hon. member to address his comments through the Chair.

Ms. Raymonde Folco: Mr. Speaker, I take exception to the term “canned speeches”. I think the tradition in this House has always been to be respectful of other members. I ask from the member the same respect that I would give him if he were to make a speech. This is a speech that I have written in response to what I think will interest the constituency that I represent here in the House of Commons, which is Laval—Les Îles.

Fortunately or unfortunately, Laval—Les Îles is a suburban riding. We do not have farms. I could not in a 10 minute speech cover all—

Mr. Myron Thompson: Do they eat in your riding?

Hon. Raymonde Folco: Mr. Speaker, I ask the member to be quiet, so that I can continue my speech.

My suburban riding is interested. We have seniors, and small and medium size businesses. These are people who are interested in the kind of speech I gave. This is the information that I wanted to give them.

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I did not get an answer from the member for Dartmouth—Cole Harbour to my infrastructure question.

The Parliamentary Secretary to the Minister of Finance was sitting right beside the member who just spoke, so perhaps he can help her. Once again, is there anything in this budget that is going to assist small communities that do not have a tax base that has prevented them for taking part in the infrastructure programs, where they cannot come up with their one-third share as per the normal process? Is there something in the budget that will address this? Please answer yes or no.

• (1325)

[Translation]

Ms. Raymonde Folco: Mr. Speaker, it is becoming a tradition on the other side of the House to insult the members on this side. However, I will disregard my feelings.

[English]

A budget normally does not go into a great deal of detail. It gives the large orientation of the government in terms of how much money will be spent on programs. I would like to add that in terms of what is called in French “les collectivités”, let us not forget that the provincial governments are responsible for these collectivities and that they are an extremely important partner for the federal government.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, never before have I risen in this place to speak to a budget as terrible as the one brought down yesterday by the Liberal government. None of the priorities of Quebecers are addressed in this budget. Quebec has been totally ignored.

Take the fiscal imbalance for example; if there is one issue on which there is a consensus in Quebec, it is fiscal imbalance. Yesterday morning, newspapers reported that a survey showed that nearly 80% of Quebecers agreed that there was a problem of fiscal

imbalance and that it should be resolved. This is not some abstract concept. The people of Quebec fully understand that.

Because of the fiscal imbalance, post-secondary education, among others, is underfunded. Health is also underfunded, in spite of the accord signed in September, whereby the federal government was to increase its participation to 25% of the total over the next four years. In the early days of the program, the federal participation was 50%. There is such pressure on the health care system that, over the next few years, the Government of Quebec will have to be very shrewd in finding the money necessary to respond to the real needs of Quebecers.

As for post-secondary education, the system is crumbling. Why? Because the federal government's contribution has dropped from 50% to approximately 12% today. The post-secondary education system cannot be properly funded with the federal government not taking its responsibilities. There is no answer in this budget in terms of increasing the federal participation through transfers for post-secondary education in particular.

More shocking yet, a few years ago, the Fédération étudiante universitaire du Québec informed me that the federal government had the nerve to collect tax on the grants students receive from the Government of Quebec. We have been fighting against that for years. Not only is the federal government continuing to fail to take its responsibilities with respect to transfers for post-secondary education, but it is also taxing student grants from the Government of Quebec.

In 1996, the current Prime Minister, when he was the finance minister, changed how transfer amounts were calculated, moving from the needs of the provinces to a per capita basis. Since 1994, because the amounts paid in 1994 were indexed, Quebec has lost more than \$14 billion in federal funding.

They have the nerve to say that with the increases in federal transfers we are back at 1994 levels. That is, the non-indexed 1994 level. We are back at the same level as in 1994, but in the meantime there has been a general increase in the cost of health and education. We are not at the same level. Some \$14 billion in total is missing from the kitty and \$1.2 billion a year, if we really want to go back to the same indexed level as the transfers that existed in 1994.

We are dealing with a situation—and that is the fiscal imbalance—whereby too much money goes into the federal government's coffers in relation to its responsibilities and not enough money goes to the coffers of the Government of Quebec in relation to its basic responsibilities in health, post-secondary education and social assistance.

Even with the agreements on health and equalization, when we calculate what the fiscal imbalance costs the Government of Quebec each year, we are talking about \$2.3 billion. We are not talking about hundreds of millions of dollars, but a \$2.3 billion shortfall every year. This would not be the case if the fiscal imbalance were resolved.

The Budget

I was listening to the parliamentary secretary this morning—the Prime Minister is just as guilty of this and the Minister of Finance even more so—deny the very existence of the fiscal imbalance. I would remind him that we currently have a House of Commons special committee, which I am proud to chair, with a mandate to prepare a report on resolving the fiscal imbalance by June 2. It is in the Speech from the Throne and they agreed to it. This issue is addressed in the Speech from the Throne.

The special committee began its work in Halifax last week. It will be in Toronto next week and Quebec City on April 11. Judging by the high turnout and the popularity of the hearings, I would suggest that people are coming out to have a say on the fiscal imbalance precisely because it does exist.

• (1330)

If there were no fiscal imbalance, this special committee would not attract as many witnesses. The Liberals are the only ones not acknowledging that there is a problem, and not a new problem. It was recognized by Mr. Pearson in 1964. He transferred tax points to those provinces who wanted to take advantage of them, particularly for educational funding. Then, in 1971, came the Victoria conference. Only the Liberal government does not understand that huge surpluses are accumulating at this time in the federal coffers. According to our assessment, and those of the Conference Board of Canada and the Canadian Centre for Policy Alternatives, \$10 billion in surplus funds is going to accumulate yearly in the federal government's coffers. This government does not seem to get it: there is too much money in its coffers and not enough in the provincial coffers.

Ontario recorded a \$10 billion deficit last year. Next year, Quebec is headed for a deficit estimated at around \$1.5 billion to \$2 billion. There is a problem somewhere. The single taxpayer is paying too much to Ottawa and then having to face the consequences of Quebec not having the proper resources to provide basic services such as health care, post-secondary education and help for disadvantaged families.

Employment insurance is another priority for Quebeckers, and probably for Canadians as well. In the past three elections, the present Prime Minister, and then finance minister, kept promising us in-depth reforms. He travelled to the regions and when things began to heat up a bit—I remember one instance in Saguenay—Lac-Saint-Jean—he said “No need to get upset, we are going to fix the problem. We are going to overhaul the program.” When the next election came along, the same thing happened. When things began to heat up a bit, he repeated the same promise—since the PM is a bit of a chicken, as well as being a ditherer. In the last election campaign, there he was again saying: “Don't worry, the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities has provided us with not one, but two unanimous reports, including the Liberal members of the committee—one wonders if they are sticking to their convictions—and we are going to solve the problem.”

We are now at the budget, a few months after the election campaign, and we find ourselves with a so-called reform of employment insurance, which is getting \$300 million for seasonal workers in the most affected regions. That is seven one-thousandths

of the surplus that the Prime Minister, when he was finance minister, stole from the employment insurance fund, the contributions of employers and employees. He comes to tell us that the unemployed will be satisfied with this injection of \$300 million.

I was listening to the Minister of Human Resources and Skills Development and the lieutenant of the Liberal government and Minister of Transport say: “The unemployed will be happy. This is great. The unemployed will think this is great.” I invite them to tour the regions with us to see if it is all that great. I think they will have a great reception, but not in the way they think.

This reform was supposed to ensure—and this had the unanimous support of the House, coming from the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities—that the number of hours needed to access employment insurance was reduced to 360, that the number of weeks of benefits was increased, and that benefits were higher for all workers. Instead of that, we have a general, short-term pilot project. Nothing has been resolved. Since they say it is great for the unemployed, I am eager to see the reactions in the next few days.

Furthermore, they say it is marvellous, because there is going to be a commission independent of the government. That is a smokescreen: government members will be sitting on that commission. What is more, they tell us in the budget that they have set the premium rate at \$1.95 for a long period of time. It was supposed to be \$1.92, but they kept 3¢ more to finance their second-rate \$300-million initiative. So what is the commission going to decide? Nothing, because it is already decided. If it ever decides something one day, the government will be party to that decision. What is more, the Liberal government reserves the right to overturn that decision by the commission. Hurray for the independent commission. No independent commission would prevent the government from cheerfully dipping into the employment insurance fund surpluses, and they expect us to believe that a miracle has come to pass with this remarkable initiative.

As for parental leave, in the second week of the election campaign the Prime Minister was telling us: “It's done. Don't worry: the day after the election there will be no more talk about it, because it will be resolved”. Well it is still not resolved. It is not resolved in this budget.

• (1335)

For years young parents in Quebec, men and women, have been waiting for the Quebec system, which depends on a transfer from the federal government's EI fund. People in Quebec are entitled to ask for this. It is a transfer to fund this initiative.

Young parents have been waiting for years for a system that would cover men and women who are self-employed. For years people and parents have been waiting to get out of this horrible federal parental leave system which depends on the employment insurance regime. Just think: the government values families so much that when young parents decide to have a child, they are given a two week penalty because they are subject to the Employment Insurance Act. What a way to value families.

The Budget

People expected this to be taken care of. On the other side, the compliant Liberal members from Quebec, tell us. "It will be taken care of. Be patient, be patient." They have been telling us that for years about employment insurance and parental leave. Where are they? They applaud. They stand to applaud a budget that completely ignores the priorities of Quebecers. The Liberal members from Quebec, who were cut way back in the last election campaign, rise to applaud, even though none of these Quebec priorities are in the budget. It is appalling. We will make them pay one day, even more than they paid last June 28.

Insofar as day care is concerned, you should have heard them. For six months it has been unbelievable. They are full of praise for Quebec. They say, "The Quebec day care system is the most progressive in the world. We are going to copy your system," and so forth. All the while, Quebecers alone have been paying for the day care system in Quebec. For more than five years now, Quebecers alone no longer benefit from the federal tax credits and tax deductions that they used to have when children went to day care for \$35 a day. Now it is \$7 and there are tax losses. The federal government has never wanted to acknowledge these losses. It has never wanted to correct these losses, while in Quebec, parents have lost more than \$1 billion over five years in federal tax deductions and tax credits because the government does not want to correct the tax system to take into account this progressive policy, which they praise to the skies.

In this budget, for the first year there is no problem, because \$700 million will be in trust. The provinces will be able to go and get this money. Nevertheless, what happens the second year will be a problem because, in later years, national standards will be applied. Criteria for the transfer of funds will be applied to the provinces. From the mouth of the Prime Minister himself during the election campaign, we heard it was to be an unconditional transfer, because Quebec had already established its \$5 and \$7 day care system—five years ago. However, that is not the case anymore. According to the budget, conditions and criteria will have to be negotiated. Quebec will have to give in, as they tried to make it give in regarding health, which is under Quebec's exclusive jurisdiction, as they tried to make it give in last September when they negotiated the health agreement and the transfers of funds involved.

With respect to social housing, the government's attitude is detestable. I remember clearly that, during the election campaign the Prime Minister met with members of FRAPRU, the Front d'action populaire en réaménagement urbain. He met them in front of the cameras. He wanted to show that, even though he had ships in the Caribbean, even though he did not pay income tax in Canada, even though he and his Canada Steamship Lines completely ignored labour and environmental laws, he was someone with his hand on his heart, left leaning, progressive. He promised the people that he was going to care about social housing for the most disadvantaged in our society and that he would fix the problem. In the first budget of the minority Liberal government, there is nothing about social housing. It is a big fat zero. That is so horrible. It is enough to make one lose faith in politics. People may well be fed up with politicians, because they never keep their promises. The Liberals lie shamelessly when it is time to win seats, when they are on the ropes and at risk of losing power. It is disgusting to offer things like that and win an election, as the Liberals did, on false promises.

Agriculture is another priority for Quebec. This is the worst crisis agriculture has faced in 25 years, and there is no significant federal contribution to resolve this crisis.

As for international assistance, we can talk about it. At the current rate, and including the amounts provided in yesterday's budget, five years from now, it will have reached 0.3% of GDP, with only four years left to reach 0.7% of GDP. At this rate, we will never reach the target set by the UN. It is smoke and mirrors to say that spending in this area is increasing and that the UN target will be met.

•(1340)

I need not list tax reductions, since there were none. Approximately \$1.33 a month per family, starting in 2006, the cost of a litre of milk every month. Still, they speak of incredible tax breaks and paying attention to the people.

This budget does not in any way meet the priorities of Quebecers. Every year, we taxpayers in Quebec send more than \$40 billion in taxes to the federal government. It is time to wake up. Consensus and priorities are developing in Quebec. These priorities are tested and expressed by the National Assembly, often through unanimous motions. When the time comes for action to be taken in the House of Commons, Quebec is ignored, for purely electoral reasons. Quebec lieutenants are sent to tell us that this is a good budget, which serves Quebecers well. It is despicable to operate only with a view to being elected.

Listen to this. Over the next three years, year in, year out, the federal government will have a surplus in excess of \$10 billion in its coffers. It is stashing this money away with a view to elections. Whenever he decides to call an election, the Prime Minister will have enough surplus money on hand to give out gifts, win the election, and have a majority government again, because it looks like the Conservatives are losing steam. Then, he will find money to invest a little something in health and post-secondary education and to resolve the employment insurance problem to some extent. With an eye to elections, this government, applauded by the federal MPs from Quebec, has decided not to meet any of Quebec's priorities.

During that time, patients are lined up on stretchers, despite the accord signed in September; students are not receiving the services and quality of education they are entitled to, because education is underfunded; individuals among the most disadvantaged are sleeping on the streets or have to spend more than 50% of their income on housing and are left with less than 50% to cover basic needs like food and winter clothes for their children.

It is for election purposes that such a crummy budget was brought down, so crummy that Quebec is being given short shrift, in every one of its priorities.

I would like to conclude by pointing out that yesterday, when I saw the Liberal government presenting a budget that totally ignores Quebec's priorities and consensus, when I saw the official opposition on their feet applauding the budget, I understood one thing as a Quebecer, and I hope that all Quebecers understood the same thing: this country is made up of two countries, and as far as Quebecers are concerned, there is one too many.

The Budget

If \$40 billion in tax dollars had been handed back to Quebec years ago, we would have remedied fiscal imbalance a long time ago. There would be only one level of government so there would be no more fiscal imbalance. The parental leave issue would have been long settled, as would all the problems with EI. All of the priorities and all of the consensus reached in our National Assembly would have been implemented. We would not be waiting for anyone else to act. We would not be the victims of election-focussed calculations by the Liberal government. We would be taking the right steps to become one of the most prosperous countries in the world.

I hope that the people of Quebec have finally got the message. In the days to come we will be expressing other reactions to the budget. I can guarantee that the Liberals will pay, like the Conservatives and that Quebec is, even more than ever, a distinct society, a distinct people capable of looking after itself.

ROUTINE PROCEEDINGS

• (1345)

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I rise on a point of order. Discussions have taken place among all parties in the House and I wish to seek, pursuant to that, unanimous consent to table the 29th report of the Standing Committee on Procedure and House Affairs concerning committee membership.

The Deputy Speaker: Does the hon. member for Glengarry—Prescott—Russell have the unanimous consent of the House?

Some hon. members: Agreed.

The Deputy Speaker: Pursuant to Standing Order 113(1) the report is deemed adopted.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I congratulate the member for Saint-Hyacinthe—Bagot. He is an experienced and skilled debater. I could not possibly address all the points that he articulated so well. However, I did want to ask him about the issue of social housing. He did indicate that there was nothing in the budget on the social housing side.

By way of background, I am aware of a federal study dealing with homelessness in the City of Toronto in which it was found that 35% of the homeless suffered from mental illness, 28% were youth

alienated from their families, 12% were aboriginals off reserve, 10% were abused women, and the other 10% or 15% were people with other physical, mental or social problems. In regard to people who need social housing, like the homeless, this turns out to be more a social problem than an economic one.

Affordable housing is another issue. I know that the Government of Canada does invest in affordable housing, so I would ask the member if he could help to articulate what should be done on the affordable housing side, but also, how do we specifically address the social problems with regard to social housing?

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my colleague has put his finger on something that is a major problem. When I refer to social housing, I mean all kinds of social housing, rent to income, cooperatives and so on.

He referred to the problems of the homeless in Toronto, like everywhere else in Canada, it is the same thing in the Montreal region, and pointed out the frequent connection with mental health problems and multiple drug addictions. That is self-evident. When I said that the Liberal government and its then finance minister, now the Prime Minister, blithely slashed federal transfer payments for health services, did it help the cause of homelessness? Of mental health? Of multiple drug addiction?

In Montérégie, for example, with its large population, there are two youth addictions workers. A recent Government of Quebec report states that the youth addictions problem is growing but there is no money to solve it. Why is that, do you think? I have already referred to the shortfall in the Quebec government's coffers since 1994 of \$14 billion, precisely for such purposes.

In a way, my colleague has shot himself in the foot. In trying to add something on social housing, he highlighted the problems in health and the lack of funding to resolve them within the Quebec and provincial governments.

[English]

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I congratulate the member for Saint-Hyacinthe—Bagot on his passion in opposition to the Liberal budget and also on how accurately he has pointed out, with many examples, the dishonesty of the Liberal government and the dishonesty of the Prime Minister in saying one thing before an election and another thing after the election, and in saying one thing before the budget, before we see the reality of the budget.

The member for Saint-Hyacinthe—Bagot has accurately pointed out the employment insurance program in particular, where the government has raided the fund of the insurance program for use in all the different spending programs. It has perpetuated a myth that there is somehow a pot of gold still sitting there when really there is nothing but an IOU signed by the Prime Minister and from before that when he was finance minister.

The Budget

I would ask the member from the Bloc in regard to the infrastructure program that I asked the Liberals about earlier, did the member see anything that would assist the smaller communities with a limited tax base to engage in the infrastructure program? Did he see anything or hear about anything in the budget that would help?

• (1350)

[Translation]

Mr. Yvan Loubier: Mr. Speaker, there is not much to see in terms of rural or strategic infrastructure, because the funding methods have yet to be defined and negotiated. I have a lot of respect for my colleague. However, I would have liked for my colleague and his Conservative colleagues to join forces with us to get the government to make concessions and deliver a better budget.

Three weeks ago, the Conservatives announced they might vote against the budget, but did not think they would bring down the government. As a result, there was less pressure on Mr. Goodale to table a more favourable budget, in our view, which could have started resolving the fiscal imbalance, improving EI and setting up an independent fund.

With all due respect to the Conservatives, we would have liked them to join with us.

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, I listened closely to my colleague from Saint-Hyacinthe—Bagot, who chooses his words carefully and talks about pertinent matters.

We have struggled together with an issue that is one of society's greatest injustices. For the past decade or more, seniors in need of the guaranteed income supplement to survive, have been forgotten. At least 68,000 seniors from Quebec have been denied their benefits. The government pocketed some \$3.2 billion and now it must give this money back to the seniors.

I want to know whether my colleague from Saint-Hyacinthe—Bagot is satisfied with the standards set out in the budget, whereby increases would be provided to seniors in two years and again in five years. I would like to get my colleague's thoughts on this.

Mr. Yvan Loubier: Mr. Speaker, I want to thank the hon. member for Saint-Maurice—Champlain for his excellent question.

Indeed, there is in the budget a reference to the guaranteed income supplement. As the hon. member so aptly pointed out, this increase only comes into effect at the beginning of the third year. Hang on to your seat, because this is really making fun of people. The government, which has owed billions of dollars to the elderly for a number of years, will now give them an astronomical amount every month. Indeed, these people will get a monthly increase of \$38, in three years. Considering that this minority government could be defeated in six months, saying in the budget that it will give money in three years from now is not even worth the paper on which it is written. Quebec's motto is *Je me souviens*, and Quebecers will indeed remember at the next election.

[English]

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, I will be splitting my time.

I am pleased to rise today to address what is the first minority budget of a government in 25 years. The budget tabled in the House by the Minister of Finance, the member for Wascana, is not only historic but unfolds a bold vision for Canada in the 21st century.

In 1995 our Prime Minister in his capacity as finance minister delivered a transformative budget, which set the course for a record eight balanced budgets and an economy which is the envy of the G-7. On this sound fiscal foundation, our government has delivered yet another transformative budget.

As a newly elected member of Parliament, this is the first budget process I have witnessed and it is impressive to see the balance the finance minister has struck between tax cuts for hard-working Canadians, the creation of opportunities for small and medium sized businesses and investments in visionary social programs.

Allow me to address several budgetary items that I am certain will be of specific interest and relevance to my constituents in Etobicoke Centre.

All Canadians will benefit from tax reductions contained in budget 2005. The most significant measure is the increase in the basic personal tax exemption rate to \$10,000, which is expected to remove 860,000 Canadians from the tax rolls, 240,000 of whom will be seniors. As I knocked on doors during the last election, too often I felt an unease when greeted at a door by a senior who, although smiling, was obviously having difficulty making ends meet.

I am especially encouraged by this budget because apart from removing almost one-quarter of a million seniors from the tax rolls, this budget also improves support for our seniors with an increase to the guaranteed income supplement, which will result in an additional \$400 per year for a single senior and \$700 per year for a couple by January 2007. Funding for the New Horizons for Seniors program is also being increased from \$10 million to \$25 million to promote voluntary sector activities by and for seniors.

As an entrepreneur in my pre-parliamentary life, I spent over two decades building family businesses. With several businesses in Etobicoke and a wide circle of friends and acquaintances in small and medium sized businesses, I was encouraged by the numerous measures the budget contained for small business, the backbone of the Canadian economy and the sector in which a disproportionate amount of innovation takes place.

Although all business will benefit from the elimination of the corporate surtax, small corporations will gain more proportionately. This measure will help to maintain our tax rate advantage relative to the United States. Small and medium sized businesses with incomes greater than the \$300,000 small business deduction limit will also benefit from a 2% reduction in the general corporate income tax rate, from 21% to 19%.

Many entrepreneurs can go through difficult business cycles. The small business owners in my riding of Etobicoke Centre will find comfort in the increase in the RRSP annual contribution limit to \$22,000 by 2010.

As well, the increase from 30% to 50% in the rate at which the capital cost allowance can be claimed for environmental technologies acquired within the next seven years will encourage switching to environmentally friendly processes and provide an incentive to small entrepreneurs for developing Kyoto-friendly technologies and equipment.

Overall, the measures I have just outlined will help our nation's small and medium sized business sector to remain productive and competitive at home and abroad.

However, this budget also heralds a new era for our social programs. Having laid the financial and economic foundations through our previous balanced budgets, we can afford to dream a new vision for ourselves and Canada in the 21st century.

With the announcement of \$5 billion over five years for an early learning and child care initiative, the government is helping to advance the creation of a national child care program based on four key principles, qualitative, universal, accessible and developmental, while delivering on a commitment we made to the Canadian people last June. It was a promise made and a promise kept.

Budget 2005 provides an additional \$805 million over five years in direct federal health investments. This money has been specifically earmarked for wait time initiatives, efforts to accelerate and expand the integration of foreign trained doctors, the creation of a strategy on healthy living and chronic disease, pandemic influenza preparedness and safety measures for drugs and therapeutic products.

• (1355)

We commissioned the Romanow report with a promise to fix our health care system. We took to heart the Romanow recommendations and exceeded them: a promise made, a promise kept.

As well, this budget focuses, not only on our health care needs and the needs of our youngest and oldest citizens, but on the communities in which we live. The Liberal government committed to provide our cities and communities with reliable and long term sources of funding. With a transfer of almost \$1 billion in gas tax revenues to the greater Toronto area over the next five years and a total of \$300 million for green municipal funds, my community can expect to see better roads, improvements to our public transit system and more liveable neighbourhoods.

We have also stated that this new funding will continue beyond our five year commitment so that our cities can count on revenue streams to finance major public infrastructure projects.

S. O. 31

STATEMENTS BY MEMBERS

[English]

TOM PATTERSON

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, it is with great sadness that we learned of the death of former journalist and founder of the Stratford Festival, Tom Patterson, on February 23, 2005, at the age of 84.

The Stratford Festival owes its existence to the dream of this local journalist who founded the event in the 1950s.

Innumerable artists, directors and other Canadian and foreign theatre professionals have participated in its productions, enlarging the audience for the work of William Shakespeare.

Alex Guinness and Christopher Plummer are among the most notable actors who have played on the Stratford Festival's stage.

Mr. Patterson has left us the legacy of the Stratford Festival. "Without Tom Patterson, there would not be a Stratford Festival in Canada", underscored its artistic director, Richard Monette, while highlighting the extraordinary vision of this man.

Mr. Patterson was made a member of the Order of Canada in 1967.

On behalf of the Government of Canada, I want to express our appreciation and offer my sincere condolences to his family and friends.

* * *

• (1400)

MARRIAGE

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, a new Statistics Canada study adds to the research showing how important it is for children to be raised by both a mom and a dad.

Researchers found that teenagers "who reported that their relationship with their father had increased in closeness, understanding and affection over time" were less likely to have symptoms of depression. Statistics Canada reported that "these results occurred for both young men and women, regardless of household income or whether the young people lived in either single or two parent families".

Teens were also shown to respond differently to changes in their relationship with their father in contrast to changes in their relationship with their mother. This Statistics Canada research found that changes in teens' relationship with their dad had a more significant impact on how they felt about themselves.

In the midst of the current marriage debate in this chamber, Statistics Canada has confirmed the vital importance of boys and girls having a positively involved mom and dad.

As parliamentarians, we have an obligation to take this latest scientific evidence into account and, based on it, should oppose Bill C-38 and affirm time honoured traditional marriage.

S. O. 31

HEALTH

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, yesterday's historic budget confirms the largest investment in our health care system in the history of our country, some \$41 billion. This commitment will reduce wait time, provide home care and provide much needed support for the provinces.

Today, members of the Canadian Medical Association, central partners in our health care system, are here meeting parliamentarians on health related issues and, in particular, tobacco use.

The CMA issued its first public warning on the hazards of tobacco in 1954. Each year, tobacco kills 47,000 Canadians.

The health of Canadians is the reason that governments support the promotion of healthy living and, at the same time, use public dollars for the best interests of Canadians.

Today, I urge the Government of Canada and its partnering provinces to take the necessary decisions to restrict the Canadian Pension Investment Board from investing in tobacco companies and to divest of any tobacco stocks currently held.

I congratulate the CMA for its leadership and Canadian doctors for their commitment to the well-being of all Canadians.

* * *

[*Translation*]

EMPLOYMENT INSURANCE

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, in his budget speech, the Minister of Finance turned a deaf ear to the heartfelt cries of the hundreds of thousands of unemployed.

The Liberal government had the means to meet their needs, but chose to ignore the recommendations of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, which had called for a substantial improvement of employment insurance.

This government said no to creating an independent EI fund, so that it could continue to blithely siphon off funds to which it does not contribute one red cent.

To claim the needs of the unemployed have been met, as the Liberal government is doing, is a direct blow to the intelligence of the women and men who are out of work through no fault of their own.

The needs are known, the money is there, but the government has put military spending over social solidarity.

* * *

[*English*]

VETERANS

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, Canadians want to know more about their heroes. I am speaking of those men and women who served our country during times of war.

I am pleased that budget 2005 provides new funding of \$6 million per year for future commemorative activities so that more Canadians,

in particular younger Canadians, can learn of the achievements and sacrifices of Canada's veterans.

This is in addition to the \$16.5 million announced last year to mark the 60th anniversary of the end of the second world war and to celebrate the Year of the Veteran.

We owe a debt of gratitude to the men and women who fought for Canada and this budget helps us to accomplish that lofty goal.

* * *

UKRAINIAN CANADIANS

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, on February 22, the Liberal government intervened to have Bill C-331, the Ukrainian Canadian recognition and restitution bill, struck from the order paper.

The Liberals questioned the judgment of the Chair on the issue of restitution, despite an earlier reading.

I was proud to second the bill tabled by the member for Dauphin—Swan River—Marquette.

Canada's Ukrainian community has waited 20 years for redress. What is the Liberal government afraid of? Are they afraid of acknowledging Canada's past history and the injustices done to those interned during the first world war?

Bill C-331 belongs to the one million Canadians of Ukrainian descent. They expect the House to have the courage to debate it.

* * *

●(1405)

GUARANTEED INCOME SUPPLEMENT

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, I rise today to congratulate the government for fast tracking its commitment to increase the guaranteed income supplement, GIS, for low income seniors. Budget 2005 will raise the total payment by \$2.7 billion over five years extending the government's earlier commitment of \$1.5 billion. This means that monthly benefits for single seniors will rise by \$36 and for couples, \$58.

One million, six hundred thousand GIS recipients will benefit from the increase which is being phased in over two years rather than five. Since women account for over one million of the seniors receiving GIS, this is indeed a good news story.

It is also rewarding to have the Minister of Finance recognize the leadership of the women's caucus on this issue.

* * *

[*Translation*]

THE BUDGET

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the National Assembly adopted a progressive and modern policy adapted to the needs of young Quebec families. However, for more than eight years, these families have been waiting for the federal government to transfer the funds the Quebec government needs to implement its parental leave program.

This government found the means to eliminate clawbacks of equalization overpayments for Saskatchewan. This same government found the means to give billions of dollars to Newfoundland and Nova Scotia, by excluding oil and gas royalties from equalization calculations. However, it is unable to find \$275 million to enable the Quebec government to implement its parental leave program, which meets the needs of young Quebec families.

The family is a safe harbour and a place of fundamental development for a child. The Liberal government must stop denying this reality through its budget choices.

* * *

[English]

SENIORS

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I congratulate the government for increasing funding to the New Horizons for Seniors program from \$10 million yearly to \$25 million yearly by the year 2007.

This program promotes our seniors' continued involvement in their community by keeping them active and socially engaged. The projects, which are funded, harness their skills and experience to benefit other seniors and vulnerable groups.

[Translation]

The Liberal government is aware of the great debt we owe our seniors. They survived the Depression, they went to war to fight for our freedom and they built the Canada of today.

Now it is our turn to be there for our seniors.

* * *

[English]

CANADA POST

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, in Kamloops, as in Saint John, a post office is slated for closure on March 4. The reaction of the residents is the same. There have been rallies and letter writing campaigns to keep postal station A open.

Upon notification of this closure, I immediately met with a representative of Canada Post to raise the objections of my constituents. I was told that the decision had been made and that it was a done deal.

I wrote a letter to the president and acting CEO but there was no reply.

The decision to close this outlet was made with no consultation or regard for the area residents who have used postal station A for 35 years, many of them seniors, the very people who still write letters to family and friends. No consideration was given to the inconvenience to the many businesses affected by this closure.

Brand and image have replaced service and community commitment at Canada Post Corporation.

I join my colleague from Saint John in asking the minister responsible to show leadership on this file and demand that postal station A in Kamloops be kept open.

S. O. 31

[Translation]

THE BUDGET

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, the Liberal women's caucus, which I chair, is pleased and proud that a number of the policies on which we have been working tirelessly have been included and recognized in the 2005 budget.

I shall point out a few: a faster increase in guaranteed income supplement benefits for low-income seniors; establishment of anew national seniors' secretariat; a doubling of the amount caregivers can claim for medical and disability-related expenses; \$5 billion for the early learning and child care initiative; justice initiatives that will make our communities safer; significant investments in the environment; an additional \$850 million in health; \$735 million for aboriginal families; the basic personal exemption raised to \$10,000 removing more than 860,000 taxpayers from the tax rolls, including 240,000 seniors, most of whom are women.

The 2005 budget is good news for all the women of Quebec and all the women of Canada—

• (1410)

The Speaker: The hon. member for Ottawa Centre.

* * *

[English]

THE BUDGET

Hon. Ed Broadbent (Ottawa Centre, NDP): Mr. Speaker, in the last election on television screens across the country the Prime Minister warned Canadians about Conservative values. He said, "That's why this election is so important. It's about the values we bring". Paul Martin said he shared NDP values. Now in their first budget the Liberals have betrayed the people of Canada by—

The Speaker: Order. The hon. member for Ottawa Centre is an experienced member and knows he cannot refer to other members by their names. I almost had heart failure when the Deputy Prime Minister did it yesterday. The hon. member for Ottawa Centre knows that he would have to refer to perhaps the Prime Minister, unless he was talking about some other person by the same name.

Hon. Ed Broadbent: I thank you for your assistance, Mr. Speaker.

In their first budget the Liberals have betrayed the people of Canada by producing a budget only Conservatives can love. They have cut corporate taxes by a whopping \$4.6 billion. At the same time, the budget does nothing for poor children, nothing for housing, nothing for farmers and nothing for students.

This hypocritical budget will not be supported by the NDP.

S. O. 31

TOM PATTERSON

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, I rise today to pay tribute to Tom Patterson, the founder of the Stratford Festival. Tom Patterson passed away Wednesday, but he will be remembered with great fondness.

Without Tom Patterson, Stratford and area, Canada, and indeed the entire global community of actors, writers and fans of theatre would suffer a tremendous void. Half a century ago Tom Patterson had an idea and a passion. He had a vision for a festival to be located in Stratford, Ontario, Canada that would be among the world's great stages for Shakespearean theatre. Today, thanks to years of hard work and determination, the Stratford Festival is just that. The accomplishment is extraordinary.

I know I speak for all my colleagues when I say we owe a great deal to Tom Patterson and very much appreciate his enduring legacy, the Stratford Festival of Canada.

* * *

[*Translation*]

THE BUDGET

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, yesterday the Liberal government brought in a budget that once again isolates Quebec within Canada. With an unusual degree of transparency, the government has continued its Canadian nation building project, with no regard for Quebec's values and its distinct nature.

Quebeckers were expecting the Prime Minister to increase its share of equalization and loosen the financial stranglehold on Quebec and the provinces, which he himself orchestrated when he was finance minister.

But that did not happen. Despite the fact that he is awash in surpluses of our money, he has once again denied the existence of the fiscal imbalance and has not considered it important to support Quebec and the provinces in their efforts to meet their pressing needs in health care, education and income security.

By his budget choices and more clearly than ever, the Prime Minister of Canada has just told Quebeckers that Quebec will never reach its full potential until it achieves complete sovereignty.

* * *

[*English*]

POPE JOHN PAUL II

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, in a world of turmoil, uncertainty and rapid change, Christians around the world have relied on the progressive hands-on leadership of His Holiness Pope John Paul II. His approach to the papacy has been dynamic and has made him instantly recognizable around the world.

As the voice of the church on contemporary issues like peace, ethics and the dignity of life, the Pope has provided a moral compass to those lost in a sea of conflicting messages. Unafraid to tackle the important issues of today, Pope John Paul II in an address to Canada's ambassador to the Holy See noted that attempts to redefine

marriage to include homosexual couples “contradict right reason” and create “a false understanding of the nature of marriage”.

His support for the traditional definition of family and the sanctity of life serves as an example for all religions, Christian and non-Christian alike. The witness of a truly committed Catholic is a wondrous thing.

I join with all of Christendom in praying for a speedy recovery for His Holiness Pope John Paul II.

* * *

● (1415)

THE BUDGET

Mr. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I would like to take this opportunity to commend the government and the Minister of Finance for the budget that was released yesterday. The budget provided a balanced approach, but more importantly it delivered on key promises that were made by the government. The budget made sound investments in health care, our cities, children, protecting our environment, and seniors.

This budget will go a long way in helping the residents of Mississauga—Brampton South, specifically the seniors. I am pleased to see that there will be an increase of \$2.7 billion to the guaranteed income supplement for low income seniors. On top of that, the \$41 billion health care plan signed last September will also benefit the constituents and more importantly, the seniors in my riding.

Aside from seniors, the cities of Brampton and Mississauga will benefit from the \$7 billion GST rebate, the gas tax transfer of \$5 billion and the green funds. All of these items will help improve the roads, transit systems and infrastructure.

It is safe to say that the government has delivered on its budget. It gives me and my colleagues great pleasure—

The Speaker: The hon. member for Joliette.

* * *

[*Translation*]

THE BUDGET

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, yesterday's budget speech delivered by the Minister of Finance illustrates the Liberal government's utter arrogance and contempt for people most in need. No new financial commitment has been made for social housing and there is nothing for the homeless either.

The Minister of Finance—with the Prime Minister's blessing and applause from his henchmen, including some from Quebec—will not budge and refuses to pay back the \$3 billion his government diverted from the income supplement for low-income seniors.

To add insult to injury, this government proceeded with a set of virtual measures, which will not become reality for two, three or even five years.

Oral Questions

The fine words speak of compassion, but the Prime Minister has proven himself to be a very dangerous driver. He signals left and then turns right. A sorry business indeed!

ORAL QUESTION PERIOD

[English]

NATIONAL DEFENCE

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the government has managed to announce it is in missile defence and not in missile defence in the very same week.

We know the government agreed to participate in ballistic missile defence through the Norad amendment earlier. That is what Frank McKenna and others have admitted. What further participation is it that the Prime Minister said no to?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, on August 5 the government was very clear that it was going to ensure that Norad, which for 30 years was responsible for monitoring any incursions into North American airspace, would be allowed to continue that in its modern evolution and to provide that information to the United States. That is exactly what we have done.

What we have now said is that we are not prepared to participate in the evolution of BMD.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, we already know the government has agreed to participate in the information sharing in the first phase.

The Prime Minister has denied repeatedly that he has had proposals. He now wants the world to know he said no to something prior to the Liberal convention. Would he tell us precisely? If he is saying no to something, do us the honour of telling us exactly what it is that he said no to.

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am very surprised to hear the Leader of the Opposition now reproaching this government for doing the Norad amendment.

We have done the Norad amendment because it is an institution which for 30 years has guaranteed the North American defence security. Now the Leader of the Opposition is standing in the House and reproaching us for doing the Norad amendment, sharing information that is going to be useful to the United States and useful to us.

Indeed, we have done the Norad amendment. We said in our communiqué quite clearly that the decision on BMD would be made later. It has been made today.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, that is the kind of decisiveness we get. We still do not know what they have said no to over there.

[Translation]

The Prime Minister had already said yes to missile defence under Norad. Today he is saying no to further participation.

Is the Prime Minister prepared to confirm there will be no more negotiations or discussions? Is this no final?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, as far as missile defence is concerned, this no is final.

• (1420)

[English]

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, the Prime Minister's use of the word "no" is like Bill Clinton's use of the word "it".

Regardless of what the Prime Minister now claims, we are irrevocably part of missile defence.

Recently the minister said it was "extremely dangerous for Canada to turn its back on missile defence". How can the minister remain in cabinet and accept the fact that he has been hung out to dry?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I have to say as the Minister of National Defence that based on yesterday's budget, the department received the largest increase in 20 years, and those members say it has been hung out to dry. If that is drying, I want to stay really dry.

It is a great budget. It is sending a signal that we are ready. We have a foundation to build on to increase our forces to be a great ally to the United States. We can deal with all issues with the Americans because they know that we are credible and ready to go on defence matters in North America and elsewhere in the world.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, we will see how dry he is this afternoon after I get through with the budget.

The minister prepared the groundwork for joining ballistic missile defence, both in his current position and in his previous one.

Recently he said, "I think Canada will regret it if we do not participate". Would the minister advise how he can remain in cabinet if he thinks that the Prime Minister has made a serious mistake?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I should certainly like to answer why the minister should stay in cabinet.

One of the reasons that we have been able to put the amount of money into defence and we have been able to develop the strategy that we have is the very hard work and the vision of the minister and the new chief of defence staff, and the concept, the vision and the understanding of defence in North America and around the world that Canada must play. I congratulate him for that.

Oral Questions

[Translation]

THE BUDGET

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Quebec's finance minister was very clear yesterday. He said, "This budget is disappointing for the Government of Quebec and for Quebecers" because it does nothing to correct the fiscal imbalance, a reality the federal government continues to ignore.

Given that Ottawa has much too much money, that the agreements on health and equalization are clearly insufficient and that the needs are in Quebec, how does the Prime Minister explain that the federal budget fails to make a serious effort to correct the fiscal imbalance?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I would simply ask the hon. member to look at what has been done. Over the next 10 years, \$74 billion will be transferred to the provinces. When it comes to health care and equalization, Quebec is the biggest winner. The transfer payments for this year and next year will increase by \$2.8 billion, for a total of \$12 billion for Quebec alone.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is a bit funny to hear the Prime Minister of a minority government talk about transfer payments over 10 years and tell us, after his sweet deals with Newfoundland and Labrador and Nova Scotia, that Quebec is the big winner when it comes to equalization.

The Quebec finance minister, Michel Audet, also said that, "this leeway, instead of serving to correct the fiscal imbalance, will be used to increase the number of federal interventions of all sorts".

Instead of intruding in Quebec's areas of jurisdiction, should the government not attack the fiscal imbalance to ensure that Quebec can make its own decisions about its priorities in its own areas of jurisdiction, according to its own responsibilities?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, my office and I communicated with the new minister of finance in Quebec both before and after the budget. The indication from the Quebec minister is that while there are some issues that Quebec wishes to pursue, Quebec believes this budget represents a step forward and it is a good basis upon which to build for the future.

● (1425)

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Minister of Finance has significant financial leeway because he has taken ample advantage of the fiscal imbalance. However, what taxpayers are getting in return is completely ridiculous.

How can the Minister of Finance justify the fact that his cuts to personal income tax represent only \$1.33 per month in 2006, the cost of one litre of milk? One litre of milk per month is the gift the Minister of Finance is giving Quebec taxpayers. What a disgrace.

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the Government of Canada is addressing a number of the requirements of the provinces with respect to their fiscal requirements. We are increasing health care by \$41 billion over the next 10 years. We are increasing equalization by \$33 billion over the next 10

years. We are increasing our support for child care. We are increasing our support for cities and communities. We are increasing our support for infrastructure. We are increasing our support in a number of realms that will be most helpful to Quebecers and to all Canadians.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, that does not answer my question directly. He should have accepted the calculator I offered him last time because he cannot count. He is ashamed of his figures.

Checking the figures in the budget shows that personal income tax will continue to increase, year after year, until 2010.

How can the Minister of Finance explain the fact that personal income tax will increase an average of 7% per year until 2010, and that he has nothing better for Quebecers than the cost of a litre of milk per month?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the Government of Canada is just completing one five year tax reduction program that has achieved for all Canadians a cumulative tax cut of \$100 billion. That is the effect as of 2004. For the average Canadian family of two children and \$60,000 income, that represents a tax reduction over the last five years of 35%.

* * *

NATIONAL DEFENCE

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, my question is for the Prime Minister. Could he tell us which is the bigger fraud: telling Canadians that he supported progressive values or telling this House that the decision on star wars had not been made when clearly it had been made?

It is not good enough to run like a New Democrat and then govern like a Tory, like we are seeing here. It is also not good enough to say in the House that no decision has been made while Condoleezza Rice has already been told what Canada will do.

Which is the bigger fraud, star wars or his new Tory budget?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, it has never been a question of star wars. The hon. member has had a little difficulty with this. That has never been the issue. The issue is, would Canada participate in ballistic missile defence? The answer is, no.

* * *

THE BUDGET

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, absolutely everybody knows that if we had a majority government in the last election, we would be in star wars all the way, and the Prime Minister would be saying so. Now what we have is a halfway picture where we are halfway in and halfway out, and nobody can figure out the dithering on this one.

Oral Questions

What about progressive values? We have a budget that the Conservatives are in the streets celebrating, yet there is nothing for education. There are broken promises on the environment and on foreign aid.

How can he tell progressive voters he shares their values when his budget clearly does not?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, if I may simply quote, “This budget represents a substantial shift in the government's approach to climate change. It's more forward looking. It's more directed toward tangible targets”. The hon. member asks how I will tell progressive members of the community what the government has done. I guess what I will do is cite Elizabeth May, the head of the Sierra Club of Canada.

* * *

NATIONAL DEFENCE

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, our ambassador to be, Mr. McKenna, a capable man, is now nowhere to be found, somewhere in isolation, somewhere in the government's witness protection program, all because he told the truth; that we already are in the missile defence program.

Why would the Prime Minister undermine his would-be ambassador this way simply for telling the truth?

• (1430)

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, let me read again for the hon. member of the opposition exactly what we did say. This is part of the communiqué I issued on August 5:

It makes good sense to amend the agreement so that this essential NORAD function can be preserved and Canada can continue to benefit from the security it provides to our citizens...This amendment safeguards and sustains NORAD regardless of what decision the Government of Canada eventually takes on ballistic missile defence.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, the question is, where is Waldo? We are not talking about that other stuff.

Our present ambassador, Mr. Kergin, who is a very capable man, also took a slap last year from the Prime Minister when he found out his job was being offered to Mr. Manley. Mr. Manley wisely dodged the bullet. Mr. McKenna stood up to serve his country, and now he has been undermined.

How does the Prime Minister think that Mr. McKenna can speak with authority in Washington when he has had his credibility undermined here in Ottawa by the Prime Minister?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, not only does the government have total confidence in Mr. McKenna, but there is no doubt that he will make a very dynamic and incisive ambassador for Canada in Washington.

His credibility will not be undermined by the kinds of questions from the hon. member and the inability to understand what Norad is all about, its responsibilities on the one hand and BMD on the other.

[Translation]

AIRPORTS

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, on November 9, the Minister of Transport promised to reduce or freeze airport rents but, so far, we have not seen any action.

Cliff Mackay, of the Air Transport Association of Canada, said yesterday, and I quote:

By not reducing airport rent, the government is wilfully undermining the economic competitiveness of the Canadian air transportation system.

He is right: this is very serious.

Why does the Minister of Transport not fulfill his promises?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, first I would like to say how pleased I am with yesterday's budget, particularly the reduction of the security tax announced by the Minister of Finance. This is good news, because it represents some \$40 million for the airline industry.

However, there are still a few changes that I would like to see. I hope that, along with the parliamentary committee and my colleague, the Minister of Finance, we will find a permanent solution to airport rents, which, of course, should be reviewed at the earliest opportunity.

[English]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, now he says he is proud of the budget. Six hours ago at a breakfast he said that he was disappointed by the budget, and he blamed the finance minister for breaking his own word. He said that he wanted to put the finance minister on a do not fly list for breaking his own promise on airport rents.

The Canadian Airports Council said that airports in the country would be devastated because the government had not cut rents and that the transport minister had not keep his word. The air industry and the Conservative Party have been calling for a freeze and cut in airport rents for years.

Why did the transport minister fail to keep his word?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, first, the hon. member should never read Paul Wells' blog because that is not what I said this morning. This morning I said that there was one missing item, and if I had my way, maybe I could put finance officials on a no fly list so they could reflect upon what was happening in the air sector. It was a good joke and it was well accepted. If my hon. colleague does not have a sense of humour, too bad for him. I think we will resolve that issue, and I count on his support to do that.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, the Liberal government has betrayed Quebec' s unemployed.

Oral Questions

How can the Minister of Finance be so cynical as to ignore the Prime Minister's commitments on employment insurance, sidestep the Liberal vote on the 28 recommendations to improve the employment insurance program and offer only seven one thousandths of what he stole from the EI fund?

•(1435)

The Speaker: I heard the word “stole”. We are not talking about the minister.

The hon. Minister of Human Resources and Skills Development.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, the hon. member for Chambly—Borduas should be very careful in his comments. As we all know, the employment insurance fund is an accounting notion, it is a virtual fund that has existed since the Auditor General's opinion in 1986.

Over the past few years, we increased benefits by close to \$1 billion to help workers who experience problems in certain parts of the country, particularly seasonal workers. Yesterday, we were very pleased to be able to announce additional adjustments.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, those for whom the minister speaks were quoted in this morning's press as calling the changes “indecent, insipid and frustrating.” That was how they described the budget. Yesterday the PM's Quebec lieutenant, the Minister of Transport, said in a broadcast interview that “reasonable unemployed people” will find the budget a great one.

How can he be so cynical and disdainful of people who have had \$46 billion stolen from them by the government? How can he—

The Speaker: I am sorry to interrupt the hon. member for Chambly—Borduas, but he is well aware that his use on two occasions of the word “stolen” is not acceptable and he must not use it.

If the Hon. Minister of Human Resources and Skills Development wishes to respond, she has the floor.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, as you have said, we cannot allow such language in the House. I most certainly wish to reply because, contrary to what the Bloc Québécois says, what was announced yesterday were measures that will help seasonal workers.

The problem is not seasonal workers, but seasonal work. We are working with various stakeholders. Oddly enough, unlike the Bloc, I have heard what was announced yesterday described by a spokesperson for seasonal workers as a victory for them.

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, let us discuss honesty. The Liberals also voted in favour of the report by the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, which called on the government to repay the billions of dollars it had pillaged from the employment insurance fund.

How can the government justify rushing to reduce the debt in order to repay the major banks, while refusing to reimburse the billions of dollars it has stolen from the unemployed?

Some hon. members: Oh, oh!

The Speaker: Order, please. Continued use of unparliamentary language will create problems with respect to oral questions.

We will move on to a supplementary from the hon. member for Portneuf—Jacques-Cartier.

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, the Minister of Human Resources and Skills Development is announcing that, in the future, premiums will not exceed program costs. In other words, she is acknowledging that, in the past, she has dipped liberally into the EI fund surpluses for other purposes. It sounds like she is promising not to do that anymore, but we have our doubts.

Is she admitting that she has—

An hon. member: Dipping is stealing.

Mr. Guy Côté:—dipped into EI fund surpluses? Why is she not putting the money back?

The Speaker: The problem is the same as before.

We will continue with a question from the hon. member for Regina—Qu'Appelle.

* * *

[English]

AIRPORTS

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, the transport minister said last week that we can count on the Minister of Finance to protect Regina. We found out yesterday that he was wrong.

As a result of yesterday's budget, regional airports will have to start paying millions in rent in 2006. For Regina, this means over \$500,000 the first year alone. These massive hikes will jeopardize air service and hurt Regina's economy.

Why did the transport minister break his word? Why does the government continue to gouge air travellers?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the Minister of Transport has not broken his word. The hon. gentleman has indicated the answer to his question in the very question. He said the rental increase with respect to Regina and other places is scheduled to take place in 2006. I would remind him this is still 2005.

•(1440)

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, the Liberal cash cow known as airport rent is the biggest worry for the Regina and Saskatoon airport authorities. This rent will result in higher ticket prices for air travellers and possible service reductions.

Oral Questions

The Minister of Transport said that he was not happy that there was no rent relief for Canadian airports in yesterday's budget. Why was he unable to convince the Minister of Finance that this needed to be addressed in yesterday's budget? Is it because he is incompetent, or because the Minister of Finance does not care about Regina and the province of Saskatchewan?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, as the finance minister who just delivered \$710 million to Saskatchewan, I think I have demonstrated that I care.

The rental increases that the hon. gentleman refers to, and not just in Saskatchewan but elsewhere, are not rental increases that will take place this year. They will take place next year. I can assure the hon. member as I have assured the people of Regina that this matter will be dealt with in ample time.

* * *

JUSTICE

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, the lack of empathy that the government has for murdered police officers in this country is absolutely appalling while its leniency toward their killers is shocking.

The government refused to intervene to have Constable Joe MacDonald's killer, Clinton Suzack, removed from a club fed style prison. Hopefully, this leniency will not be repeated in the case of Claude Forget. Forget, convicted of two counts of attempted murder against Montreal police officers, is about to walk after serving a little over half his 20 year sentence.

My question is for the Minister of Public Safety. Will she ensure that Claude Forget does not receive statutory release?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I am not able to speak about individual cases that will be before the Parole Board.

The hon. member knows that statutory release is available in certain circumstances. The Parole Board determines whether the criteria for stat release are met and if so, certain actions follow.

I will point out to the hon. member that I have asked the subcommittee of the justice and human rights committee to take up the whole question of the Corrections and Conditional Release Act and parole.

[*Translation*]

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, this is incredible. When Clinton Suzack was sent to a club fed prison after serving only six years for the murder of a police officer, the government did nothing. Now, Claude Forget will return to society after serving only half of his sentence. He attempted to murder two police officers, and the government did nothing.

If the Liberals want to protect Canadians, why do they not change the Corrections and Conditional Release Act?

[*English*]

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

have asked the subcommittee of the justice committee to look at both the Corrections and Conditional Release Act and the whole question of parole. In fact, I look forward to the subcommittee taking up this issue and making recommendations to the government. But the law exists; statutory release is there. There are criteria that have to be met. The Parole Board will determine whether those criteria have been met.

* * *

THE ENVIRONMENT

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, on Tuesday the House Standing Committee on Environment and Sustainable Development had an opportunity to engage in a green dialogue with the Minister of Public Works and Government Services.

Would the minister share with members of the House his comments regarding this committee appearance, particularly the role his department plays with respect to the greening of government operations?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, Public Works and Government Services is at the forefront of the greening of government and yesterday's budget clearly demonstrated that it is a very serious priority for this government.

We have reduced our greenhouse gas emissions from our buildings by 24%. Further, we are establishing an office of green procurement and sustainable development. We are leaders in sustainable building design and construction. We are leading the cleanup of toxic sites across Canada including, and I am proud to say, the Sydney tar ponds projects. At public works, we are helping to build a cleaner, greener Canada.

* * *

● (1445)

THE BUDGET

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, in the last election the Prime Minister ran around this country urging Canadians to vote Liberal to stop Conservatives. Now that we have a budget, the only people happy are the Conservatives.

Why did the Prime Minister not tell Canadians he was going to spend almost \$5 billion on corporate tax cuts and not a penny on education, tuition cuts or housing? Why did he perpetrate this fraud on the Canadian people?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, there was about \$1 billion of investment in yesterday's budget with respect to research and post-secondary education, and the indirect costs that universities have to bear. The government also invests somewhere between \$4.5 billion and \$5 billion every year in various forms of student assistance and university support, on top of the Canada social transfer which puts about \$15 billion per year into the hands of the provinces to help deal with issues related to post-secondary education and other concerns. Education is, and will continue to be, a priority of the government.

Oral Questions

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, let us remind the finance minister: zero for tuition cuts, zero for housing, zero for aboriginal people, and zero for agriculture. Canadian voters who were conned into voting Liberal last election want a refund. They want to take their vote back.

The Prime Minister in the last election said he shares NDP values, but the only person smiling today is Stephen Harper. Why?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, that is most unparliamentary to comment on the demeanour and the countenance of the Leader of the Opposition.

I would rather refer to another issue that the NDP is very fond of and that is the environment. I note the news releases issued by a variety of organizations. The Canadian Wind Energy Association supports the budget. The Canadian Urban Transit Association supports the budget. The Canada Green Building Council supports the budget. The Forest Products Association of Canada supports the budget.

This budget is so green, it should have been announced on St. Patrick's Day, so that clean air and renewable energy will—

Some hon. members: Oh, oh!

The Speaker: Order. I would remind hon. members once again not to use the names of other members in their questions or in their answers. It seems to be spreading like a disease. The hon. member for St. John's East now has the floor.

* * *

NATIONAL DEFENCE

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, flight training at Goose Bay has continually declined under the watch of this government. The government has talked a lot about Goose Bay, but it has not delivered.

Byelection rhetoric is starting to heat up, but the people of Goose Bay want to know if they have a future at 5 Wing Goose Bay. Will the people of Goose Bay have to live on by election rhetoric or is there actually a plan to ensure the future of their region?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I was here last week when the representatives from the community came and met with the Prime Minister and representatives of our government.

We are working closely with that community. I can assure the hon. member that the Department of National Defence is continuing its activities there. We will continue the helicopter program there as I announced when I was there. We will work with the community to ensure that we get the best use out of that airfield.

When I was at NATO, I spoke to every single minister I could speak to about ensuring that there were NATO members coming and using Goose Bay as an appropriate place to train. We will work with the community. We will work with our allies. We will make Goose Bay a success and it will not be a political football the way it has been used by the opposition.

JUSTICE

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, Donald Armstrong sexually assaulted and murdered Linda Bright in 1980 leaving her dead body on the back road. Donald Armstrong was convicted of first degree murder and remains incarcerated. Armstrong also has several convictions for vicious attacks on other women, including attempted murder but no convictions for sexual assault. He is eligible for parole in May of this year.

Will the minister explain why his government does not believe Donald Armstrong should be in the DNA databank?

• (1450)

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I cannot comment on the particulars of that case. The whole issue with respect to policy regarding databanks is right now before the justice and human rights committee where the hon. member sits. The committee members can address that issue as a matter of principle and policy.

* * *

CANADA POST

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Speaker, my question is for the Minister of National Revenue.

Post offices in my riding have informed me that Canada Post has 18 rural post offices under consideration for closure. Yesterday the minister said that there is no plan to close rural post offices. Yet, in a letter, Canada Post vice-president for field operations said that continuing to support small rural post offices are a heavy burden on the bottom line.

Will the minister categorically tell the residents of Souris—Moose Mountain that small rural post offices in their constituency are not under consideration for closure and will not be closed?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I will simply repeat what the minister said yesterday. There is no policy regarding the closure of post offices.

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, that kind of dismissive city boy response does an injustice to the rural Canadians who have a serious concern about rural post office closures.

Yesterday the minister said that there is no plan to close post offices, but his incompetence is showing as it often does. Post offices are being closed. They are being closed in the Maritimes, they are being closed in British Columbia, they are being closed in Saskatchewan, and we learned today six more have closed in Alberta. The government says there is a moratorium on post office closures. Canada Post says it is going to close post offices.

Who is telling the truth or does the government even know?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, in the case of the post office that was closed in British Columbia, there was no one in the town who wished to operate it. It is a town with 27 homes in it and an operator could not be found for it. Therefore, it was not a lack of willingness on the part of Canada Post to keep it open, there was no one to run it.

* * *

[Translation]

HOUSING

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, the Minister of Finance may boast all he wants, but he has to recognize that there is nothing for social housing in his budget. In the last election, the Liberals promised up to \$1.5 billion for housing.

Given that there is nothing in the budget, will the minister responsible for housing admit that he reneged on his word after recently promising, on two occasions, to invest in social housing?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, there is no more aggressive advocate for social housing and affordable housing in Canada than the current minister responsible for CMHC.

There is \$1 billion at the present moment within the fiscal framework that we are working on very closely with the provinces to distribute it across the country for new affordable housing. We have \$2 billion a year that we are putting into the ongoing sustaining of social housing. We have committed that in the future we will invest an additional \$1.5 billion in housing issues in the country, as soon as we get the initial—

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

[Translation]

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, there is nothing in this budget for social housing, not one red cent. The CMHC is sitting on \$3 billion in accumulated surplus, while, in Quebec alone, 200,000 households spend more than half of their income on housing.

How could the Minister of Finance not include anything for housing in his budget, when it is well known that the Liberal Party is the reason these households are in such a bind?

[English]

Hon. Joe Fontana (Minister of Labour and Housing, Lib.): Mr. Speaker, as the Minister of Finance has indicated, no other government in the history of this country has done more for housing than this one: \$2 billion a year to support 600,000; \$1 billion in affordable housing; \$1 billion to help the homeless; \$500 million to help renovate the homes.

We will continue to do more in this country and in the province of Quebec as we move to a housing consultation and as we spend the \$800 million that we presently have and want to spend.

Oral Questions

HEALTH

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, last week a declaration to ban all forms of human cloning was passed at the United Nations. How did Canada vote? It voted against the motion.

Two years ago the former health minister assured the House that Canada would support a comprehensive ban. Even in October the new health minister said, “We are committed to opposing all forms of human cloning”.

Why has the government gone back on its word?

• (1455)

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, our position remains the same. We have a law in Canada that bans all forms of human cloning.

We did not support the resolution because it left avenues open for the kinds of research that Canada did not agree with.

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, the government abstained two years ago on the same sort of vote, which was unacceptable at that time, but the vote last week against human cloning shows an agenda.

The government took a position at the United Nations that was contrary to its own legislation that bans all cloning.

If the government is against human cloning, why did it vote against the ban last week?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, the government's position on human cloning is clear. All forms of human cloning for whatever purpose and using whatever techniques are banned in Canada under the Assisted Human Reproduction Act. That is the reality.

While important elements of the United Nations declaration are consistent with Canada's domestic legislation on the prohibition of cloning, the government was unable to support it due to some imprecise drafting. The language presented raised difficulties.

Some hon. members: Oh, oh.

The Speaker: Order, please. I do not know what all the yelling is about, but we are in question period at the moment, not something else. I would invite hon. members to pay some attention to the questions and the answers.

The hon. member for Madawaska—Restigouche has the floor now and we will have a little order, please.

* * *

[Translation]

THE BUDGET

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, the introduction of a national early learning and child care system is certainly essential to promote the development of our children, who represent the future of our country, and to assist parents so that their children can benefit from accessible, quality child care services.

Oral Questions

Further to the federal budget tabled yesterday, could the Minister of Social Development enlighten us on the national early learning and child care initiative and explain what yesterday's announcement means, in concrete terms, for parents and young children?

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, the budget is clear. The Government of Canada has made a commitment to invest \$5 billion over the next five years.

[*English*]

We will continue to work toward a final agreement with the provinces and territories, but in the meantime, I am pleased to say that in good faith the money will begin flowing to the provinces and territories within a very short period of time so we can get on with it.

I would also like to add that for early childhood educators who, for years and years, have worked with parents and children and who have wanted to deliver more, they will now get their—

The Speaker: The hon. member for Edmonton—Leduc.

* * *

TECHNOLOGY PARTNERSHIPS CANADA

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, Technology Partnerships Canada is a program that has given out approximately \$2 billion and has recovered less than 5% of that.

Pratt & Whitney has received more money from this program than any other company. It has received nearly \$700 million.

Would the Minister of Industry please explain to Canadian taxpayers what percentage of this money has been repaid and what Canadian taxpayers have received for their nearly \$700 million?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, I will tell the member what we have received for TPC money. Canadians have jobs. We have done what that party would not do, which is to protect Canadian jobs in the aerospace industry in Canada, as we did with Pratt & Whitney, as we did with Bell Helicopter and as we will continue to do. We will combat foreign subsidies that are attempts to kill Canadian jobs.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, here are the facts: in 1997, \$147 million; in 1999, \$154 million; in 2001, \$99.6 million; in 2003, \$99.4 million; and in 2005, \$207 million. We want to know from the government what Canadian taxpayers will receive for this money. Less than 5% of TPC has been repaid. I challenge the minister to stand up and say how many jobs have actually been created.

When will he finally tell the House and Canadians the truth about Technology Partnerships Canada?

• (1500)

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, the fact is that we are protecting jobs. We are protecting jobs in an industry that has gone through some very hard times. If that party were in power today, those jobs would be gone. They would be gone to the U.S., to the U.K., to Europe and to China. Those jobs are here because of TPC.

[*Translation*]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the measures in yesterday's budget will not be enough to achieve the Kyoto objectives, since the Minister of Finance rules out any enforcement of strict regulations for major emitters and prefers voluntary measures instead.

How can the Minister of Finance seriously claim that the Kyoto objectives will be reached, when his budget contains no measure to force major emitters to reach their target?

There is no strategy and no plan. There are no constraints. Nothing but wishful thinking.

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, if the Bloc Québécois could do more than just criticize, my colleague would have risen in the House today to congratulate the Minister of Finance, the Prime Minister and the government for having brought down the greenest budget since Confederation. The government has earmarked \$1 billion for climate change projects; \$225 million for the EnerGuide program to retrofit homes; \$200 million to support the development of a science and technology strategy; \$200 million over five years to foster the use of wind energy; \$97 million over five years to promote—

The Speaker: I am sorry to interrupt the Minister of the Environment. The hon. member for Welland.

* * *

[*English*]

SENIOR CITIZENS

Mr. John Maloney (Welland, Lib.): Mr. Speaker, my question is for the Minister of State for Families and Caregivers.

Two weeks ago I stood in the House to draw attention to the financial realities of life for Canada's low income senior citizens. Could the minister of state tell us what in yesterday's budget addresses my concerns and those of my Welland riding constituents?

Hon. Tony Ianno (Minister of State (Families and Caregivers), Lib.): Mr. Speaker, I thank the hon. member for his ongoing concern to help low income seniors. I also want to commend the Minister of Finance and the Prime Minister who have continued their long-standing commitment to seniors in this country: \$2.7 billion over five years.

The comments from across the country are extremely positive. I want to thank each and every member who has supported low income seniors.

BUSINESS OF THE HOUSE

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, now that we have the government's budget that pleased no one behind us, I wonder if the government House leader would care to reveal to the House and to the nation what the order of business will be for the remainder of this week and for the first week that the House returns in March.

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, today we will continue with the budget debate. Tomorrow we will return to the third reading debate of Bill C-33. If this is completed, we will then turn to third reading of Bill C-8, which is the public service bill; the report stages and third readings of Bill C-3, the Coast Guard bill; and Bill S-17 respecting tax treaties.

Next week is a constituency week. On March 7, 8 and 9 we will continue the budget debate, and Thursday, March 10 shall be an allotted day.

* * *

[Translation]

POINTS OF ORDER

STUDY OF BILL C-23—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the point of order raised on February 17, 2005, by the hon. member for Acadie—Bathurst, concerning a decision of the Chair of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities during clause by clause study of Bill C-23, an act to establish the Department of Human Resources and Skills Development and to amend and repeal certain related Acts.

• (1505)

[English]

I would like to thank the hon. member for Acadie—Bathurst for raising this matter, as well as the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons and the hon. members for Montmorency—Charlevoix—Haute-Côte-Nord, New Westminster—Coquitlam, Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, and Mississauga South for their contributions.

[Translation]

Bill C-23 establishes the Department of Human Resources and Skills Development. It defines the powers, duties and functions of the Minister as well as those of the Minister of Labour and of the Canada Employment Insurance Commission.

[English]

In his presentation the hon. member for Acadie—Bathurst asked the Speaker to look at the rulings of the committee chair on the subject of the requirement of a royal recommendation, even where there is a previous statutory authority. He submitted that the committee chair and procedural staff had failed to take into account the ruling made by Speaker Parent on February 12, 1998, when they were determining the admissibility of an amendment from the hon. member for Chambly—Borduas presented in the committee on February 10 during clause by clause consideration of Bill C-23. The disputed amendment to Bill C-23 sought to increase the number of

Speaker's Ruling

commissioners on the Canada Employment Insurance Commission from four to seventeen. The chair ruled that the proposed amendment was inadmissible because it lacked a royal recommendation.

In summarizing the ruling of Speaker Parent, the hon. member for Acadie—Bathurst stated that a royal recommendation was not required for an initiative for which there was already a statutory authority. In the case of Bill C-23, he stated that there was statutory authority for a set number of commissioners and that an additional royal recommendation was therefore not required for the numbers of commissioners to be expanded since there was existing statutory authority for such expenses.

[Translation]

In speaking to the same point of order, the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord noted that a primary mandate of committees is the clause by clause study of bills referred to them by the House. He submitted that if committees can not amend clauses dealing with financial commitments, it is difficult to justify the continued existence of committees. He also stated that there is a need for more complete instructions from the Speaker on matters that entail monetary commitments on the part of the government.

[English]

A further representation was made by the hon. member for Mississauga South who felt that there had been incorrect advice given to the chair of the committee by the procedural staff. He stated that the chairs and members of committees rely on procedural staff to provide them with advice, but if that advice is incorrect then there must be a remedy to rectify it.

I should say that I appreciate that the hon. member for Acadie—Bathurst recognized that Speakers have on numerous occasions ruled that committees are and must remain masters of their own affairs. The hon. member is absolutely correct regarding any Speaker's traditional hesitation to comment on committee proceedings. Nonetheless, he asked the Chair to shed some light on this matter and, in this case, the member's complaint has offered me an opportunity to address a number of important points fundamental to our procedure, not only in this particular situation but in the broader context of the proper functioning of the House in this minority Parliament.

[Translation]

First, I want to address the role of members vis-à-vis financial matters, in particular the nature of the royal recommendation; then, I will deal with the 1998 ruling by Speaker Parent.

The initiation of public expenditure is and has always been the prerogative of the Crown. That is to say, neither committees nor private members can initiate the spending of public funds.

*Speaker's Ruling**[English]*

The government has responsibility for managing the public purse, which means, in parliamentary terms, that the government has the exclusive initiative for proposing new taxes or for proposing how public funds should be spent. For new taxes, the government must first move a Notice of Ways and Means Motion and have this adopted by the House. Once this happens, the government may bring in a bill legislating the new taxes set out in the ways and means motion.

For new spending, the government must provide a royal recommendation from the Crown's representative, Her Excellency the Governor General, which recommends a bill that includes provisions for spending public funds. This principle is enshrined in section 54 of the Constitution Act, 1867, whose wording is virtually identical to Standing Order 79(1), which reads:

This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

Hon. members will note that the standing order relates to bills for "appropriation". This is the operative word. There is a second important word in Standing Order 79 and this is "purpose". It is not in order to vote on a bill for an appropriation to any purpose that has not first been recommended by a message from the Governor General, that is, the royal recommendation.

What this means is that the financial initiative of the Crown includes not simply the spending of public funds but the spending of public funds for a particular purpose. A government bill that proposes public spending requires a royal recommendation for public spending for a stated purpose. Accordingly, it is not open to the House to change the purpose unless, of course, Her Excellency were to provide a royal recommendation in respect of the new purpose.

• (1510)

[Translation]

I will not elaborate further on the origins of the financial relations between the Crown and Parliament but I refer the House to page 848 of *Erskine May*, 23rd edition, for a useful description thereof. Suffice it to say that those relations are neatly summed up in the phrase, "the government proposes, and parliament disposes."

Even in our current circumstances, with the government party not having a majority of the seats in the House, it is still the sole prerogative of the Crown—that is, the ministry—and not that of the House of Commons, its committees or its members to initiate financial expenditures.

[English]

This sole prerogative of the Crown underlies all of our procedures. The principle holds true in committee in respect of the admissibility of amendments at clause by clause study of government bills and applies equally to amendments at report stage. It also applies to private members' bills at committee and report stage.

Committees studying estimates must also respect this principle: committees may adopt the amounts requested by the government;

they may reduce them; or they may negative a request entirely. However, committees can neither increase the amount of money assigned to a particular department or program, nor redirect money from one purpose to another.

I would now like to address the specific case of the requirement for a royal recommendation for the proposed amendment to Bill C-23 to increase the number of commissioners on the Employment Insurance Commission.

On February 10, the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities began its examination of Bill C-23. The committee immediately began to look at the amendments proposed by the hon. member for Chambly—Borduas instead of proceeding through clause by clause consideration in the usual fashion.

One of these amendments, an amendment to clause 20, proposed to increase the number of EI commissioners from four to seventeen. It was ruled inadmissible because it infringed on the financial initiative of the Crown. In other words, the member proposing it had not obtained a royal recommendation. The next amendment contained a similar proposal and was also ruled inadmissible. Neither of these rulings was appealed.

[Translation]

On February 15, the hon. member for Acadie—Bathurst attempted to revisit the proposed amendments disposed of previously by the committee, but was unsuccessful in that attempt. The committee then completed its clause-by-clause consideration of the bill and the next day the chair of the committee presented the report on Bill C-23 to the House.

[English]

In his argument here in the House, the hon. member for Acadie—Bathurst noticed that the chair of the committee had referred to page 655 of *House of Commons Procedure and Practice* as the justification for ruling the amendment out of order. The appropriate section reads:

An amendment must not offend the financial initiative of the Crown. An amendment is therefore inadmissible if it imposes a charge on the Public Treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications as expressed in the Royal Recommendation.

[Translation]

In his submission, the hon. member for Acadie—Bathurst made reference to the February 12, 1998 ruling of Speaker Parent and claimed that the committee staff had failed to take this ruling into account when advising on the admissibility of the amendment to increase the number of commissioners. I have therefore reviewed the 1998 ruling with great care and would like to summarize it for the House.

[English]

On February 4, 1998, the member for Cypress Hills—Grasslands, Mr. Morrison, rose on a point of order concerning Bill S-4, an act to amend the Canada Shipping Act (maritime liability). The member was concerned, first, with the introduction of public bills in the Senate and, second, with the fact that the bill represented a breach of the constitutional principle that money bills must be introduced in the House of Commons.

Speaker's Ruling

The member argued that the bill violated Standing Order 80 because it substantially increased the limits of liability upon the government, thereby infringing on the financial privileges of the House of Commons. He concluded by requesting that the bill be removed from the order paper. After the intervention of other members on the question, the Speaker reserved his decision.

On February 12, 1998, the Speaker gave his ruling on the point of order. I refer hon. members to the *Debates* for that day at pages 3765 and 3766, where, noting that there were few decisions in the area of liabilities and how these relate to the financial privileges of the House, the Speaker said:

My understanding of the procedural implications of Bill S-4 is the following. The increased limits of liability are set out in the proposed amendments to the Canada Shipping Act but the actual compensation available to claimants is subject to the Crown Liability and Proceedings Act....

He went on to quote from Erskine May, 21st edition, at page 717, which states:

Where sufficient statutory authority already exists for payments to which bills relate, no further resolution and recommendation is required.

In other words, the Speaker concluded that the bill did not require a royal recommendation and was in order because statutory authority for the payments already existed. The amendment merely altered the maximum amounts of individual claims.

The hon. member for Acadie—Bathurst quotes this same citation from May and argues that the case before us is analogous to that one. But is this a parallel situation or does the amendment proposed to Bill C-23 to increase the number of EI commissioners go beyond existing financial provisions?

• (1515)

[*Translation*]

The hon. member for Acadie—Bathurst argued that the bill gave statutory authority for commissioners so an additional royal recommendation was not required for the number of commissioners to be changed. That argument would hold true if the hon. member sought to reduce the number of commissioners, but increasing the number increases the charge on the public purse.

[*English*]

As it stands, the bill, and the royal recommendation that accompanies the bill, provides statutory authority for four commissioners. Since the hon. member wants to increase that number to 17 and since there exists no other legislative provision against which the costs of these additional commissioners could be charged, the Chair must conclude that the amendment is not in order: that it does indeed infringe upon the financial authority of the Crown.

There have been numerous occasions in committee where amendments to increase the size of boards or commissions have been ruled out of order. In the House there have not been as many, but the principle still stands. There are two rulings which I wish to draw to the attention of hon. members on this matter.

The first is from April 7, 1982, at page 9052 of the *Debates*, when Deputy Speaker Francis made a ruling during report stage of Bill C-42, the Canada Post Corporation Act. Before proceeding to propose Motion No. 2 in the name of the minister to increase the size of the board of directors, the Deputy Speaker rose to point out a

procedural difficulty. The bill, as reported by the committee, had been amended to increase the board of directors from seven to nine members.

Deputy Speaker Francis stated:

It is obvious that one of our most basic and fundamental procedures is that only a minister of the Crown may originate legislation which proposes a charge upon the revenue and this can only be done when accompanied by a recommendation from the Governor General. Indeed, amendments made in the committee cannot go beyond the terms of the original recommendation. The amendment which was adopted by the committee offends the financial initiative of the Crown and, therefore, I must rule it unacceptable.

Motion No. 2 standing in the name of the Postmaster General to all intents and purposes has the same effect as the amendment I have just ruled unacceptable and this motion is accompanied by the appropriate Royal recommendation.

The second relevant precedent is a ruling given by Mr. Speaker Fraser on June 12, 1989, at page 2912 of the *Debates*, on the report stage motions for Bill C-2, the Canadian Transportation Accident Investigation and Safety Board. Two proposed amendments sought to increase the number of board members and had been ruled out of order in committee. Mr. Speaker Fraser endorsed the decision of the chair of the committee, finding that the amendments infringed the royal recommendation and ruling both motions out of order.

Interestingly, the issue of the Employment Insurance Commission and its composition has already arisen in the House in the current session. On February 8, 2005, the Acting Speaker ruled on the requirement for a royal recommendation for Bill C-280, an act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another act, a private member's bill standing in the name of the hon. member for Manicouagan.

In his ruling, which is found on page 3253 of the *Debates*, the Acting Speaker noted that, among other provisions, the bill mandated the appointment of 13 new commissioners to the Canada Employment Insurance Commission. He pointed out that the parent act of the bill in respect of this amending provision, the Department of Human Resources Development Act, provides that the commissioners receive remuneration for their services.

• (1520)

[*Translation*]

He pointed out that since section 54 of the Constitution Act, 1867, as well as Standing Order 79, prohibit votes on bills appropriating public revenues without a royal recommendation, the same must apply to bills authorizing increased spending of public revenues.

[*English*]

The Acting Speaker noted:

Where it is clear that the legislative objective of a bill cannot be accomplished without the dedication of public funds to that objective, the bill must be seen as the equivalent of a bill effecting an appropriation.

He therefore stated that the Chair will decline to put the question on third reading of Bill C-280 in its present form unless a royal recommendation is received.

*The Budget**[Translation]*

Thus, based on our practice, I must agree with the decision of the chair of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities when she ruled the amendments to Bill C-23 out of order. She said:

It is being asked that there be 17 commissioners, and the government would have to spend more to compensate those commissioners. Royal recommendation does not permit this in view of what is contained in the bill. So,—the amendment—is ruled inadmissible.

[English]

From my review of events, I have concluded that the advice given to the chair of the standing committee by procedural staff was absolutely correct and well founded on practice and precedent and that this advice was reflected in the reasons the chair gave for her ruling on the matter.

Finally, I would like to address two other points. The hon. members for Acadie—Bathurst and Mississauga South both suggested that errors had been made in the advice given by the Table and by procedural staff assigned to assist the committee. Then, the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord stated that there is a need for more complete instructions from the Speaker on matters that entail monetary commitments on the part of the government which are not amendable by the committees.

The role of procedural staff is central to our work in the chamber and in committee for they are always available to assist members in understanding the body of parliamentary rules and practices that the House has adopted to govern its proceedings. This is especially true at times when members may not have had the time to study a matter closely and seek advice on tackling an issue or understanding a ruling.

A member may disagree with the advice he receives or the interpretation of the rules she is given without jumping to the conclusion that members are being misled or poorly served by procedural staff. When in doubt, members are not without recourse. In unusual circumstances when disagreements persist, members are always free to seek the advice of the chair in a committee, to discuss a matter with the Clerk or the Table, or even in certain instances, to raise a point of order in the House for the Speaker's decision.

[Translation]

In closing, let me offer another word of caution. Like me, most hon. members will have had direct experience in majority Parliaments so the current minority situation—although the frequent subject of discussion and speculation—is less well understood.

All hon. members should bear in mind that, while the dynamics of a minority House might be quite different from the dynamics in a majority situation, the constitutional basis of our parliamentary system has not changed and the prerogatives of the Crown remain intact.

Once again, I wish to thank the hon. member for Acadie—Bathurst for raising this matter and giving me the opportunity to clarify our practice. I hope that members will find the information and explanations I have provided useful as they continue to carry out their work both in the Chamber and in committees.

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

NATIONAL DEFENCE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I rise on a point of order.

Yesterday in the House the Prime Minister stated in reference to Canada's participation in Bush's missile defence that the government "will make the decision when it is in Canada's interest to do so". The Prime Minister referred further to the decision that the government "eventually takes on ballistic missile defence".

The Prime Minister did not say the decision that the government has made. He clearly stated, the decision that the government "eventually takes".

Earlier today the foreign affairs minister regrettably failed to afford parliamentarians the courtesy of making a ministerial statement on the government's missile defence decision. It is regrettable because it denied opposition members from each party the customary opportunity to fully respond in Parliament to the government's decision. That was offensive but not contemptuous of Parliament in the strict sense.

What does constitute contempt for Parliament is for the Prime Minister to deliberately mislead the House as he did yesterday when he pretended that the government had not yet made a decision on Canada's participation in missile defence when that was clearly not the truth. The foreign affairs minister earlier today confirmed that the government decision was not only already made when the Prime Minister made his misleading statements here in the House, but the government's decision had already been communicated to Condoleezza Rice, to our American neighbours.

In view of this contempt of the House, I would respectfully request that the Prime Minister be asked to rise in the House and correct the record as to when the government reached and communicated its decision about Canadian non-participation in missile defence.

● (1525)

The Speaker: I thank the hon. member for Halifax for raising the matter. I am sure that someone will want to respond in due course to the issue raised by the hon. member. When that happens, I will be able to then consider the matter further and come back to the House with the ruling, but it is obvious a response is required to what the hon. member has said. I am sure that one will be forthcoming in due course.

GOVERNMENT ORDERS*[English]***THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

The Budget

The Speaker: When the House rose for question period, the hon. member for Etobicoke Centre had the floor. He has four minutes remaining in the time allotted for his remarks.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, with the transfer of almost \$1 billion in gas tax revenues to the greater Toronto area over the next five years and a total of \$300 million for green municipal funds, my community can expect to see better roads, improvements to our public transit system, and more livable neighbourhoods.

We have also stated that this new funding will continue beyond our five year commitment so that our cities can count on a revenue stream to finance major public infrastructure projects. During the election we promised a new deal for cities; a promise made, a promise kept.

Finally, there are two items contained in this budget that are of particular personal interest to me. The first involves our commitment to building a role of pride and influence in the world. Approximately half a century ago Lester B. Pearson had a vision that young Canadian men and women would not travel to trouble spots around the world as soldiers but as peacekeepers. For this our former prime minister won the Nobel Peace Prize and Canada earned a place of respect internationally.

In the 21st century we are committed to building on this peacekeeping tradition. We have made a commitment to add 5,000 soldiers to our forces and 3,000 to our reserves. We have committed to purchase state of the art equipment for these forces. Yesterday's budget announced \$12.8 billion over five years to support these additional expenditures.

Although we are a nation known for peacekeeping, there is a war that we will fight. It is a war against disease in the third world. Many third world countries face numerous challenges, and one of the worst is curable diseases. No region in the world has as many failed states, civil wars and disease as does sub-Saharan Africa. We cannot diminish our humanity by looking away when faced by the scale of these problems. Over the next three years Canada's aid to Africa will double. We will help to improve and save the lives of millions in need of assistance.

Included in the funding is \$160 million for vaccines and immunization; \$140 million to the global fight against AIDS, tuberculosis and malaria; \$42 million to the global polio eradication initiative; \$34 million in further support for the heavily indebted poor countries trust fund; and \$172 million to pay Canada's share of debt service costs of these countries.

The final item I wish to address touches me personally. My grandparents arrived in Canada as DPs, displaced persons, refugees. Canada provided them, their children and grandchildren an opportunity to live and prosper in freedom. However, in their love of Canada there was also a rarely spoken of shame.

As a Canadian of Ukrainian origin, I would like the Minister of Finance and the Prime Minister to know that I am grateful and honoured to be part of a government that has made a commitment to finally recognize the injustices carried out against a number of groups in Canada and in particular, the internment of Ukrainian

Canadians by committing \$25 million to help raise public awareness of their positive contributions to Canadian society.

Ukrainian Canadians have been waiting a long time for reconciliation. Yesterday's announcement is a positive step in the right direction, a direction that will allow us to deal with issues of the past respectfully and to move toward the bright future that is the promise which awaits all Canadians.

What an honour it is to be part of this minority government that has heralded a new era with a visionary budget. I am confident that Canadians will recognize that the balanced approach to fiscal management by the government will allow for the continued growth of prosperity and the building of a Canada in which all children would have equal life opportunities, in which all citizens' health will be cared for, in which seniors will live in dignity, in which cities are green and livable, and in which all people are treated with respect.

This budget builds a Canada which the rest of the world can turn to for inspiration.

• (1530)

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, my hon. colleague talked about the cities. He talked about his grandparents coming to Canada.

In the budget yesterday there was not much for rural Canada. I would like to know what he thinks about the sustainability of agriculture and the cheap food policy that the government has put on Canadian agriculture.

Mr. Borys Wrzesnewskyj: Mr. Speaker, as was mentioned, my grandparents arrived here as immigrants. They arrived under contract as tobacco pickers. Once they finished their contract, they moved to the cities, eventually to Toronto. There were a great many opportunities. Toronto has grown significantly since those times.

In the budget we have provided \$300 million for immigrant settlement to make sure that new immigrants, who will help build Canada's economy, will integrate at a faster pace than they have in the past.

Canada has become an urban country. More and more, people are moving to urban centres. It is for that reason the budget has paid particular attention to cities.

In the last election we talked about a new deal for cities. As I mentioned during my speech, we have kept that promise. We have provided for a GST rebate to cities of \$7 billion over 10 years. In fact, we have gone further. In the budget we talked about \$5 billion over the next five years to go toward cities. In the first year we have ramped it up from \$400 million to \$600 million and in the final year it will be \$2 billion.

What is interesting is that the funding will continue past those five years so that after a 15 year period, we are talking about \$25 billion. That will provide tremendous opportunities for our urban centres, for our cities, to make investments, to make sure that we have the public transportation infrastructure that is required and to make sure that those cities have healthy, liveable environments.

I am very proud of the commitments we have made in this budget.

The Budget

• (1535)

Ms. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, I come from a part of Ontario that is a short distance from where the hon. member lives, only about two hours away on the shores of Lake Erie in southern Ontario. It is a very rural riding.

In the budget, funds have been provided for economic development in the west, the far north, northern Ontario, Quebec and Atlantic Canada. It seems that only southern Ontario does not get this funding.

With our farms disappearing, I am wondering how the member is proposing that we survive without our farms and without development money?

Mr. Borys Wrzesnewskij: Mr. Speaker, of course there are challenges in southern Ontario, as there are challenges in every part of Ontario and every part of the country. Fortunately in southern Ontario those challenges are often of a lesser sort than those faced in other parts of the country. It is with that kind of realization that Canada has a process of equalization, to acknowledge the challenges and difficulties that various regions and provinces face.

We have paid a great deal of attention recently to equalization and in cutting a deal with all provinces, all regions of the country when it comes to equalization.

Not everyone is happy at every point in time, but when there are particular issues that hit particular sectors, for instance, BSE which affected Ontario as well, we lived up to our commitments to make sure that when people face challenges, we would help them through those challenges.

Hon. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, it is with great pleasure that I rise today to applaud the Prime Minister and the Minister of Finance on budget 2005. As the budget speech was so correctly subtitled, budget 2005 was “Delivering on Commitments”.

I would like to take the majority of the time that has been allotted to me to speak on the moneys that were allocated to the Department of Canadian Heritage.

Budget 2005 contains great news for the entire Canadian heritage portfolio. In fact, the *Globe and Mail* has named the Department of Canadian Heritage as one of the winners, having received \$1.6 billion in funding over five years for a multitude of cultural programs and heritage projects.

The government's commitment to our country's arts and cultural sector should not come as any surprise to anyone in the House. In our election platform, the government acknowledged that “Canadians believe that measuring a country's vitality goes beyond traditional economic yardsticks to include its culture, its heroes, its history and its stories”.

Therefore, the government committed in the election platform that it would undertake *inter alia* the following: first, to ensure that the policies of key cultural institutions suggest as Telefilm, the Canadian Broadcasting Corporation and the Canadian television fund are fully aligned with the objective of providing more successful Canadian programming of all genres; second, to make investments to better protect Canada's heritage sites and National Archives; and third, to

provide, through the Canada Council, increased support for Canada's major arts organizations to more effectively enable the latter to export Canadian cultural excellence.

Following the sequence of events, after the election in its first Speech from the Throne, which was delivered on October 5, 2004, the government also noted the important role that culture plays in Canadian communities.

In the section in the Speech from the Throne, entitled “Canada's Cities and Communities”, the government noted the following:

What makes our communities vibrant and creative is the quality of their cultural life. The government will foster cultural institutions and policies that aspire to excellence, reflect a diverse and multicultural society, respond to the new challenges of globalization and the digital economy, and promote diversity of views in cultural expression at home and abroad.

I would respectfully submit that budget 2005 delivered on its commitment to arts and culture.

Yesterday in the budget speech the Minister of Finance again spoke about the arts and culture in reference to the cities and communities. He noted:

Canada's cities and communities are the places where most Canadians live and work, raise their children and want to retire in dignity and security. They are engines of growth, employment and innovation, centres of art, culture and learning.

This reference in the budget to arts and culture was accompanied by the following details, which are outlined on pages 99 to 102 of the budget plan. They are as follows.

First, the budget provides \$172 million per year in new funding to provide stability for tomorrow starts today arts and culture initiative for another five years, for a total of \$688 million. This brings the total funding for the tomorrow starts today program to \$860 million over five years.

Second, the budget provides \$5 million per year over five years to enhance the multiculturalism program. The budget plan also notes an investment of \$10 million per year over five years to celebrate the Canada program for community based events and activities that offer all Canadians the opportunity to share their pride in their country.

Next, the budget allocates \$56 million over the next five years to the implementation of “A Canada For All: Canada's Action Plan Against Racism”.

• (1540)

There is more. The budget allocates \$25 million over the next three years for commemorative and educational initiatives to highlight the contribution that ethnocultural groups have made to Canadian society and to help build a better understanding among all Canadians.

Next is something about which I am very pleased. CBC/Radio-Canada will receive \$60 million in 2005-06 to help ensure high quality programming. There is more. An amount of \$5 million has been allocated for the aboriginal languages initiative.

Last but not least, \$4.5 million in 2005-06 has been allocated for the Centre for Research and Information on Canada.

The Budget

I am also glad to note that the arts community responded almost immediately after the budget speech had been delivered. The Canada Council for the Arts issued a news release noting that the “Federal budget brings good news for the arts”. In particular, the Canada Council for the Arts welcomed \$25 million a year for the Canada Council. Speaking on behalf of the Canada Council, its chair, Karen Kain, stated the following:

“This is wonderful news, not only for the Canada Council, but also for the thousands of artists and arts organizations who receive Council funding,” she said. “I think this will allow the arts community to breathe a little easier, and we greatly appreciate the government’s efforts in making this happen”.

Ms. Kain also went on to note the following:

“The number of artists and arts organizations in Canada has increased dramatically over the past two decades, and far too many deserving projects have had to be turned down because of lack of funds,” she said. “We are pleased that the government recognizes the challenges we face, and appreciates the value the arts bring to Canadians and their communities.”

I would also like to point out that today the Canadian Conference of the Arts also specifically applauded the Minister of Finance and congratulated the Minister of Canadian Heritage on the renewal of the tomorrow starts today funding. Speaking on behalf of the CCA, its national director, Jean Malavoy, noted the following:

We are grateful for the extension of tomorrow starts today. We congratulate [the Minister of Canadian Heritage] and her colleagues on this significant step, and we expect that this five year extension represents the foundation on which increased funding for culture can be built.

Indeed, I can speak first-hand of the importance that the arts community attributes to the renewal of the tomorrow starts today’s money.

After being given the privilege of being appointed Parliamentary Secretary to the Minister of Canadian Heritage by the Prime Minister in the summer, I began conducting a series of consultations with artistic and cultural organizations in Ontario. The most common themes that were raised during these consultations included the need for stable, multi-year funding, including the immediate renewal of the tomorrow starts today program, the enhancement of the Canada Council and the recognition of the key role that our cultural institutions play in the economic and social well-being of our cities and communities.

However, I would also like to add today that the arts community found perhaps a new ally in its quest to request funding for the arts and the renewal of the tomorrow starts today program. The Federation of Canadian Municipalities, at its last annual meeting, passed a resolution calling upon the Government of Canada to renew the tomorrow starts today program.

For those people who do not know, the tomorrow starts today program first came into place in 2001, which was the largest reinvestment in the arts. Again, we see this reinvestment continuing.

I would submit that in general the Liberal government’s 2005 budget delivers on all of its key platform commitments, including building the 21st century economy, securing Canada’s social foundation, addressing climate change and meeting our global responsibilities.

I am so proud to be a member of the Liberal team. This budget fulfills the commitments made in the Liberal election platform. It also reflects the priorities of my constituents, as evidenced by the

results of prebudget consultations which I held in the riding and which I spoke about in our prebudget consultations.

• (1545)

One must always remember that the budget document allows the government to make fiscal choices that reflect the kind of society that we want. I believe that budget 2005 accurately reflects the kind of Canada that not only the people of Parkdale—High Park want, but the people of Canada want.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the people I represent in the riding of Winnipeg Centre are disappointed. They are curious to know why their money has to be rationed out to them in such a miserly way, and I say that in the kindest way I can. They are frustrated by the fact that the budget announced by the finance minister yesterday is sequenced in such a way that no real goodies will arrive until year three, year four or year five of a five year plan.

People in the riding of Winnipeg Centre who called me said that it sounded more like a campaign speech than a budget speech. The minister was promising goodies to people as long as they kept voting Liberal and kept electing Liberal governments. Maybe in the third year, fourth year or fifth year they will start to get some of their hard earned tax dollars back in the form of either program spending or tax cuts. That is our frustration we on this side of the House.

I did not hear my colleague from High Park mention this. The budget speech did not really state much about what would be spent in the next budget year. It referred to what would come down the road, even though there is a minority government. Surely my colleague would agree that most minority governments do not last three or four years and not five years. This same government will probably not be in effect when the goodies start to be released.

Why should we have to wait five years to get what is rightfully ours when we expected it in this budget for this fiscal year?

Hon. Sarmite Bulte: Mr. Speaker, the budget does deliver immediate results, and I will use the gas tax as an example.

The member is from Winnipeg which is a large city like Toronto. The budget will increase the amount of the gas tax flowing to municipalities immediately. This builds on the GST rebate which came into effect the moment the Prime Minister became the leader of our party before the election. That money will start to flow right away.

The Manitoba Theatre Centre in Winnipeg is a huge cultural institution which benefits from the tomorrow starts today program for the arts which is provided through the Canada Council. Money has not only flowed to the MTC, but it will continue to flow to it and other organizations so they can plan ahead. This does not just benefit the institutions, but also the individual artists, and that is very important.

Many things will flow immediately from the budget.

The Budget

One thing that has always been true about the Liberal approach is that we are always careful to balance fiscal responsibility with investing in programs that are important to Canadians. As the member knows, this is the eighth straight year that we have balanced the budget. That is more than any other OECD country. We are leaders in this area, and we are proud of that fact. By balancing our budgets, we are not paying huge amounts of money on debt. The interest alone that we saved is huge, and that money can be reinvested in the priorities of Canadians which are outlined in the budget.

Some things take effect immediately and others take effect over time. I submit this is an indication of fiscal prudence. We are investing in those things that are important to Canadians and that truly affect Canadian values.

The member indicated that minority governments last only one or two years. In the province of Ontario, the minority government of Bill Davis lasted four years. I am optimistic. We will continue to work together in cooperation, as we have, to ensure that we serve Canadians. I look forward to our continued work with the member opposite.

• (1550)

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, budgets are like a magician's tricks. The government tries to give the appearance of something that is not there. Through the parsing of words and playing with numbers and statistics, the government tries to give the impression that its financial commitments will meet everyone's needs regardless of what it is. The government tries to be all things to all people but it does not work.

Let me say at the beginning that we Conservatives support the growth in regular and reserve manpower, although it is far short of what is required. They are certainly needed by the hardworking military.

The government, as we have learned in the budget, says that it is committed to adding the regular and reserve personnel and have allocated this year and next some \$180 million of a total \$3 billion, or only 6%. It is obvious that it is not really in a hurry to close the manpower gap, since it is going to stretch out the process as long as it can. It looks as though the military will be asked to spin its wheels waiting for the manpower increase. The government has built a lot of flexibility and can, at will, slide implementation to the side.

Unfortunately, in adding the 5,000 regulars and 3,000 reserves to the military, recruits will have to be processed through the constipated recruiting and training system. Currently about 10,000 regulars are tied up in the system and the normal number should be in the 4,000 to 5,000 range. Many regular recruits are lost in the system for up to 18 months. Similar problems are faced by the reserves who are also processed through the same system.

The Conservative Party also believes that absorbing an increase at only 1,000 per year is not an acceptable goal for the government. What would the government do if there were an international crisis calling for dramatic increases? It is just not acceptable.

In this budget the government is trying to show that it has changed its spots and that it is generally committed to having an effective

military force. However, a lot of what it says is simply obscuring the real situation.

The overarching statement in the budget is that the government is putting \$12.8 billion of new money into the military in the next five years. This is not true. According to its own figures, the amount is \$7 billion. The proposed increase starts this year with \$500 million and next year \$600 million. However all that Canadians can really count on are a mere \$1.1 billion out of the so-called \$13 billion.

In subsequent years there are promises of increases in the amount of \$1.1 billion, \$2.1 billion and \$2.7 billion respectively, which may or may not ever happen. By then we will probably be involved in an election or the government will declare that the economy has deteriorated or that its priorities have changed.

In the highly touted increase to the military, \$5.8 billion is not new money. It is recycled money. This is a typical government ploy to keep re-announcing projects. For example, we have already had an announcement for the fixed wing search and rescue project. We were told last year that it would cost \$1.3 billion and deliver 15 small transport aircraft. These new aircraft are supposed to replace the Buffalo and Hercules which are both very old aircraft. However we now have the fixed wing SAR project listed as a new project. How many times will this project be announced? Instead of re-announcing it, perhaps the minister will take the brakes off the project.

When the first announcement was promulgated, it was predicted that within 18 months a decision would be made. I can tell the House that no such decision has been made. In fact, the department is still trying to determine what it wants. It has not produced a statement of requirements. Until that statement is produced, no progress will be made on this project. Perhaps that is what the government wants to do, make feel good announcements but never acquire the aircraft.

Since I am on the topic of aircraft, there is no mention of airlift in the budget. We certainly do not need a defence review to determine that we need reliable airlift. Everyone who reads newspapers and watches television knows about the government's dithering on the DART. The Liberals long term under financing of the military really hit home with the public during the horrific disaster in Asia.

For years the government touted the disaster assistance response team as something Canada could dispatch within 48 hours. The deployment of the DART to Sri Lanka was delayed two weeks and it had to be done by commercially available Antonov aircraft, rather than our own transport fleet.

The Budget

•(1555)

The reason is that our current fleet of air transport is very old and over-committed. It does not take a defence review to arrive at this conclusion. On any one day, one-third of the Hercules fleet of 32 aircraft is committed to search and rescue, leaving about 20 to 22 aircraft for airlift tasks. Because of their advanced stage and the need for intense maintenance support, only 50% are available on any one day. In practical terms, this means that only 10 or 11 Hercules are available for national and international tasking.

It is quite obvious that we cannot meet airlift requirements for international ventures but the same problem exists in Canada. Just think of the difficulties the military had last year moving troops around our country, especially into the north. Only last week there was an incident where reservists in the Maritimes could not secure Canadian Forces transport to train in the United States. It is downright embarrassing.

How long will it take for the government to commit to buying airlift? Will we have to wait another 10 years until we see new transport aircraft?

The Liberal government is trying to spin the notion that it is committed to a real revitalization of the military. This is its typical smoke and mirrors. If it had been committed to real revitalization, it would have front end loaded the budget instead of pushing any real increase into the third, fourth and fifth gears, meaning that it will probably not happen. Expectations are raised but the real money will always be beyond reach.

In the first two years there is no funding for new equipment projects. Even the ones announced in the budget get no money. The government continues to use the old line that until it sees the defence review, no commitment to new projects can be made. This is patently untrue.

The government in this budget announced the future acquisition of medium capacity helicopters. Where did this idea come from? The answer is that it came from the defence review document that Parliament has yet to see. If the medium lift helicopters can be identified in the budget, why can airlift and sealift projects not also be identified?

The Prime Minister announced during the election in Gagetown that the forces would be requiring three 28,000 tonne joint support ships. Where is the follow up commitment to these vessels? The government has had staff working on the sealift project for years defining and redefining the requirement. When is the dithering going to stop? Is the government going to walk away from another one of its commitments?

The budget refers to the acquisition of logistic trucks. I am quite pleased to see that the government is making a commitment, except that there is no money for the project in the first two years of the budget. The army certainly needs the new trucks. The old ones are rusting out quickly.

Somewhere between 2008 and 2012, the army logistic lift will be unable to meet its tasks because its 26 year old trucks will be rusted out beyond repair and unsafe. I hope for the sake of the army the

department rethinks its old procurement process, otherwise it may be many years before the army sees the new trucks.

Of course, I was surprised again that the minister was able to identify a project without a new defence review being approved. Since the review seems to slide and slide into the future, perhaps he can address other vital needs of the forces within the document. It seems to be a convenient crutch to avoid decision.

The government's budget was not written with clarity in mind. It has been very difficult to determine precisely what is being done in defence. I particularly liked the warning, "the timing and size of DND's cash requirement will depend upon how the military allocates its new funding to its various needs and, in particular, on the timing and the nature of specific projects it initiates". It seems to say that there is unlimited flexibility in the numbers we have been provided and that they are in reality notional.

The budget numbers and government plan are on Velcro. The only numbers that Canadians can believe is the two year defence commitment averaging \$550 million, which will not even start to address the real problems of the military.

The Liberals have never stood by a five year funding plan and they certainly will not do so this time. A real commitment would have been front end loaded. The government has cruelly raised the expectation of the military and down the road it is going to disappoint it. This has been the Liberals' track record for 40 years, through government after government. They promise and promise but they never deliver. They will do and say anything to stay in power. Contrary to the spin, this is not a good budget for defence.

•(1600)

Hon. Shawn Murphy (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member certainly understands defence issues and appreciates the need for the infusion of capital into our nation's defences.

My question for the hon. member is on the macro effects of yesterday afternoon's budget. When I read the budget I was pleased, as the hon. member will be, that this is the eighth consecutive surplus budget that the government has tabled. Almost \$61 million has been paid down on the debt, the debt to GDP ratio has been decreased from approximately 68% to 38%, and millions of jobs have been created.

When I read the document in its entirety, the government seems to have a very firm control on the fiscal and monetary levers of the country, especially with respect to inflation. It has been able to keep inflation in the 1% to 3% band, which drives down interest rates and helps the provinces that borrow money and the companies that borrow money, but, most important, it helps individual families that have mortgages and car loans when interest rates are at historic lows.

After looking at the document in its entirety and looking at it from a macro economic effect, does the hon. member agree with me that the sound financial management shown in yesterday's budget will greatly benefit all Canadians?

The Budget

Mr. Gordon O'Connor: Mr. Speaker, first, the government does not set the basis for controlling inflation in this country, the Bank of Canada does. The government can claim all it wants that it controls inflation but it is the Bank of Canada that controls inflation by controlling the money supply.

As the member has said, the government has been in surplus for eight years but they are obscene surpluses. It has surpluses because it is taking in far more money than it needs. Last year's surplus was \$9.1 billion. I do not know what this year's surplus will be, probably \$10 billion or \$11 billion. It means that the government is taking money out of the pockets of individuals and companies and accumulating it here in Ottawa so it can be frittered away on various programs to help Liberal ridings.

• (1605)

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I want to take this opportunity to ask my colleague a question; he is a member of the Standing Committee on National Defence and Veterans Affairs.

Does he find it somewhat odd to see this budget spread over five years? For example, it appears that \$12 billion has been allocated to National Defence, but ultimately, only \$500 million will be provided next year. Eventually, over five years, \$12 billion will be invested.

Does the member not believe there is a danger in proceeding this way? For example, a change in government could occur—which we all want—or, in two or three years' time, the Minister of Finance might simply decide to cancel all the wonderful promises contained in this speech, particularly with regard to National Defence.

[*English*]

Mr. Gordon O'Connor: Mr. Speaker, I agree with the hon. member. I also raised the issue that all we can really believe in the budget is the \$1.1 billion, the \$500 million and the \$600 million. No one can credibly believe in the money that the Liberals are predicting in the third, fourth and fifth years. It will never happen.

We know the history of the Liberal government and all previous Liberal governments. They never go through with five year plans. I would have a heart attack if the Liberals actually added \$3 billion to the base line in the defence budget. It will never happen.

Ms. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, as the agriculture and agrifood critic for the official opposition, I am honoured to have this opportunity to speak on behalf of producers and farm families across the country, and to respond to the government's 2005 budget.

I am frankly quite dismayed at the continued lack of respect and attention that agricultural producers and hard-working families have received in the 2005 budget. Farmers will get no more cash in their pockets this year from the budget's agricultural programs, or should I say the lack thereof.

Despite Agriculture Canada's forecasts of another year of negative total net income, there are no additional funds for producer income support this year. The \$26 million a year in cash advances for livestock producers that was promised is a mere drop in the ocean and it will not even kick in until next year if at all.

The budget has almost \$100 million in recycled and reannounced promises. What is even worse is that the money is not even for farmers but for industry. This is money that was not delivered as promised. It is recycled. It is redirected, to use the government's own words. The \$80 million of it will now go to managing the removal of specified risk materials and to handling those issues, and \$17 million will go to the fabled loan loss reserve program.

I have to wonder which of the government's September promises are not being kept and at whose expense. To highlight the government's lip service to the agricultural community we have recently learned that the agriculture minister's often bragged about \$66 million loan loss reserve program is a sham. It does not exist.

The program announced on September 10 of last year was supposed to help stimulate additional slaughterhouse capacity in the country, slaughter capacity that is most desperately needed.

Members of the Canadian Bankers Association testified before the Standing Committee on Agriculture and Agri-food this week that for all intents and purposes the program does not exist. The admission that the program is non-existent is frankly stunning. It is also an insult to livestock producers so desperately impacted by the BSE crisis.

Yesterday the Minister of Finance announced that \$17 million is to be redirected to this non-existent program. The minister is simply offering would-be slaughterhouse investors the sleeves off his vest.

It should be noted that this unprecedented situation has devastated not only cattle farmers but other livestock producers as well. In the absence of any real action from the federal government, all four western provinces have developed a BSE program to compensate producers of elk, deer, bison, sheep and goats.

Other ruminant and cervid producers left high and dry by the minister have demanded and continue to demand action from the government. The 2005 budget would have been an ideal opportunity for the government to show that it has heard the calls of the other ruminant producers. However, their calls once again have fallen on deaf years.

On this occasion, I would like to take this opportunity to ask the agriculture minister this question. When will he ante up and kick in the federal portion of funding for these other ruminant programs already committed to by the western provinces?

With regard to the Canadian agricultural income stabilization or CAIS program, the Liberals seem to be taking a Jekyll and Hyde approach. Just two weeks ago the Liberals voted against our motion to drop the CAIS cash deposit requirement.

The Budget

The member for Winnipeg South voted against it, as did the Prime Minister, the finance minister, the agriculture minister and his parliamentary secretary. Now in a complete about face they say that they want to get rid of it.

• (1610)

It was the Conservative Party that brought forward the motion. It was the Conservative Party that was pushing for it. The Liberals are now trying to take credit for something that they actually voted against just two weeks ago. We hope they mean that they want to get rid of it this time and we hope, for the sake of our farmers, that they will do something about it and do it soon.

The same day they voted against removing the cash deposit requirement, the same Liberals voted against honouring the commitment they had already made to our agricultural producers. So pardon me if I cynically say that I will believe it when I see it. After all, the Liberals committed \$71 million in relief to the tobacco farmers of my area, guaranteed to be delivered by October last year. So far they have failed to honour this commitment as well, so my cynicism is well learned.

With regard to total new funding for agriculture, the budget offers a paltry \$130 million. This new money is not for producers either; it is for bureaucrats and consultants. It will not give any farmer the money that many desperately need just to plant this spring. This is shameful. At a time when farmers' realized net income is at an all time low, the government is sending a clear message to producers right across this country that farmers do not matter to this Liberal government. The minister himself confirmed this earlier today when he said that he does not always get what he wants at the cabinet table.

What was desperately needed in the budget was: tax deferrals on 2004 income for producers hit by drought, crashing commodity prices and BSE; tax incentives to increase domestic beef and ruminant slaughter capacity; and the provision of direct loan underwriting for the development of increased slaughter capacity, not to mention crop insurance improvements.

In terms of providing real relief for hardworking families, the steps taken by the Liberals in the budget do not go far enough or occur fast enough to have a significant impact on the well-being of Canadians. The Liberals would rather grow the size of the government than grow the incomes of Canadians. The cost of the bureaucracy has grown 77% since 1997.

Yet, the Liberal tax relief promised in the budget will amount to just \$16 this year for low and middle income Canadians. Furthermore, any additional tax relief is back loaded to 2010. This is an outrage. Hard-working families deserve a bigger break than these piddling measures that the Liberal government has promised.

The status quo is not acceptable. With various crisis situations affecting our farmers right across this country at this time, the Canadian agricultural community is in its worst financial position since the years of the Great Depression. Agriculture Canada's own forecast of negative total net income for yet another year confirmed this, but the Liberal budget ignores it. Once again the Liberals seem to be saying that our farmers should just wind down their farms,

move into the city, and get real jobs, ones that will allow them to pay more income tax for the Liberal government to squander.

Our farmers deserve more respect than this. Clearly the Liberal government does not value the contributions of hard-working farm families. To put things in context, Ontario corn producers are currently getting less money per tonne for their corn than the city of Toronto is getting per tonne of garbage. That is right, corn is worth more after it has been used than before.

The government must change its priorities. Agriculture is a key economic driver of this country and the security of our food supply depends on farm families who work very hard to provide us with the high quality food that we eat.

Canadians across this country want a safe, secure food supply, and they deserve it. Our farmers want to supply it, but increasingly they are finding it impossible to do so. The government has a responsibility to ensure that farmers receive responsive relief in real time. They do not need phantom funds. They do not need deferred dollars and they do not need the sleeves off of the government's vest.

Farmers across this country need relief and they need it now. The budget has failed to provide it, and for that reason, I will not be supporting it.

• (1615)

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, I want to tell the critic from the Conservative Party how proud I am of her and the words she spoke.

The care and the concern for the agricultural community is becoming rather obvious on that side of the House. The Liberals just do not care. If they were to care, we would certainly see something different than what we have seen in this budget. If they were to care, they would be concerned about the number of farmers who are going to be lined up at the banks in a week, or two or three or four, in the hundreds and maybe thousands. Foreclosures are going to happen and farmers are going to have to walk off the land. I do not think they care. That is absolutely shameful.

I cannot support a budget that does not support my farmers. About 75% of my riding are farmers. I refuse to bend an inch on their care and concerns. It is time for the government to fess up. Is it trying to get rid of agriculture like it did the fishing industry? Is it actually trying to get rid of it? Is it trying to put Saskatchewan in a situation where it will be corporate farming that only needs about 15 operators to take care of the whole province? Is that what the government is after? Is it trying to get more and more corporate farming just to get people into the cities, so they can get better paying jobs and pay more taxes so this greedy bunch can get their hands on it?

Just exactly what kind of a strategy does the member believe that the government is playing over there?

Ms. Diane Finley: Mr. Speaker, I would like to thank my colleague for his support and kind words, and I have to echo his sentiments.

The Budget

For a very long time now, we have seen a blatant disregard for our rural communities, particularly the agricultural sector in this country. I come from an agricultural community and we are losing our farms. We are losing the future farmers to the cities because farming is just not viable for them anymore. Their families cannot make a living.

The sad part is that, while those future farmers are leaving, we have no infrastructure in our area to attract jobs that will replace the farm jobs that are being lost. In this budget, every part of this country except southern Ontario, where my farmers are and from where our future farmers are leaving, is going to be getting economic development funds except our region. If that is not forcing our people into the cities, I do not know what is. It is a pretty blatant strategy and I for one will not tolerate it.

• (1620)

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, I come from a riding that has a lot of farmers who are having great difficulties right now. I would like to direct my question to the hon. member for Haldimand—Norfolk who led this party's charge against the cash deposit requirement on the CAIS program just a couple of weeks ago.

I happen to have sat in on that debate where we saw the Minister of Agriculture and Agri-food and his parliamentary secretary fight tooth and nail for a whole day in this House. The member for Haldimand—Norfolk referred to the fact that this deposit requirement was removed in the budget as somewhat of a Jekyll and Hyde hide-and-seek, and why this was buried somewhere in the middle of a 300 page document and not actually discussed here in the budget speech.

Why does she think it was buried in that document and not celebrated as something that in fact is good for farmers?

Ms. Diane Finley: Mr. Speaker, it is interesting that the government officials spent a full day saying they would not get rid of the CAIS cash deposit requirement, despite the pleas of hundreds of thousands of farmers across this country. I am delighted that this was included in the budget of yesterday. Finally the government is responding to the motion that was passed by the House by an overwhelming majority.

As to why it was not mentioned in the budget, maybe publicly the government does not want to be seen supporting agriculture. Maybe it does not want its Jekyll and Hyde situation to be seen. That is all right as long as it actually delivers on this promise to get rid of the deposit requirement and it is not just weasel words in the budget. If the government will actually remove it in a timely manner before the March 31 deadline, I would sincerely thank it as would hundreds of thousands of farmers across this country.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I want to acknowledge the remarks by the member for Haldimand—Norfolk as well as the interjections by the member for Wild Rose, both of whom have indicated their deep concerns with this budget, particularly as they pertain to agriculture.

It is certainly a concern that we on this side of the House share, but it does raise the question: why in heaven's name has the leader of their party indicated that he will support this budget and that the Conservatives will support this budget?

We have different stories about what that means. At one time the leader of the Conservative Party says he and his party will support the budget, while on other occasions members are saying they will not allow the government to be defeated on this budget.

Given the member's genuine concerns, I wonder what she intends to do. Will those members be voting with the Liberals on the budget or do they intend to take a walk? Or do they intend to ignore the direction of their leader?

Ms. Diane Finley: Mr. Speaker, first of all, I think I need to set the record straight. There has been a lot of speculation and a lot of misquoting in the media recently about the Conservative position and the leader's position. The position is that we will not be supporting this budget but we do not believe that the people of Canada want an election at this point in time.

There are measures in the budget that we have asked for, like dropping the CAIS cash deposit requirement. This is progress. To throw that away would not be a good thing. It would not be responsible government by the opposition.

I thought that I had made it very clear in my closing comments, but since the member is asking what my position will be, let me say as the opposition critic for agriculture and agrifood and on behalf of the farmers and the communities in my riding that depend on farmers, I will not be supporting this budget.

• (1625)

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): 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, Health; the hon. member for Nepean—Carleton, Youth.

[*English*]

Hon. Ethel Blondin-Andrew (Minister of State (Northern Development), Lib.): Mr. Speaker, I am very pleased to have my hon. colleagues here to support me. I could not do this without them.

It is a great pleasure to rise in support of budget 2005. I have witnessed in my tenure of almost 17 years approximately 15 budgets. Of course this budget makes it eight consecutive balanced budgets, the longest run since Confederation.

I am very impressed with the strong fiscal message the government is putting forward. The prudence and contingencies that are built into this budget are basically shock absorbers to meet all the economic tests of time for our country. We live in a very tenuous world, where things happen that we do not anticipate, as has been witnessed lately. These have to be built into the budget.

The Budget

I am very proud of the Minister of Finance. He has done his country proud. We are very pleased with this budget. It represents a plan to continue and accelerate our government's agenda for promoting meaningful and positive change. We have taken steps to renew the partnership with aboriginal people and with northerners to ensure that they are partners in the prosperity we build. Budget 2005 confirms this but also commits to this in the longer term.

Where I come from, the north is so well positioned in terms of all forms of development, be it social development, political development, economic development or resource development, and the government has honoured the work that has been undertaken over decades by different leadership and community groups and all stakeholders in the north.

We have put into the north \$24 million in training to meet the needs of resource development, \$14 million for mines training, I believe, and \$9.9 million for oil and gas training under the aboriginal skills employment partnership moneys. Out of concern for the environment, we also have earmarked \$9 million for protected areas strategy. In the last three years we have also spent \$108 million for pipeline development. It is a huge undertaking and it requires that money.

In recent months we have invested \$40 million for each of the territories, to the tune of \$120 million, for the northern strategy, which is a major strategy for the government. In the last month we have put forward strategic infrastructure money, which is \$90 million, for the Northwest Territories, and municipal infrastructure funding of \$32 million.

Further to that, because we are right in the throes of looking at the whole pipeline development issue, the needs of the various regions are being met by a fund of \$4 million, which was put together collectively by the stakeholders, that is, the federal government, the territorial government and also industry, to negotiate access and benefits agreements. There has to be a sort of clearance of the right of way. I will also mention the crime prevention moneys we have put forward, as well as the money for literacy and for women's groups, and the various other amounts of moneys that have been put forward to assist with different community needs.

We have taken the significant step, as I said, of renewing the relationship. There is increased support for the Canada-aboriginal peoples roundtable which we are undertaking. In this budget we are investing at this time \$735 million over the next five years in priorities identified through this process. This is in addition to the \$700 million over five years for aboriginal health programs announced in September 2004.

These investments include \$345 million over the next five years for first nations early learning and child care, special education and family services and \$340 million over the next five years for first nations housing on reserve. Aboriginal languages and culture and the healing foundation are all included in this. This additional investment reinforces our partnership with aboriginal people to strengthen our communities.

•(1630)

It is quite evident that aboriginal people did not get everything they wanted in the budget process, but there is an extra territorial

process, if I might put it that way. We have a round table process which will end up in a policy retreat. That speaks to a number of areas, including housing, education, health, economic development, negotiations and accountability. These will probably all eventually roll out into more commitments.

There is concern about the amount of money for the healing foundation. The \$40 million that we have put in will give us time to develop, collectively along with the aboriginal people, not presuming on their behalf but collaboratively with them, a self-sustaining healing program for the longer term. It will also allow us the time to work out the process by which the residential school issue will be dealt with. That will be done collaboratively as well.

The current generation of aboriginal children represents a tremendous opportunity for progress, but we have to close the gap in life chances that exist between aboriginal and non-aboriginal children. Budget 2005 will help us close that gap with a commitment of \$100 million specifically for aboriginal children from the \$5 billion national child care initiative.

I am very happy with the national child care initiative. I have been here for years on both sides of the House, in opposition as well as government, and I am glad it is the government of which I am a member that is initiating this \$5 billion national child care initiative. It is much needed, believe me.

The budget also addresses the growing needs of Canada's seniors by increasing the guaranteed income supplement benefits for low income seniors by \$2.7 billion over five years. Funding for the new horizons program is also benefiting from an increase of \$10 million to \$25 million a year to promote voluntary sector activities by and in support of seniors. I think this is very important for seniors.

We often talk about how important it is to preserve culture and promote the arts in Canada. It is truly exciting to see the investment made by budget 2005 in support for our culture and its arts communities in committing an additional \$688 million for the Tomorrow Starts Today arts and culture package. That effectively extends the program for a full five years. This brings the total new funding for Tomorrow Starts Today to a total of \$860 million over five years. This is very welcome.

I also want to speak on health care support, which is so critical. In my riding and throughout the three territories our needs are unique and challenging, in that access to timely health care services can be limited in the more remote communities of our territories. Recognizing this as part of the 10 year plan to strengthen health care, budget 2005 provides an additional \$150 million over five years to the territories to support this need. This will include assistance with medical travel, a territorial health access fund and the establishment of a territorial working group and operational secretariat.

The Budget

Specifically on aboriginal health, last fall we committed \$700 million toward that end for an aboriginal health human resources initiative, the aboriginal diabetes initiative and an aboriginal youth suicide prevention strategy.

Budget 2005 also provides something that was very much sought after and needed by the Inuit, and that is an Inuit secretariat, which will receive \$10 million over the next five years.

On December 14, the Prime Minister and territorial leaders released a policy framework laying out the vision, principles and possible goals of a northern strategy. The announcement included, as I have indicated, \$120 million in a trust fund for Canada's three aboriginal territories. This is a joint initiative with the Government of Canada. It includes seven pillars in improving the quality of life for northerners.

• (1635)

In addition to the \$108 million we got, we have received the balance of that, \$150 million over four years, for the pipeline development. Our priority quite clearly now is to get a resource revenue sharing agreement with the federal government, the territorial government, and the aboriginal governments for my territory.

It is critical that we deal with the issue of net fiscal benefits and we will be engaging the Department of Finance, officials and ministers. A lot of work has transpired thus far. We are looking forward to that. Under devolution we want to complete that. We are changing or amending it; we do not have one.

We are very grateful that we have finally dealt with the defence issue with the defence policy we are promoting as a government. The \$12.8 billion is much needed. It speaks to the issue of sovereignty and security in the north. It speaks to the issue of search and rescue. These are very important. The \$4 billion for the environment speaks loudly to the issue of northern environmental concerns. This speaks to the whole issue of climate change and global warming. It hugely affects the north.

I am very happy with the initiatives we have undertaken. I will probably get a chance to speak to other things as we move along. I would have liked to have said more about the environment, but I am sharing my time with my colleague the Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I heard the minister talk about some of the things that are in the budget but I think there is a very glaring omission from the budget. It is something that is very important in my constituency of Burnaby—Douglas where there are two major post-secondary institutions, the BCIT and Simon Fraser University.

It is important to families in my riding too that we address issues around education but that is something that has been almost completely ignored. Certainly the situation of post-secondary students has been completely ignored in the budget. There is nothing to address the rising cost of tuition. There is nothing to address student debt. Actually I misspoke myself, Mr. Speaker. It does address student debt, but only if the student dies and then the student loan is forgiven. It is hardly acceptable that something this

important to families, students and our country has been ignored by the budget.

Could the hon. member explain to me why something as important as the situation of students and post-secondary education has been completely ignored in the budget?

Hon. Ethel Blondin-Andrew: Mr. Speaker, my hon. colleague knows that budgets are unique creatures. They cannot have everything in them but we have a tendency to focus on a number of issues. We do not like to have to pick and choose, but choices have to be made. In this instance we focused on child care and early learning with \$5 billion. That is a lot of money.

Also, the hon. member should know that education is a provincial jurisdiction. We do not have control over that. We could not do anything about tuition fees directly. That is the responsibility of the institutions. We do not control that.

The Minister of Finance said on television this morning that there were two areas he would do more work on. One of them is the aboriginal issues and directly, probably the healing foundation and other issues like that, and the other is post-secondary education.

We have made a number of measures in previous budgets to deal with tax incentives and to deal with other provisions for students who are at risk, who go to university and other post-secondary institutions. We have undertaken those. The member should review those. There are some provisions which probably are not enough, but we will work on it along with the Minister of Finance.

• (1640)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the hon. member is quite familiar with the diamond industry in the Northwest Territories. It has been a huge success. She will know that in the budget is an accelerated reduction in the excise tax from 10% effective yesterday down to 8%, and then to be phased out over the next number of years. I would like her to comment on what that should do for the diamond industry in the Northwest Territories.

Also in the budget there was an accelerated capital cost allowance for things like pipelines and energy transfer systems. I know that she is very interested in the Mackenzie pipeline.

I would be interested in her comments on both of those points.

Hon. Ethel Blondin-Andrew: Mr. Speaker, the phasing out of the excise tax on jewellery is very important for my riding. We have three diamond mines. We are major suppliers of diamonds to retailers in the south and around the world. We have made major partnerships with the jeweller Harry Winston. All of the jewellers across Canada are affected. We feel the value added connection to these other parts of the industry. Also, we felt strongly that it should happen. I personally felt the right way and the fiscally responsible way of doing this was through the budget. That is the way it was done. It was phased out.

The Budget

On the equipment for compression and dealing with the pipeline, I think that is very critical. I think we are pre-emptive. We know that certain undertakings will happen and that we need to be prepared. It will be good news for the industry, good news for the north and good news for Canada.

[Translation]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, the member talked a great deal about budgetary measures for aboriginals. I wished she had been with us this morning in the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources. The Auditor General, Sheila Fraser, was there to talk about her second report, of November 2004, on the education program and post-secondary student support.

Obviously, this reports identifies numerous flaws. In my opinion, the member should take off her rose-coloured glasses. This report shows that it will take another 28 years before young aboriginals can reach a level of education equivalent to that of the population of the rest of Canada. This is totally unacceptable.

I was reading the press release of the Assembly of First Nations, which condemns this federal budget. I do not know where she obtained her information that the budget contained good news for aboriginals. I want to hear her elaborate on this, since neither the Assembly of First Nations nor the Auditor General is saying this at all.

[English]

Hon. Ethel Blondin-Andrew: Mr. Speaker, I am evidence of the fact that first nations people can succeed, not because I was born rich or because I was privileged, but because I have worked hard and there have been opportunities given to me which I have taken.

There are many opportunities. It is not as if all first nations people are not successful. That would be a false perception to put out there. First nations have a legitimate complaint about there not being everything that they wanted in the budget.

We have this other process. I believe sincerely in speaking with my colleagues who have the responsibility for education, health, economic development, all of the different development areas. Through the policy retreat and the first ministers meeting with aboriginals we are going to show people that we can make the difference and that the difference can be made.

There are many first nations people like me who have dedicated their whole lives to working for their people. I do not like to be seen as a failure. I believe that for the 17 years that I have been here I have a reputation of working for my people. We delivered a good budget yesterday. Maybe not everything was in it, but we will succeed. I refuse to believe that we are not going to succeed. We will succeed.

•(1645)

Hon. Shawn Murphy (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I rise today to add my voice to the countless others in this House, including the previous speaker and the countless thousands of others around the country who support budget 2005.

I want to take the opportunity to congratulate our Minister of Finance, Ralph Goodale, on the work that he has done in crafting this—

The Acting Speaker (Mr. Marcel Proulx): The member must remember that he is to refer to the minister by title or by department, not by name please.

Hon. Shawn Murphy: Mr. Speaker, it will never happen again as I have just been told. However, I still want to correctly congratulate the Minister of Finance for the work he has done in crafting the budget. His name may not be Lois, but he is one heck of a guy doing one heck of a job.

This is the first minority budget delivered in over 25 years. Although I was not involved directly in the budget making process, I did find it a very interesting process. I do see the footprints of the other parties on this document, which I believe is a good thing. That is what Canadians want. Good things happen when people work together. The budget is a good statement of the priorities of Canadians.

I want to talk about the whole issue of sound financial management, prudent planning, responsible spending, and the careful use of the fiscal and monetary levers at the government's disposal. This is the eighth consecutive surplus budget tabled by the government. Approximately \$61 million has been paid down in the accumulated debt of this country. The debt to GDP ratio has dropped from 68% to approximately 38%. Economic forecasts are good. The GDP is forecasted to be 2.9% this year, rising to 3.1% next year. We are the envy of the other countries in the G-7. We were the only country in that group to table a surplus budget in 2004.

Sound financial management will, as we have seen over the last eight to ten years, lead to lower inflation, which of course leads to lower interest rates. That helps the provinces that borrow heavily. It helps the municipalities. It helps the large businesses. It helps the smaller businesses. Most important, it helps the ordinary Canadians who borrow money for a mortgage, to purchase a car, or to purchase a refrigerator. Lower interest rates mean increased economic growth.

In last June's election this party campaigned on issues that were important to all Canadians: health care; improving and enhancing the equalization funding formula to the 10 provinces; making a new deal to provide federal funding for the infrastructure requirements of the cities, towns and communities of this great country; and one other matter, developing an early learning and child care initiative. These issues, and there were others, were central to the platform of the party. These issues, through the Minister of Finance, are issues on which we are committed to follow through. We are doing exactly that.

Only months into the mandate, the Prime Minister sat down with the provincial and territorial first ministers and devised a 10 year plan to strengthen health care. Federal government support for this health care accord will total over \$43 billion over the next 10 years. The budget also provides a further \$800 million in direct federal health investments over the next five years. That was done within 87 days of the June election. Those commitments were funded in yesterday's budget.

The Budget

The government has also delivered on equalization, developing a framework that will see predictable and growing long term support. This will add in excess of \$33 billion more over the next 10 years to give the provinces and territories the stability needed to be fiscally responsible. This goes a long way to place all Canadians on an equal footing for standard of living and access to quality services.

• (1650)

In the budget yesterday the government also committed to fund a new deal for cities and communities. A \$5 billion share of its gas tax revenues will go to cities, towns and communities across the country. These much needed funds will bring sustainable infrastructure where it is needed the most.

In addition, as part of our commitment toward sustainable communities, a further \$300 million is committed for green municipal funds.

Although no agreement has been reached with the provinces as of yet, the government has committed funding in the amount of \$5 billion toward the early learning and child care initiative. This will give the youngest Canadians the best possible start in life.

These are some of the commitments the government made, and Canadians will see these commitments upheld. Simply put, the government is delivering to Canadians.

I want to speak specifically about some of the programs and initiatives that will directly affect Atlantic Canadians, including my home province of Prince Edward Island.

I am especially encouraged and pleased by the government's commitment to the findings in the Rising Tides report. I chaired the subcommittee that produced the report, and I know about the importance of investing in the Atlantic economy.

With a new \$710 million initiative, the government has committed funding to our four Atlantic provinces to support economic development. This includes a \$300 million Atlantic innovation fund to support research, commercialization and innovation throughout all four Atlantic provinces.

Other good news for the region includes a \$30 million investment to create an Atlantic salmon endowment fund similar to the fund that presently exists in the province of British Columbia. This much needed fund will improve the sustainability of one of our most important resources.

The government has also committed \$15 million to combat overfishing and to protect fish stocks and the livelihood of Atlantic Canadians. This is just one step in the whole process of illegal foreign overfishing. The Prime Minister, the Minister of Fisheries and Oceans and the government have made this a priority.

Although a wind power production incentive already exists, it will be increased by an additional incremental amount of \$200 million over the next five years. This is very near and dear to the province where I live. We have some capacity for wind power right now, but we believe this capacity can be enhanced over the next couple of years.

I was very pleased with not only the environmental funding that was in the budget, but also by the government's commitment to

provide funding for cities and to other groups, communities and organizations. This funding will go through an environmental lens before any agreements are concluded.

I would like to speak about the announcement that was made last week with respect to our Canada pension plan. I know this is not a budgetary item, but it is a sign of sound fiscal management. We have been told that our Canada pension plan is actuarially sound, and this is pleasing news for all Canadians.

The increase in the guaranteed income supplement and lower taxes for individuals and companies is well received by everyone in my area.

The government has again presented a sound and balanced budget. This shows that the government can deliver on its promises. It also shows that we have a clear and strong vision on how to move the country forward.

• (1655)

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, when we listen to the budget speech, what strikes us particularly is what is missing from it. I am referring to what I have just heard from the Minister of Fisheries and Oceans. It is a matter of great importance to the regions, particularly the Atlantic provinces, my riding of Gaspésie—Îles-de-la-Madeleine, the coastal fishers and the like: the lack of specific measures to help the people in the regions, in Atlantic Canada and Quebec, his riding included in connection with small vessel port facilities.

Why is there nothing? Because the minister feels uncomfortable about this issue, knowing how important it is to the communities. You know as well as I that there is a need of close to \$500 million if these facilities are to be repaired. That is the MFO estimate, and it is pointed out that the figure has risen from \$400 million. The roof is leaking, or, in this case, the piers are crumbling, as at Percé, for example. The cost of repairs keep going up, but they have to be done. People need those facilities.

I would like to hear some more from the parliamentary secretary to the Minister of Fisheries and Oceans about the total omission in the budget—apparently because there are other priorities, as concerns the armed forces, in particular—of any help for the communities of the Atlantic provinces and of Quebec, and the other coastal communities, on this important matter of small vessel port facilities.

[*English*]

Hon. Shawn Murphy: Mr. Speaker, the hon. member comes from a fishing area. I am surprised and shocked that he is not on his feet congratulating the Prime Minister and the Minister of Fisheries and Oceans for the initiatives that were in yesterday's budget. I cannot overstate the commitment that the government has for fisheries on all coasts, including the north.

The Budget

Briefly, I will summarize some of the initiatives in yesterday's budget, which obviously the member did not read or he glossed over. The Atlantic salmon enhancement was announced. A massive investment for the Coast Guard was announced. An investment of \$15 million was announced, which again is just one more step for the foreign overfishing which will help fishers in all provinces through to Atlantic Canada. Millions of dollars were committed to battling invasive species.

There were many initiatives in the budget, and I am a little surprised at the question. I think the hon. member knows the commitment that the minister has to this portfolio. I think it was a great budget for all fishers in Atlantic Canada and Quebec.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I would like to make a comment further to the comments made by the Parliamentary Secretary to the Minister of Fisheries and Oceans. One thing we have worked hard on and worked toward over the last three years is a commitment to preserve Atlantic salmon and to invest in enforcement, habitat protection and the security of that stock. What we saw in the budget was a tremendous commitment by the government to do just that.

My office has been inundated today with e-mails and phone calls from people throughout Inverness County and along the Margaree River more specifically because this sustains that community. The health of the fishery and of that river is the essence of the tourism industry. When there are no fish in the river, there are no heads in beds. There are no people in the bed and breakfast. There are no people in the cabins along the Margaree River. This is just one part of Atlantic Canada that benefits from an investment by the government.

This is money that is wisely invested. Sometimes when we talk about the fishery, we tend to get caught up in the commercial aspect of it. For every pound of salmon caught commercially, we are looking at about \$5 a pound. Looking at it from a recreational fishermen standpoint, it is about \$300 a pound by the time they travel to the area, seek accommodation and entertain.

I would like to thank not only the Minister of Finance, but also the Minister of Fisheries and Oceans and the parliamentary secretary for their work. This is a significant investment in rural Canada and it is much appreciated by those along salmon rivers in Canada.

• (1700)

Hon. Shawn Murphy: Mr. Speaker, I want to thank my colleague for the work he has done on this issue over the last couple of years. It is not something that started last month. I know he and other members in Atlantic Canada have been working on this for two or three years now. Perhaps the member, like myself, is a little disappointed it was not in last year's budget, but we are very pleased it is in this year's budget.

As the hon. member points out, this is greatly needed in order to protect the habitat and resource of the Atlantic salmon, which again is not so much a commercial fishery as it is a recreational fishery. However, it is very important to the economies of all four Atlantic Canadian provinces.

One thing I want to point out about the fund, which is important, is that these funds will go a lot further because of the leverage. There

is a tremendous volunteer sector that operates the Atlantic salmon industry. It has worked very hard on the riverbeds and streams. This is basically seed money. I would suggest to the House that the money will go a lot further than many other investments the government makes in other initiatives.

I share my colleague's enthusiasm. I am pleased that it was in the budget. I am looking for the announcement to be made very shortly.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I am very glad to have this opportunity to speak on the budget. I have been chomping at the bit all day trying to hold back on these most curious developments that have occurred in the last 24 hours. What a bizarre day this has been. What an interesting turn of events.

Where do I begin? Let me start with the stark political opportunism of this document, this budget presented to Canadians yesterday by the Liberal government in its total betrayal of all the progressive voters that the Liberals lured to support them during the last election with now obviously false promises to invest in their future.

As we noted during question period today, it is not curious that during the last election the Prime Minister was galloping around this country luring progressive voters to vote Liberal because of that monstrous threat posed by the Conservatives? Now here we are, in the first really big moment in the life of this Liberal minority government, the presentation of the budget for 2005-06, and the only people smiling are the Conservatives. The only people happy with this budget are members of the Conservative Party.

An hon. member: The Liberals are happy.

Ms. Judy Wasylycia-Leis: Yes, we know the Liberals are happy, as it is their budget, but what is so curious is the fact that the Liberals and the Conservatives have somehow managed to come together, and excuse the pun, in this most unholy alliance.

I am sure that there will be many interpretations of all of this. I think one might be in the context of the debate we have been having in the House on same sex marriage. Matrimony has been on the minds of parliamentarians in this past session, but none of us thought that the Liberals and Conservatives were about to end up in the bridal suite.

It has been so curious to see the Conservatives prepared to be lured into this trap to support the Liberals on this budget when they have been so critical and so damning of the Liberals up to this stage in the history of this minority Parliament.

We have had some tremendously interesting developments today. We have the Liberals, who are suddenly practising the most opportunistic, most crass political measures one could imagine, and we have the Conservatives, who are prepared to dance with the Liberals on a budget. For the first time in the history of this country, that we know of, Liberals and Conservatives are joining together with one voice in support of this budget.

The Budget

Last night and today it was very interesting to watch Conservatives smiling and grinning over developments and over the fact that they managed to make some fairly significant inroads in this budget by way of incredibly significant corporate tax cuts.

An hon. member: Is the NDP against defence spending? Is that what you're saying?

Ms. Judy Wasylycia-Leis: Mr. Speaker, the Liberals in the front row here just cannot stand to hear how the Liberals are in bed with the Conservatives and how in fact their luring of progressive voters has resulted in this most crass moment where in fact Canadians feel used and abused by that kind of treatment.

• (1705)

As I said in question period, those progressive voters who fell for it, who fell for that logic and the incredibly lame argument that people had to vote Liberal to stop the Conservatives and who now see the results of that with a Conservative budget out of this Liberal minority Parliament, would like to take their votes back. They would like a refund. They would like to be able to say, "We are sorry. We did not know the kind of double-cross we would have with these Liberals".

It is very interesting to hear these Liberals bellowing from their seats. They ought to be embarrassed by this turn of events. They ought to be repentant about the kind of fraudulent behaviour they have perpetrated on the Canadian population.

The Conservatives ought to explain their behaviour in being able to manipulate the process to the point where they could get some goodies out of this budget, never mind their previous stance, never mind the difficult position they have put many of their members in.

I listened today. I saw some faces of glee. I saw some people who looked like the cat that swallowed the canary. Then I saw some other faces of worry and concern, faces of Conservative members, especially those who represent rural areas and the agricultural communities, like the member for Haldimand—Norfolk and the member for Wild Rose, who are definitely not with their leader on this issue and seemed to be beside themselves with the kind of decision that has been taken by the leader of the Conservative Party. They in fact stood up in the House today and said they would not be supporting the budget.

We have the leader of the Conservative Party saying that the Conservatives are generally happy with the budget and they will not stand in the way of the budget, they will not let the Liberals be defeated by the budget. Then we have some members on his own benches who are deeply concerned, who are frightened, scared, worried about the outcome in terms of the constituents they represent.

What will this mean in the end? What will those Conservatives do? Will they do what the leader wishes and stand up and vote with the Liberals? Will they leave for the washroom during the vote? Will they be split? What will be the result of this kind of dilemma facing the Conservatives? It is a very strange set of developments that we are still trying to figure out.

I do want to say that the New Democratic Party members in the House who are very surprised at this turn of events are not

celebrating this budget with the Liberal-Conservative cabal that produced it. We were surprised at the turn of events. Given the message that Canadians sent to this place and to the Liberals, which was that the Liberals did not deserve a majority government, and given the fact that they returned a Liberal minority government to this place, we expected in fact that the first opportunity the government had to reflect those sentiments and to adequately represent those constituents would have been to present a budget that was in tune not only with the wishes of Canadians but with the promises made by the Liberals during the past election.

We did not hear the Prime Minister in the last election stand up and say "we are going to give a \$4.6 billion corporate tax cut", did we? Did anyone hear that? In fact, during the election the Prime Minister said there would be no new tax cuts until the cuts had been restored and until Canadians' needs had been served. He made that promise. He made that pledge. The first chance he gets, he reverses his position, takes advantage of Canadians and brings in a tax cut that was not promised, was not wanted and double-crosses all Canadians.

We are going to keep speaking up as loud and as hard as we can, just like we have been doing for the last 10 years in the face of Liberal majority budgets that cater to corporate interests and do not represent the needs of Canadians. We are optimists by nature. We do not face this kind of 10 year hold on Canadian politics, with its so damaging consequences, without being optimistic. Certainly we are going to continue to put the needs of Canadians ahead of the corporate elite represented with such consistency and determination by the Prime Minister and his party over the past decade.

• (1710)

That optimism made us hopeful that Liberals would have taken their rebuke at the polls in last year's election seriously and presented a different kind of budget, a budget about Canadians' priorities: affordable housing, accessible education and meaningful strategies to address problems of unemployment and urban youth.

Today, in the aftermath of this budget, shock waves have gone out across the country. We are just beginning to pick up those reactions to this budget. At first blush, people were thinking it does not sound so bad, that there is a bit of help here and a bit of help there. Then people started to realize. They ask, "What are we dealing with?" What we are dealing with is a tax break for low income people that will benefit those low income families to the tune of \$16 a year.

How do I go back to my constituency, which has some of the highest levels of poverty and low income people anywhere in this country, and tell them the Liberals are bringing them a gift of \$16 next year to help deal with making ends meet?

It is just impossible to imagine reactions other than those of anger and disbelief from Canadians across this country. And they are beginning to react. Let us look at the results in the last few hours. We are hearing from the student federations across this country and the university professors. We are hearing from people who work on the front lines in health care. We are hearing from the Council of Canadians with Disabilities. We are hearing from women's organizations. We are hearing from the National Anti-Poverty Organization.

The Budget

We are hearing from all of those organizations that work with Canadians on a day in and day out basis and are trying to help people make ends meet and keep their heads above water. They know that this budget was a betrayal of everything that was promised and everything that was needed.

It will not be easier after this budget is passed. Life will be just as hard, if not harder, because this government took away valuable resources. This government took that money and put it into areas that will once again help those with the most. It will help those who are at the top end of the income scale. It will help those large corporations that are taking Canadians' hard-earned dollars and pensioners' security and investing it offshore, outside the reach of this country, often in precarious situations where pensioners could be completely abandoned and Canadians could see their hard-earned dollars lost forever.

We heard the Prime Minister and the finance minister repeatedly promise over the months leading up to this budget that the Liberals would deliver on their election promises to Canadians before bringing in any of these new tax cuts that I am talking about. When someone borrows \$10 from someone else, is it called paying off the debt when only \$1 is given back? I do not think it is. I know it is not, but apparently the Liberals are different from the rest of us.

The scattering of what the Liberals call "down payments" to child care, the gas transfer to municipalities and Kyoto, these do not qualify as paid up promises. They are merely deposits. There is no "paid in full" stamped on any of the Liberal promises addressed in this budget.

So where does that \$4 billion in corporate tax cuts come from? Where do they come from? Yes, it is another broken promise, this one double-parked with all the other broken promises. The Liberals chose to not even make a down payment on some of their other promises.

The Liberals took billions out of the provincial transfers for education in the 1990s. University and college budgets were hurt and, to help make up the loss, student tuition costs have risen by over 100% since the Liberals took power.

Do members know what the Prime Minister promised during the heat of last year's election campaign? He promised to finally do something about it. He promised that if the Liberals were re-elected they would create a dedicated education transfer with an increase of \$7 billion or \$8 billion.

• (1715)

What did we get in this budget for education? Zero, zip, except if a student has a loan and dies. The government will forgive a student's loan if the student dies. Is that not wonderful? There is not even a hint about this broken promise or an acknowledgement that the promise was made and not kept. What does that mean to the thousands of students trying to access a university education and trying to pay for it without being bankrupt for the rest of their lives?

The Canadian Association of University Teachers says, "Sadly, there was nothing in the budget that provides any relief to students and their families struggling with record high tuition fees and record high debt". The result is a lot of sadness on the part of Canadians, and certainly on the part of New Democrats in the House, but it is

sadness mixed with outrage that the Liberals have once again taken for granted the education needs of Canadians.

In drafting this budget the Liberals claim to have consulted Canadians, the finance critic of the Bloc and, of course, myself as the finance critic for the New Democratic Party. I think we each had one meeting which, obviously, did not amount to very much. None of the demands we presented to the finance minister were considered. However, on the basis of a meeting with the Conservatives, enough of their demands are in the budget to make them want to support it. It makes one wonder what has been going on between the Conservatives and the Liberals over the last month.

I jokingly told the media in my area that all I got from the Minister of Finance was a one night stand. I thought the Liberals were serious enough about building support in this minority government situation that they would want to consult on a more regular basis. However I have a feeling that the finance critic for the Conservative Party had a weekend rendezvous with the Minister of Finance.

One of the most interesting things about the budget is the way in which the government has pumped the money that is available for certain programs into trust funds and foundations. We will end up with a great surplus this year of some \$9 billion and about \$6 billion of that will be put into trust funds that are beyond the reach of Parliament's scrutiny, out of public oversight, away from the eyes and ears of parliamentarians and the public and the Conservatives are not speaking about this. The Conservatives who squawked and squawked about the sponsorship scandal are not saying a peep in light of this kind of money being pumped into foundations and trust funds.

The money we are talking about will make the sponsorship scandal look like a picnic. We are probably talking about some \$30 billion tucked away in trust funds and foundations. The Conservatives, who screamed bloody murder about the sponsorship scandal, are supporting the Liberals at a time when the scrutiny of Parliament has never been more important and when it is absolutely critical for Parliament and opposition parties to hold the government to account and bring in the measures the Auditor General has requested.

This budget contains no new money for affordable housing despite the clear priorities. I will tell the House about my own constituency. We have an area with older neighbourhoods, old housing stock. We desperately need the federal government to be involved in ensuring we have money for renovations, renewal, new housing stock, social housing and cooperatives. What did we get? We got zero in terms of housing. I should say that there is some money for helping aboriginal people on reserves but not nearly what is required according to the Auditor General. However there is nothing that will help my riding or the ridings of others address the difficult situation of housing in urban communities, especially communities to which many aboriginals have moved after leaving the reserve.

The Budget

• (1720)

When all is said and done, what the government has offered in terms of those basic issues that take people out of poverty, that give them a boost and that help them use their talents to the fullest so we can grow the economy and ensure a future for generations to come, and so we can bring down the debt because of that kind of investment, amount to very little. We are left with a budget that is nothing short of a betrayal for all Canadians.

Mr. Gary Carr (Halton, Lib.): Mr. Speaker, the member, I must admit, is very entertaining, but I want to be very clear that is all she is because she is wrong about the budget.

The Prime Minister made a commitment and followed through on the commitment. All the hon. member's self-styled, self-serving sensitivity and assignment of blame is wrong.

I want to quote from the mayor of Toronto, who is a New Democrat. He is a fine gentleman, working on behalf of the City of Toronto. He said:

This is groundbreaking. This is the first time I know of that the federal government has committed to a sustained funding program for municipalities.

The Minister of Finance was dealing with the hon. member on the budget. It is no wonder they could not come to any agreements on things; the hon. member would not be happy no matter what she received.

I will refer to the part of the budget that dealt with municipalities. Municipalities will receive \$9 billion over five years. I will repeat that the mayor of Toronto, which is the biggest city in Canada, said that this was groundbreaking. Quite frankly, I agree with the mayor of Toronto and I disagree with the hon. member.

• (1725)

Ms. Judy Wasylycia-Leis: Mr. Speaker, I can assure the hon. member that none of this is intended to be entertainment for members on the Liberal side. We take these views very seriously and the process very seriously. We speak for Canadians who are devastated by the government's disregard for the kinds of crises and difficult situations they are dealing with and living with on a day to day basis.

I want to try to graphically present the concerns we have, not with my own words, since the member does not like to listen to my words, but by quoting a member of our esteemed media who wrote an article in the *Winnipeg Free Press* today. It reads:

Imagine that Federal Finance Minister...is an emergency room doctor, and a patient comes in requiring 100 stitches to close a vicious wound. "Well, closing this wound is a real priority," [the Minister of Finance] says. "Without stitches you'll die. So, we'll do 10 stitches this year, 25 next year, and by year five of this treatment, we'll have that wound totally closed up".

No one would tolerate this kind of behaviour in an emergency room. Why should Canadians tolerate this when it comes to something as important as child care, a clean environment, stopping pollution, basic affordable housing and access to a university where tuition is reasonable enough so that all people could pay for it?

We are not exaggerating. Those are the realities. They are so real that the hon. member's government made promises to address the issues in the last election. The only problem is that the Liberals have totally ignored those promises. When push comes to shove, all that

matters is crass political opportunism, getting through the budget and not having an election. We have two parties in the House that are prepared to put political opportunism ahead of any kind of ideals and principles.

We do not want an election any more than they do but we are not prepared to say that at all costs. We are not prepared to support the budget if it means more pollution. We are not prepared to support the budget if it means more children going hungry. We are not prepared to support the budget if it means more congestion in our urban centres. We are not prepared to support the budget if it means more people dying on the streets because they cannot get access to shelters.

It is our obligation to speak up for those Canadians because they need and deserve the support of government. They do not want or deserve the kind of betrayal that we have seen from the Liberals in the House or the collusion that has been offered by the Conservatives at this critical juncture in the history of this country.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, the member alluded to the fact that somehow the Conservatives were in collusion and that they were supporting the budget. I want it to be very clear and on the record that what we have said is that we want to ensure the survival of this Parliament because we believe the vast majority of Canadians do not want an election at this time.

I would like to know from the member what her constituents say. She says that she wants to be taken seriously and that she wants to act responsibly. How can she and her party want to see the government and this Parliament fall forcing another election, which would be two elections in one year? How many of her constituents are telling her that they want an election?

Ms. Judy Wasylycia-Leis: Mr. Speaker, my constituents want Parliament to respect their wishes. They want a minority Parliament to give them a budget that is different from 10 years of Liberal majority budgets.

Instead of more money going to the well-off, the rich and corporate entities in our society, they want money that will put a roof over the heads of their families, money that will provide the groceries their families need, money that will send their kids to university and money that will clean the air we breathe. They want the support of government, not the denial of everything that means anything in terms of quality of life for themselves and their families.

We do not want an election either but we are darned sure not going to ignore the wishes of our constituents and Canadians from one end of this country to the other just because it is convenient for the Conservatives and Liberals to avoid an election at this point.

• (1730)

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): I am sorry to interrupt the hon. member but, it being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBER'S BUSINESS

[Translation]

IMMIGRATION AND REFUGEE PROTECTION ACT

The House resumed from February 2, 2005, consideration of the motion that Bill C-283, an act to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations, be now read the second time and referred to a committee.

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, I would like to rise in this debate to speak in support of Bill C-283. This is the last hour of debate on this bill introduced by my hon. colleague from Newton—North Delta. This is a bill to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations, and it has been moved that it be read the second time and referred to the Standing Committee on Citizenship and Immigration.

I am speaking in support of this bill because it would permit the sponsorship of a foreign national who is not a member of the immediate family or a relative, neither close nor distant, but someone who had already unsuccessfully applied for a temporary visitor visa.

The beauty of this is that amending the Immigration and Refugee Protection Act would, for instance, allow individuals previously denied entry, but whose sponsor can vouch for them, to come and visit. This could involve a person coming from a country like China.

We know it is not always easy to get to know people in a visit of only a few days. Because I lived there myself for a few years—there are people from all over the world who ask to come and meet us in Quebec, establishing more ties of friendship lasting longer than a visit of just a few days. So, the person who stands as guarantor would have that responsibility.

I would like to give a brief history of Bill C-283 of the hon. member for Newton—North Delta. It was first presented to the House a few years ago, in 2002. Then it was broadened a bit in 2003 and brought back to the House again, as often happens. The bill is essentially the same today.

It makes it possible for a resident, a citizen, to sponsor a visa applicant, subject to a deposit or guarantee. It is important to say something about the deposit; it is a form of guarantee, a condition for admission which is not given to all comers. In brief, the sponsor can be a permanent resident who is not a member of the family, a citizen for example, as often happens.

The practice has been seen in other countries such as Australia. The members of parliament are inundated with applications to bring in people they know. To facilitate the process, however, Australia instituted a reform in 2002. A system was established, and a bill similar to the one before us today was introduced. After four years, they noticed that more than 26,000 visitors had come to the country, had found it to their liking, and afterwards, not right away, applied again.

That means, in fact, that they were not only tourists but visitors of economic significance. For the economy of Quebec or Canada or

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any country at all, that is very fortunate; that is very good. It is not just an exchange of post cards, it is an economy in action.

And that is part of what this bill would do. The Bloc Québécois sees it as an interesting initiative to ease some of the congestion in the immigration system. Often the power is given to the minister. The minister has many powers, many decisions to make, and the officials in Citizenship and Immigration Canada also have many responsibilities.

With this new initiative, the measure applies only if the foreigner has made an application in the preceding 12 months and has been refused; that is the beauty of the thing.

There are other criteria. You will understand that a bill such as this cannot be based simply on the strength of someone we see and consider appealing. Foreign nationals cannot work, study, apply for a visa extension or for permanent resident status during their stay. They must leave the country when the period comes to an end. This is a protective mechanism provided in the law, one that has more than one advantage.

The individual must report to an officer or other representative of the Government of Canada outside Canada within thirty days of leaving Canada before the guarantee will be reimbursed. The guarantee is a very important item, being an amount determined according to certain very precise criteria.

The sponsor is answerable for the foreign national. This means that it is in the best interests of whoever is sponsoring another to ensure that the person is respectable in every way. That is part of the beauty of this bill, and also of its subtlety. The person is responsible for the other's actions and cannot make another application for five years if all conditions are not met.

The amount of the guarantee is determined according to criteria set out in the present legislation, that is to say according to the financial resources of the individual or group, the obligations relating to the conditions imposed, and the costs that would likely be incurred in locating, detaining, referring for investigation or expulsion the person or group of persons.

• (1735)

There are, as you can see, even costs involved in administering the guarantee. So that is what my colleague's bill is about. The system has proven itself in Australia, and there is no reason it would not be the same in Canada and Quebec, or indeed any other country with a concern for opening itself up to others.

The Bloc Québécois believes that there are sufficient guarantees in this to justify our being in favour of it in principle. We feel that it is a measure that will enable people who do not have immediate family members in Canada to obtain a visa after they have been refused one. Often there is no other recourse or process for appeal.

This is a worthwhile measure and one that the Bloc does not find abusive. It supports openness to others, and also makes monitoring of people's exiting the country easier. That is one very useful aspect of such a bill.

Private Members' Business

Visitors will not be allowed to study or work. This measure is for those travelling for pleasure. But these visitors could also be potential investors coming to visit. Often, in a country's history, people travel, go somewhere and watch visitors while abroad. Travelling creates this opportunity to meet people and say, "Where I come from, we have extraordinary resources which we would be happy to share with you". So, while providing all the proper guarantees, this bill would allow for this kind of adventure in the host country.

It will also circumvent the problem with the minister's broad discretionary powers. The Minister of Immigration has a lot on his plate. He has many matters and cases to deal with. There are many cases; there are thousands. This bill empowers individuals, by allowing ordinary citizens to sponsor someone they have come to know over the years. They may have met in Vietnam, China or somewhere in Japan, but let us bear in mind that there is always a possibility of meeting others and there might even be economic interests at stake.

In other instances, there might be health considerations involved, such as people who cannot visit their relatives because of poor health or because they are far away. Relatives who were denied visas will be able to come back with this opportunity to visit.

All in all, Bill C-283 gives a better chance to visa applicants. It curbs the discretionary power of Citizenship and Immigration Canada officials, and empowers individual citizens.

The Bloc Québécois may have some concerns and reservations. Will it be possible to sponsor one or more persons at a time? That has not been specified. Very pointed questions could be asked about that during the clause by clause study. Why not the family? Why not include couples? All this to say that there are concerns and some reservations. Can the enforceable guarantee vary from one person to another? If so, what would be an appropriate way to calculate? It can get pretty complicated. We will have questions to ask about that sort of thing.

This measure will require greater control over flows and arrivals. We know that Citizenship and Immigration Canada already has difficulty staying on top of the many applications it receives. Is this not going to clog up the system a bit? There are a few concerns, but they are rapidly compensated for by the numerous advantages in the bill introduced by my colleague from Newton—North Delta.

I had mentioned Australia's experience. In fact, the legislation is similar. Already, after four years, it is clear that it is a solution, because some temporary visitors to Australia later settled after applying to stay. They liked the country they were visiting. It is word of mouth. Here is a very positive economic solution for this measure we are applauding.

In closing, I want to say that the Bloc Québécois is in favour of Bill C-283, and I will paraphrase a great singer and poet, Gilles Vigneault:

Inside my four walls of ice
I set my time and my place
To make a fire, the place
For the people of the horizon
And the people are of my race

This bill draws its life and inspiration to some extent from the spirit of this piece.

● (1740)

[English]

Mr. Paul Forseth (New Westminster—Coquitlam, CPC): Mr. Speaker, Bill C-283 is a private member's bill which seeks to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations. The bill intends to allow a Canadian citizen or a landed immigrant to provide an enforceable guarantee or post a bond while sponsoring a visitor.

Sponsorship would provide stronger evidence of the potential visitors that they would return to their country of origin before the visa expires. The Canadian sponsor guarantees with money that the visitor would abide by the conditions of the visitor visa and would return home before the visa expires.

This bill arises in response to a big problem. While the government and the immigration department acknowledge problems, they are not prepared to do anything to improve the situation. I make that assertion because I have been complaining about these problems since I first arrived in this House after the 1993 election.

Since then, completely new legislation has been introduced for this department, but the basic problems remain. The system is not competent to figure out who should be allowed to visit and who should not. The bill attempts to add an additional dimension to the existing rules and processes that are in place to protect Canada from any abuse from visitors.

Canada must have an efficient and effective visa system that is able to handle temporary visitors. The bill would not minimize a minister's permit or inject political interference into the system. It would enhance fairness, not diminish it.

I would have hoped that the government speakers on the bill would have accepted more positively the spirit of creative problem solving which the bill's sponsor intends. The bill would essentially allow Canadians or permanent residents over 18 to apply to be an additional sponsor guarantee for a visitor from overseas by posting a bond provided that they have not sponsored an individual within the last five years who has failed to abide by the terms of his or her visa. That sounds reasonable, does it not?

However, it does nothing to water down the current rules and protections that we already have in place. What it does is support the process and adds additional levels of trust, predictability and surety. The Liberals are wrong when they claim that the bill would make it easier for more people to visit this country. It would just help enhance the screening to ensure that the right people visit this country and fewer of the wrong ones do.

Many of us have friends or relatives in far flung parts of the globe. We often think about them and wish to see them, especially at times of crisis or family celebration. The same is true for many of our constituents who are often forced to leave behind loved ones, close friends and business associates when they choose to put down roots in Canada.

Private Members' Business

We know that these people, if they came to Canada, would not abuse a visitor's visa, but often they cannot get a visa because the system is poor, overstressed, sometimes biased and fraudulent, or just not capable with the available manpower to perform its screening job properly. Change begins with the recognition that a problem exists.

Canada's visa offices routinely issue some 500,000 temporary resident visas each year in addition to processing many other types of applications. By comparison, about 100,000 or more applications on average are rejected each year, suggesting that there are in fact compelling reasons to do so. Well, that is the government line.

However, talk to constituents and users who pay for this system and they will tell a different story. The system defenders say they are deeply troubled by aspects of this bill. Their main problem is that they might lose some of their complete and final control, and that the thought of community engagement, community accountability, and community reference is just outside the box of how system bureaucrats think. It is beyond them to think that a Canadian might know a lot more about who should come and visit than a foreign embassy worker who is often a foreign national employed by Canada just looking at a file.

Just because the department could not run a bond system before does not mean that the idea is unworkable. It is fairly safe to say that bonds alone do not provide safety. That is not what the bill is about. The bill is created in full light of the fact that we have a world where individuals are willing to pay smugglers tens or hundreds of thousands of dollars for a chance to come to Canada to find a better life.

For a bond to be effective it would have to be high enough to prevent smuggling, but it also places demands of transparency about who is posting the bond and for what kind of an individual is wanting to visit. The bill does not seek to eclipse all the other factors which go into the balance of probabilities mix for a decision.

● (1745)

Bonds were said to discriminate against families with low income. The system already does that by making sponsors provide back copies of income tax returns to show that they have sufficient funds to support an invited visitor. The system already requires applicants to demonstrate sufficient financial status to show strong ties to their country of origin.

The financial game is much of what the system is all about. Consequently, complaints of financial discrimination from a Liberal just do not wash. That party is the origin of the great historical discrimination stories in Canada, and the current poor immigration system is one of the Liberals' recent design.

The claim that Bill C-283 would require more resources to deal with and investigate each sponsorship application to ensure that the financial resources were not linked to organized crime is absolutely spurious. It was said that it would require more resources to assess a sponsor's credit worthiness and to confirm his or her identity and status in Canada. It was said that more resources would have to go toward processing applications and that Canada would have to introduce an exit control system to ensure that persons complied with the bonds.

These arguments admit a lot about the poor system. If anything, providing additional levels of confidence by locals who are willing to put a lot of cash on the table helps the over-burdened system, not weight it down.

One of the most stupid arguments I have heard from a Liberal goes like this: "The bill creates an apparent lack of regard for the Canadian Charter of Rights and Freedoms and Canada's international obligations under UN conventions. Clause 5 would add a new subsection to the immigration and refugee protection regulations stipulating that a foreign national who comes to Canada under the terms of a visitor visa bond must leave the country at the end of that period authorized for that stay, even if the person applies for refugee status while in Canada. Such a clause could mean that the person would have to leave Canada before his or her refugee claim had been assessed on the merits of a fair and impartial tribunal. Such a provision appears contrary to section 7 of the charter which talks about the risk of harm to the person if he or she goes back and therefore the need to follow through on a refugee application. Moreover, it could lead to violations of Canada's obligations under UN conventions not to return anyone to a country where the person faces torture or where the person has a well-founded fear of persecution. We would therefore be in complete contravention of the Charter of Rights and Freedoms".

What an argument. I must make the point that anyone who has a visa must obey its rules, which already says that the person must leave before the visa expires. That is already part of the rules and there is no charter violation. If someone makes a refugee application, it does not matter whether that person gets here legally or illegally because Canada has said that it will abide by the UN convention, and many legitimate refugees must come to Canada illegally in order to make their legitimate claim.

How many times have I heard Liberals mislead the House by saying something like the following, "Our present system works well and processes requests in an expeditious, fair and reasonable manner, but all of us still say we could do a lot better; we know we could do better". That kind of talk is so disingenuous in view of the administrative history I have observed since 1993.

The next typical argument to facilitate doing nothing is that the change is piecemeal. This piecemeal argument is similar to what we hear about Senate reform and many other things. It goes like this: "We cannot cherry-pick pieces and fix the system by fixing the cracks. The way to solve the problem is to look at how we can make the whole immigration system, and the parallel system of refugee processing, work better. We have to look at the whole system and make that system more effective and efficient. Cherry-picking does not allow for that to happen". I have been hearing that kind of shibboleth for years, but nothing changes.

The major problem with the bill is it reveals that the Liberals cannot manage even a basic system. The system defenders will never adjust because it would open the door to all the rest of the rot in the system.

Private Members' Business

We have to start somewhere. The first step down the road of repair and reform would be to pass the bill dealing with this narrow section and requiring the system to accommodate it.

• (1750)

[*Translation*]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, it is a pleasure for me to take part in the debate on Bill C-283, introduced by the hon. member for Newton—North Delta.

I want to start by reading a section of Bill C-11, an Act respecting immigration to Canada and the granting of refugee protection to persons who are displaced, persecuted or in danger. Unfortunately, I only have the English text with me. I want to read subsection 24(1), which states in English:

[*English*]

A foreign national, who in the opinion of an officer, is inadmissible or does not meet the requirements of this Act becomes a temporary resident if an officer is of the opinion that it is justified in the circumstances and issues a temporary resident permit, which may be cancelled at any time.

I draw this to the attention of the House because in my opinion, the private member's bill that is being presented cannot be supported in that there are already mechanisms in place to allow visitors to enter Canada under the normal criteria. Let me deal with a few of the objections that I have with the bill.

The first one is that the bill discriminates against those who do not have the means to post a bond. Let us face it; the kind of bond that would have to be posted would have to be important enough in terms of money. We are thinking \$20,000 or over. Anything under that would not be a deterrent for anyone. Who could afford \$20,000 or more if that person was from a developing country and wanted to come and visit a member of his or her family here? The posted bond would have to be very high, \$20,000 or more, and in case of default how would this money be collected?

More important, this is the beginning of what we on this side of the House see as a two tier system for immigration. God knows we have tried hard enough on this side of the House over the last 50 or 60 years to actually reform the immigration law in this country to make the immigration law as non-racist and as non-discriminatory as possible and as non-discriminatory against people who have little or no money.

This is a bill that discriminates for people who have money or who have a sponsor who has money. This would be a two tier system.

[*Translation*]

I also see a great danger here, namely the danger that consortiums, immigrant and refugee smugglers will take advantage. How? Money is put aside and a person who wants to come here, but was previously refused the possibility of coming to Canada, is smuggled in. Once the person arrives in Canada, he is forced to reimburse his sponsor with interest. And how would this reimbursement be made? It would be through years of poorly paid labour, as we have already seen. We saw it several years ago when a large number of people came here illegally by ship from southwestern China. These people just dropped out of sight. They arrived in Canada and were never seen again, even though money had been deposited. This sum will

have to be high enough. At that point, it is the sponsored person who has to reimburse it, and at what price.

[*English*]

Another point is that people who have money and who have been refused, and I emphasize the point that they have already been refused entry into Canada, would be able to enter regardless of any reason for which they had been refused as long as they had the money. I refer to this two tier system which I mentioned before.

There are already a number of possibilities which are available to people wishing to enter Canada as temporary visitors. I have just mentioned section 24(1) of the Immigration and Refugee Protection Act, but that is done without a bond. That can be done without the person asking for money.

In the case of a family emergency, a marriage or a baptism, or tragically there may be a sudden death in the family, I am chair of a caucus where we have made a number of simple recommendations to the Minister of Citizenship and Immigration so that these requests can be quickly dealt with and people can arrive in good time for the ceremony for which they have asked to come to Canada. There are ways for these people to come without having to post a bond.

There is no reason to deny a request unless there are real serious reasons for it, and the bill does not even touch this matter. There may be some cases, and there are cases, where when a tourist wishes to come to Canada he or she is refused because there is not a strong attachment shown to his or her country of origin and the officials are afraid he or she might not go back. There are sometimes some very real reasons that person cannot enter Canada. Certainly this bill does not even touch this particular aspect.

Clause 5 of the bill adds subsection 7 to section 183 of the act and reads in part:

• (1755)

[*Translation*]

Despite any other provision—

(a) may not work or study while in Canada

(b) may not apply for an extension of their authorization to remain in Canada—

When tourists arrive in Canada and have a tourist visa valid for a few weeks or months, there is a real possibility for them to apply for an extension of their visa, not once but twice. In this bill, though, it would be impossible for these people to extend their tourist visa.

[*English*]

I would like to mention, notwithstanding anything that a member of the opposition might have said, that this bill really does run against the Geneva convention, the protocol on refugees of 1956. It is very important. Some of the people opposite might think that our charter is not important. They might think that the Geneva convention is not important, but on this side of the House we think it is fundamental.

Private Members' Business

Canada would be forced to ignore the Charter of Rights and Freedoms under the UN convention for the protection of refugees and to return individuals to their countries because of the bond stipulated return. What would happen if while that person was here as a visitor to Canada a conflict erupted in his or her home country, as has been the case in Chile, Honduras or Iran? Does that mean we would send that person back to his or her home country in spite of a non-conflict over there? This is totally against our rules and regulations. This is against the kind of commitment that Canadians have made to those people who come and are on the international scene.

I would like to bring members' attention to some very recent changes to the immigration policy which show that the Liberal government has been very open to immigration and continues to be. The government is very open to the kind of difficulties that families may have when they want a family member to come here to visit. On February 18 the Minister of Citizenship and Immigration changed the policy to allow family class members to remain in Canada while their applications are being considered. How could anyone say that we are against immigration? This is something that makes it even easier for family class members to be sponsored. This will go a considerable way to reduce any backlog and deal with administrative concerns.

Of course there is a large number of people who want to come, but through these recent changes the backlog will be reduced.

[*Translation*]

In conclusion, I would like to emphasize the fact that, in order to be eligible under Bill C-283, the applicants would have to have been refused entry into Canada. The reasons for this refusal would have to be examined first before these people could be told: "You have money, you can enter." In no way does this bill analyze the reasons for the refusal.

Canada is a country to which people gain entry by having money. There are a certain number of neutral criteria.

• (1800)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am thankful for the opportunity to enter into the debate on private member's Bill C-283 put forward by my colleague, the member for Newton—North Delta.

I will begin by thanking my colleague for bringing the bill forward and allowing us the opportunity to speak to this subject in the House of Commons.

I think I speak for most members of Parliament when I say our MPs' offices are inundated with this problem on an almost daily basis. If we need any evidence that it is urgent issue, we need look no further than our own MP offices. Our staff are more than likely dealing with one of these cases as we speak because that is how frequently they come up in my office.

Canadian citizens or other landed immigrants are being denied visitor visas for loved ones, friends and family members who may wish to visit Canada for a perfectly legitimate reason, but have not been granted these visitor visas, and they go to their MPs' offices

looking for help. If there is anything we can do to alleviate the backlog, this is the right time and place to do it.

A second issue needs to be addressed and that is the whole issue of ministerial intervention. By the government's own figures, as many as 12,000 of these visas or ministerial permits are granted per year. Those are just the lucky people who manage to reach the minister to ask for special consideration. What about the people who come to a riding like mine, an opposition MP's riding, where there is no access.

We believe the ministerial visas are being granted more to Liberal ridings than they are to opposition ridings. Let me say it plainly. We have good reason to believe this and, therefore, it is an abuse of the system in that it is an uneven application of ministerial intervention.

I believe what my colleague from Newton—North Delta has put forward is a reasonable idea to give some avenue of recourse to families who have been unable to obtain a visa by the conventional means, a visitor's permit. Money will change hands, yes, and it is a fairly complex idea, yes, but it is not an insurmountable problem.

None of the things my colleague from the ruling party just raised are insurmountable. They can be dealt with at committee. If we allow the bill to pass at second reading and go to committee, I believe that none of the problems identified so far are insurmountable or things that we could not address through amendment in committee.

Yes, there will be money changing hands. I put it to the House that there is money changing hands already and it is at the foreign missions and embassies where some of the local staff are taking money to grant special privilege and access to certain visitor visas. I do not say that lightly and I am not accusing civil servants of anything dishonest, but we know for a fact there is corruption and bribery going on in the granting of visas at some foreign Canadian missions. If money is going to be changing hands, let us do it in the light of day instead of under the table where people buy entrance or access.

The dollar figure has been raised as a problem. I agree that the last thing we want to do is set up a system where if people have enough money, they can buy visas, but if they do not have enough money, they are out of luck.

I have already talked with the architect of this bill. He is willing to entertain a friendly amendment that would perhaps introduce some sliding scale that would accommodate income. There are many ideas.

There are other jurisdictions that we could look to for guidance. I believe Australia has recently introduced a similar program. We need look no further than other commonwealth countries that are faced with the same problem for reasonable answers to those problems.

I am excited by this idea simply because, for pure self-interests, it may alleviate some of the workload in my inner city Winnipeg MP office where immigration has become the overwhelming majority of what we are called upon to do.

Private Members' Business

•(1805)

The backlogs for visitors visas and permits from places like Manila in the Philippines, New Delhi and Nairobi are unbelievable. The foreign missions are buried with these applications. Some 600,000-odd visitors visas are in fact issued. We are doing a pretty good job as a welcoming nation. If 12,000 ministerial permits are being granted, that gives us some idea of those who are being turned down. We believe many of those are being turned down for arbitrary reasons.

Sometimes the local hires at these foreign missions make judgment calls about people which are not really based on the strict criteria set out in the act. They are judgment calls made by some bias or prejudice they may have against that person, their family, their race or who knows what. We do not believe there is a fair application of access for the purposes of visitors visas.

It is heart-rending to be the person at the front desk of an MP's office who has to listen to some of these stories. These are often very personal events, family events, weddings and funerals. In certain cultures weddings are more important than others.

I was talking with my colleague from Burnaby—Douglas who worked in an MP's office in Burnaby—Douglas for 18 years. He said that he had to keep a box of tissue at his desk because so many of the applicants who came to him had such heart-rending stories, and it was very emotional. People were breaking down and wondering why they as new Canadians were being treated as second class citizens and being denied visitors visas for their family members on such a widespread scale.

My colleague has brought forward an issues which is very pluralistic. It speaks to the efficacy of our immigration system as it pertains to visitors visas. It speaks to the issues of basic fairness and access to services about which new Canadians tell us they are frustrated. It speaks to the volume of immigration work that has been off-loaded from CIC to the offices of MPs. Whether it was due to budget cutbacks or the sheer volume of cases, for some reason the offices of MPs have turned into mini-immigration offices. We can barely keep up. We are treading water trying to keep our head above it with the volume of cases.

The hon. member for Newton—North Delta has come to us with a reasonable proposal. I urge my colleagues not to cast this aside out of hand. This proposal warrants serious consideration at committee. It is at the committee that we can fine-tune some of the irritants that have been identified.

If my colleague from the Liberal Party is worried about the dollar figure that may be assessed, then we should put his mind at ease. We can deal with that at the committee. It is rare that in the House of Commons we set the fees associated with any legislation. Usually that comes after the legislation is passed. At the regulatory stage, fees, the per diem or whatever the cost are set. We do not have to worry ourselves with those, other than to be guided by the basic principles and values that we do not want to shut anyone out based on ability to pay.

Once the NDP caucus is comfortable that our colleague from Newton—North Delta understands this and is committed to that principle, then we are comfortable in saying our caucus will vote in

favour of the bill at second reading. We welcome the opportunity to help our colleague fine-tune the bill at committee. We think he has put forward a very worthwhile and legitimate idea.

The one element I should raise, as was raised as a caution with me by our immigration critic, the member for Burnaby—Douglas, is we will have to amend section 193.1, I believe, of my hon. colleague's bill which deals with the refugee status; that a person would not be able to claim refugee status while they were here on one of these permits. I do not think we can do that. I know my colleague is aware of the possible problems associated with that. He has expressed a very generous willingness to accommodate a friendly amendment in that regard.

•(1810)

I again want to thank my colleague from Newton—North Delta for his efforts to make our job simpler and his efforts to implement an element of fairness to the immigration system as it pertains to visitors' visas.

Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.): Mr. Speaker, I am grateful for the opportunity to join in the debate on Bill C-283, a private member's bill. The bill touches all of us as members of Parliament and, indeed, as Canadians. All of us have heard the stories of individuals who purport to want to visit Canada but have trouble getting the necessary visa.

The bill before us today is essentially designed to help out in such cases where an application for a temporary resident visa has failed by allowing a Canadian or permanent resident to sponsor the applicant by posting a bond or guarantee.

The court challenges would likely come from many directions. Bill C-283 restricts access to the refugee determination process for this class of visitors, which could lead to violations of Canada's obligations under international law. It may also be contrary to section 7 in the Charter of Rights and Freedoms, which grants everyone on Canadian soil the right to life, liberty and the security of the person. On one level I therefore find it difficult to understand why we, as a group of responsible legislators, are debating this item.

Today, the mechanisms we have in place that allow foreign nationals to visit, allow Canadians to be reunited with their loved ones from overseas for a brief time or allow people to welcome business associates or other visitors all work very well.

Canada's visa offices routinely issue more than 500,000 temporary resident visas each year in addition to processing many other types of applications. By comparison, just 150,000 applications on average are rejected each year, suggesting there are likely compelling and good reasons for doing so.

The central premise behind Bill C-283 is that these failed applicants could and should be allowed to obtain visitors' visas on the strength of a bond or guarantee that would also ensure they comply with all the terms of their visa and leave, as promised, when it expires. I find this logic flawed, at best. At worst, it could result in a system with excessive administrative costs and complexities, few benefits and new court challenges, judicial reviews and charter cases.

Private Members' Business

Under the terms of Bill C-283, any Canadian or permanent resident over the age of 18 would be allowed to apply to sponsor a foreign national as a visitor to Canada by posting a bond or guarantee, a bond or guarantee in an amount yet to be determined. It applies to cases where an application for a temporary resident visa has failed within the previous year and the sponsor has not posted a bond for a foreign national who subsequently failed to comply with the conditions of their visa within the previous five years. Such a system would require security checks, financial auditing, identity checks, exit control systems and much more.

Past experience, moreover, clearly demonstrates that bonds are not an effective deterrent to flight in today's world of human smuggling and highly organized crime syndicates. For example, back in 1999, four boatloads of illegal immigrants arrived on the British Columbia coast from the Chinese province of Fujian. Most of the immigrants from the first boat were released after guarantors posted bonds to ensure they would report for the hearing process. All, and I repeat all, subsequently fled and forfeited their bonds. What is also interesting is that all the bond guarantors virtually disappeared and everybody was been left holding the bag. It is believed, and investigators suspect, that most made their way to the U.S. with the help of human smugglers.

There is a very interesting new introduction to this. It perhaps introduces a likely opportunity for criminal elements to involve themselves in getting into this business. They could create businesses, bonding agencies, that would allow them to provide these guarantees and the moneys to bring these people into the country.

If they disappear into the Canadian or North American climate, what happens to the individuals who put up the collateral, whether it was their houses, or their personal holdings, or even worse, indentured themselves for labour purposes or illegal opportunities, or even sold their daughters into prostitution or white slavery, is something that concerns us. The implications of this bonding scenario has wide-reaching impacts.

• (1815)

We on this side of the House fully support the idea of making it easier for legitimate visitors to come to this country and bask in the warmth of our Canadian hospitality. The mechanisms currently in place help us to ensure that this is done in a fair, sustainable and balanced way.

I and, I would assume, a number of members on my side of the House are therefore opposed to Bill C-283 or any special provision that runs counter to our legal obligations as well as these principles.

Contravention of the charter, likely court challenges, the possibilities of indentured sweatshop labour and even criminal involvement, and an immigration policy that may favour the rich or even criminal influences, is not something we want. Is this the type of legislation that our friends on the other side would like to have passed today? It has not been well thought out. In fact, it should not even go to second reading and to committee for consideration.

Mr. John Maloney (Welland, Lib.): Mr. Speaker, I am grateful for the opportunity to speak to Bill C-283, an act to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations.

The bill would have significant consequences not just for Citizenship and Immigration Canada but for many other departments as well. It is important for all of us to look very closely at its provisions and carefully weigh its potential impact before we move forward.

The notion of allowing someone to enter our country as a visitor on the strength of a bond or guarantee, of course, has been around in one form or another for many years. The subject is not new.

Bill C-283 would add a new wrinkle to this debate however by purporting to implement safeguards against potential abuse through provisions that restrict access to the refugee determination system for this class of visitor. As well, those who visit Canada under the terms of this bill would not be allowed to make an application to stay on humanitarian and compassionate grounds should their circumstances change.

Canada is a signatory to the UN convention on refugees as well as the UN convention on torture. These conventions commit us to not return individuals to a country where they could face torture or have a well-founded fear of persecution.

Bill C-283 could therefore lead to violations of our international commitments and our humanitarian duty to help those in need of Canada's protection. Moreover, by requiring claimants to leave Canada regardless of whether or not the refugee claim has been heard, Bill C-283 on its face would seem to violate section 7 of the charter, which guarantees to everyone on Canadian soil the right to life, liberty and security of person.

The bill before us is not supportable on these grounds alone; however, there are many more reasons why I cannot support this flawed legislation.

The bill would essentially allow any Canadian or permanent resident over the age of 18 to apply to sponsor a foreign national as a visitor to Canada by posting a bond or guarantee. It applies to cases where an application for a temporary resident visa has failed within the previous year and the sponsor has not posted a bond for a foreign national who subsequently failed to comply with the conditions of his or her visa within the previous five years. The amount of each bond is to be determined in accordance with section 45 of the current regulations.

The hon. member for Vaudreuil-Soulanges noted in the last debate that the bill's provisions are restricted to close family members. I suggest that on closer examination she will find that this is indeed not the case. The bill has no such limit. It applies to all Canadian and permanent residents over the age of 18 regardless of whether there is any connection to the sponsor or not.

Private Members' Business

It could apply, for example, to an adult surfing the net who sponsors a minor he or she meets online. It could also apply to people smugglers willing to spend the small amount of money required to pursue their illegal activities. The door is wide open.

The government has explored ways of allowing people to sponsor visitors through the use of bonds in the past and has rejected that idea for many of the same reasons that Bill C-283 is not supportable.

Bill C-283 would place an unsustainable administrative burden on an already heavily strained system and would likely produce few benefits. Visa officers are unlikely to be swayed in cases where they have already decided the application for a visitor's visa should be rejected.

Under the terms in Bill C-283, an officer would need time to confirm the identity and status of the sponsor in Canada after an initial application has been rejected. He or she would then need to determine the financial resources of a sponsor in Canada. This could involve credit checks, a review of assets and income, tax returns and many other documents. There would also have to be a review to ensure financial sources are not linked to organized crime.

A second application for a visa would then need to be filed and processed. Even with a bond, there is no guarantee the application would be accepted. Such a system is therefore not only cumbersome and slow, it also has the potential to exacerbate the levels of frustration many of our constituents might be feeling today. It would do little to these cases or even guarantee a satisfactory outcome for the applicant.

I listened with interest to the comments made by the hon. member for Newton—North Delta during the previous debates on the bill. I was particularly interested in his comparisons with Australia and his comments regarding Canada's high commission in New Delhi.

• (1820)

I fully understand the frustration he might have felt in talking to failed applicants outside the high commission. But the hon. member will also know that many applications for a visitor's visa are approved without an interview. Only those with tenuous applications are asked to appear at the high commission. I therefore find his unofficial survey rather inaccurate.

His comparisons to Australia are similarly so, since he takes no account of the social, cultural, and even geographic differences between our countries. Nor does he take into account the fact that Australia has no charter of rights and freedoms. Perhaps a more realistic comparison is within our own country and our own past experiences with bonds.

This is most troubling for me and my constituents as my colleague opposite has just referenced. Members will recall the 1999 four boatloads of illegal migrants who arrived on British Columbia's coast from the Chinese province of Fujian. Most of the migrants from the first boat were released after guarantors posted bonds to ensure they would report for the hearing process. All subsequently fled and forfeited their bonds. Investigators suspect that most made their way to the U.S. with the help of human smugglers. I therefore think it is safe to say that bonds are not an effective deterrent to flight in today's world of human smuggling and highly organized crime syndicates.

For all these reasons, I cannot support Bill C-283 or any other such deeply flawed system that would expose the government to an unsupportable strain on existing resources involving our international commitments as well as the Canadian Charter of Rights and Freedoms.

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Speaker, I wish to thank all of the members who participated in the two hours of debate on Bill C-283, my private member's bill.

I would also like to thank the Liberal member of Parliament for Kitchener—Waterloo, the current chair of the Standing Committee on Citizenship and Immigration, for seconding my bill.

I appreciate the support of and contributions made by all members during the debate.

There are serious problems with our visitor visa system and in fact with our immigration system: delays, corruption, inefficiencies, political interference and manipulation.

My office, like those of other members in large urban centres, is flooded with complaints and requests for assistance to help family members and friends visit Canada. I hear stories of mothers and fathers prohibited from attending weddings and sons and daughters stopped from going to funerals.

The federal government is keeping families apart. There is no compassion and no means of appeal. When someone is denied a visitor visa, all we can tell them through their family members here is to reapply and hope for a more favourable response. Even a letter from a member of Parliament is usually meaningless. In some instances, we can approach the minister's office for a permit, but that is a less than satisfactory option. We know how a minister's office abuses the permits for political reasons.

The solution I am offering with Bill C-283 is only a partial answer to the problems of the system. In fact, it is an effort to improve the immigration system and prevent abuse. It would help to open the front doors of the immigration system and close the back doors.

Sponsorship of a visitor backed by an enforceable guarantee or bond is not a prerequisite for applying for a visitor visa. Rather, it is an extra measure and hope after the refusal for those who were unable to satisfactorily establish their bona fides.

The measure I am suggesting is already working very well in Australia and has been since July 2000. At the very least, if people can be reunited with their families for important, once in a lifetime events, sponsorship is well worth implementing.

There were some concerns voiced regarding this bill, some of them by Liberal members. They were misleading due to the lack of research by the last minute speaker or maybe just malintended from a political point of view. Let us deal with these.

The first concern was discrimination against families with low incomes. The current system already discriminates against people with low incomes, but with Bill C-283, however, there would be no discrimination against sponsors with low incomes, because the amount of the deposit or guarantee would be flexible and fixed on the basis of the criteria set out in subsection 45(2) of the Immigration Act. Or it could be a percentage of assets or net worth so that the amount would not be punitive for the sponsors, who may be financially weak.

It is for this reason that I did not include an amount in the bill: so that it could be flexible and not punitive. This would prevent discrimination against low income sponsors and yet be effective in preventing abuse. On the other hand, if the amount of a bond were not satisfactory, poor people would never be released on bail in our judicial system.

The second concern was the added cost for the immigration department. The added burden on the immigration department would not be that large. In fact, sponsorship might result in less demand upon the department and its staff, both in Canada and abroad, because there would be less need for reapplying and for minister's permits.

The visitor visa in the immigration system is a cash cow and the department must reinvest some money in training and resources. Immigration is our bloodline to our economy, enhances diversity and is the first line of security to the country, so well trained resources are a must. We should not overlook the tremendous benefits that come from visitors.

•(1825)

Finally, there was an objection to clause 5 in my bill, about a sponsored visitor not applying for refugee status while in Canada. I am very flexible. I do not want to violate anyone's rights. Therefore, let the immigration committee determine if it violates the Charter of Rights and Freedoms. I will be very flexible. I will take that measure out of that bill.

In conclusion, I will say that allowing Canadians and landed immigrants to sponsor foreign nationals applying to visit Canada on a temporary resident permit by posting a bond or a guarantee is an idea whose time has come. Members from all parties in the House have spoken in favour of this bill. Many have come up to me in person to voice their support and have said it is a good idea.

Therefore, I hope everyone will now vote in favour of Bill C-283, thus voting in favour of improving our visitor visa system and our immigration system, and send this bill to committee for further consideration. I thank the members who are supporting this bill and I hope other members will vote in favour of sending the bill to committee.

•(1830)

The Acting Speaker (Mr. Marcel Proulx): It being 6:30 p.m., the time provided for debate has expired. 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?

Adjournment Proceedings

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.

Pursuant to Standing Order 93, the division stands deferred until Wednesday, March 9, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

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

[*English*]

HEALTH

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, if any single lack of action demonstrates the fact that the Prime Minister dithers when he should be taking a firm principled stand, it is the decision by the Prime Minister and his government not to stand up for the principles of the Canada Health Act.

On November 30 last year I asked a straightforward question to the Minister of Health: Would he stand up and protect the integrity of the health care system in Canada?

The fact that the government was not even aware that the Canada Health Act was being breached until I raised the issue demonstrates the leadership vacuum in the government party that has been recognized in Canada and internationally by our allies.

In not moving quickly to defend medicare, the Prime Minister has not just insulted the memory of his own father, but all Canadians who support medicare.

On May 18 last year the Ontario Liberal government introduced a controversial new tax called the Ontario health premium after campaigning on a promise not to raise taxes.

The Canada Health Act specifically excludes members of the Canadian Forces and the RCMP from the definition of insured persons. The Ontario Health Insurance Act defines an insured person based on the definition of someone who is entitled to receive insured services. This confirms in federal legislation and in companion provincial legislation the ineligibility of members of Canada's military and the RCMP resident in Ontario to be members of the provincial health care system.

Adjournment Proceedings

To add injury to insult, the regulations which accompany the Ontario Health Insurance Act make specific mention of members of the Canadian military and the RCMP regarding waiting and eligibility periods for non-insured persons.

The fact that OHIP is collected through the income tax system is no excuse on the part of the federal government to allow this breach to continue. The Ontario Liberal government is flagrantly violating the act in charging its new premium tax to RCMP and military members.

In the case of Canada's military, the Constitution Act, 1867 assigned sole responsibility for all military matters, including military health care, to the federal government. They are ineligible to be members of provincial health care plans.

The Canadian Forces health services is a \$450 million health care system that the federal government identifies as a direct federal contribution to total public health care spending in Canada. The federal government uses this figure in health care negotiations to reduce the amount it transfers to the provinces. The RCMP, soldiers and taxpayers are all being asked to pay twice by Ontario. This is wrong and it should be stopped.

Why is it that the federal government allows the Liberal government in Ontario to violate the spirit and the law of the Canada Health Act when other provinces in Canada that charge health premiums exempt the military and RCMP?

Two other provinces, British Columbia and Alberta, currently charge health premiums. Both provinces specifically exempt members of the Canadian Forces and RCMP from paying health care premiums when they reside in those provinces.

Of all individuals who should be aware of this violation of the Canada Health Act, it should be the Minister of Health since he was a former chief minister for the province of British Columbia.

The B.C. Ministry of Health distributes a pamphlet regarding the medical services plan, MSP, in that province. Under the heading "Requirement to Enroll", it states that residents of B.C. are required, by law, to enroll themselves and their dependants with MSP. It goes on to state, "Benefits for active members of the RCMP and the Canadian armed forces are a federal responsibility; therefore, these members are ineligible for provincial health care benefits and exempt from enrolling".

In the province of Alberta, written right into provincial legislation, in section 3 of the Health Insurance Premiums Act, members of Canada's military and the RCMP are exempted from paying premiums for health care.

• (1835)

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I thank the House for the opportunity to respond to the question raised in November by the hon. member for Renfrew—Nipissing—Pembroke concerning the Canada Health Act specifically excluding members of the RCMP and the Canadian armed forces from paying health care premiums.

It is the role of the Minister of Health to ensure that provincial and territorial health insurance plans operate in accordance with the Canada Health Act. The aim of the act is to ensure that all eligible

residents of Canada have reasonable access to medically necessary insured services on a prepaid basis, without direct charges at the point of service for such services.

Provinces and territories have considerable leeway in determining how their share of the costs of their individual health insurance plans will be financed, provided they meet the criteria and conditions of the Canada Health Act.

[*Translation*]

The provinces and territories can fund health care through payroll taxes, sales tax, premiums, other provincial or territorial revenues, or a combination of these methods.

Premiums and health insurance taxes are permitted, provided that a resident is not refused coverage of medically necessary hospital or doctor's services because he is unable to pay that premium.

Alberta and British Columbia both have health premiums, and require direct payment of premiums by residents or their employer. These provinces have established premium payment assistance plans based on income. In these provinces, a person who does not have the means to pay the premium can apply for assistance from the provincial health insurance plan.

[*English*]

The Canada Health Act definition of insured persons includes members of the Canadian Forces, persons appointed to a position of rank within the RCMP, persons having a term of imprisonment in a federal penitentiary and persons who have not completed a minimum period of residence in a province or territory.

However, as residents of provinces, members of these groups are responsible for paying the appropriate provincial taxes. It is not necessary for provincial or territorial health insurance plans to provide coverage to individuals who are excluded under the Canada Health Act since they have health insurance coverage under other legislated programs.

In Alberta and British Columbia, these individuals do not register for health insurance coverage and do not pay for health premiums administered by the provincial ministries of health.

In Ontario, what is referenced to as a premium is really a provincial income tax and the premium varies between zero and \$900 in proportion to an individual's taxable income. This differs from the previous premium program that operated in the province between 1950-89 where Ontarians paid fixed health premiums.

Then, as is currently the case in Alberta and British Columbia, the RCMP and the Canadian armed forces did not register with the provincial plan and were excluded from having to pay premiums.

Adjournment Proceedings

YOUTH

[Translation]

As my colleagues know, the new Ontario health contribution came into effect on July 1, 2004. This contribution is a personal income tax created under the Ontario Budget Measures Act, 2004 and regulated by the Ontario Income Tax Act. Ontario is working together with the Canada Revenue Agency to collect and administer the contribution under the tax collection agreement between Ontario and the Government of Canada.

[English]

The Ontario health premium applies to individuals who are residents of Ontario on the last day of the taxation year. Non-resident taxpayers are exempt from the premium. People who work in Ontario but live elsewhere, for example in Quebec, will have premiums collected but are eligible for a refund.

Individuals with taxable incomes under \$20,000 will not pay any health premium. The Ontario health premium is not linked to the eligibility of health care in the province, only to residency.

While RCMP officers and members of the Canadian armed forces are not covered by the Ontario health plan, if they are residents of the province they are required to pay the applicable Ontario taxes.

• (1840)

Mrs. Cheryl Gallant: Mr. Speaker, when I questioned the Minister of National Defence on November 3, 2004, during a meeting of the Standing Committee on National Defence and Veterans Affairs, the minister stated that he would personally raise the issue with the provincial treasurer of Ontario because at that time he recognized that Ontario was being totally unfair.

Military members were being forced to pay for services they were prohibited by law from using. I gave the Minister of National Defence an opportunity to answer in the House of Commons what he was doing to correct the situation. The minister was too ashamed to answer, pushing his seatmate, the President of the Treasury Board, to give a non-answer.

The minister stated that he would be happy to take up the issue with the province. I look forward to hearing what actual concrete steps the Minister of Health has taken to defend the integrity of the Canada Health Act against this attack by the Liberal Party of Ontario.

Hon. Robert Thibault: Mr. Speaker, I do not know that it would be quite correct to say that they are prohibited by law from accessing these programs. I think under constitutional arrangements responsibility for health care for the individuals in the classes that we mentioned earlier lies with the federal government and is delivered directly by the federal government or through arrangements with the provinces in most instances.

As far as respecting the letter of intent of the Canada Health Act, it is always the responsibility of the federal government and one which the Minister of Health takes very seriously. The question of income tax in the provinces is completely on the provincial side. We administer them collaboratively through the Canada Revenue Agency to save taxpayers' expenses at both ends and make sure that they are collected fairly, and we will continue to do that.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, I was originally going to pose a query here in adjournment proceedings resulting from the Treasury Board President's insult against Canada's youth when he said that I was too young to serve in the House of Commons even though 30,488 constituents in my riding decided to replace the existing defence minister with me. However I have decided to take this discussion one step further and deal with an issue that is important to many young families that I represent in the constituency of Nepean—Carleton.

In particular, in places like Nepean, Greely and Riverside South we have thousands of young families with toddlers running around. The government will be interested to know that Nepean has 23 hockey teams in the same age group, which is why it is so important for me to represent the interests of young families.

Further to that point, the government has announced \$5 billion for a national babysitting bureaucracy over the next five years. I find it difficult to understand why those dollars should be taken out of the pockets of hardworking taxpayers, hardworking women and families, so that the government can send those dollars to a bureaucracy and ultimately to a group of unionized staff to set up a brand new babysitting bureaucracy, a brand new day care administration run by the government.

In representing the views of my constituents, I would rather see those dollars go directly into the pockets of parents to deal with child care needs directly. We could cut the bureaucracy out of the process by just giving those child care dollars directly to the people who care and know most about the interests of their children, those of course being the parents. We have millions of child care experts all across the country who already exist. They are called moms and dads.

I wonder why the government refuses to trust parents. Why does it continue to take billions of tax dollars out of the pockets of middle class working families and force on them a national babysitting bureaucracy which those parents did not choose and do not want? Why will the government not put the child care dollars directly into the pockets of parents? Some might choose to use those dollars for day care. Others might decide to keep one parent in the home. Still others might hire a neighbour, a family member or a community based option to deal with their child care needs while they are at work. However that should be a choice for parents. It is not the right of the government to take that choice away.

Why would the government want to take away a fundamental right of parents to decide what is best for their children by forcing on them a day care system that is not universal, excludes stay at home mothers and fathers, excludes community based care, excludes faith based care, excludes family based care and excludes 90% of options? It only provides funding for a small minority who will end up choosing a government run facility to institutionalize their children. Why would the government want to take away choices from women and families?

Adjournment Proceedings

• (1845)

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I congratulate the member of Parliament on his election. He replaces a fine member of Parliament. Contrary to what he might have said in the House, I congratulate him for having been elected at such a young age. He has a long and distinguished career ahead of him, preferably not in federal politics but in some area of public life.

I had it a little more difficult than him. I was not fortunate at his age to be elected as a member of Parliament. I did not have the benefit of such a good paying job to pay my student loans. I hope things go better for the member.

As for the question of day care in this province, I think we are taking a very huge step in assisting with day care and assisting young families.

The member makes a point that families should choose and that parents should choose. However, he also misleads when he says that this would create a federal bureaucracy. That is not the intent.

We have great confidence in the ability of the provinces, the ability of the communities, and the systems that are in place. We do not believe we need a cookie cutter approach. We believe that the same system could be applicable everywhere in the country. This is why we want to work with the local jurisdictions and see how well it goes.

If we placed an equivalent amount of money, \$5 billion, and said we are going to invest that in day care, but rather than doing it by transfers to the provinces and letting them do the arrangements with the communities for day care we did it through the tax system, it would be good for the new member opposite. I do not know if he has any children or if he has started a family. He is in a good income bracket. He would receive a great benefit from that.

A young family in my riding with two children, where both parents are forced to work because of their income levels, the tax system does not work for them. They too have concerns about their children and how they are cared for. There has to be some additional assistance.

The federal government decided, working with the provinces and having campaigned on it and having heard from Canadians from coast to coast to coast that it was a necessity, to make an initial investment of \$5 billion and to do it in partnership. We have already done a lot on the tax side. We have heard that the tax-free personal incomes will be going up in 2009 to \$10,000.

[*Translation*]

That is the threshold before which you pay no income tax. We have also reduced the credits for families, which will mean that a family of four with a family income of \$60,000 will have an income tax reduction in Canada of approximately 35%.

These are very important measures which allow these families to make decisions about the way they want to invest. Do they want to invest in early childhood education, in caring for young children so that one of the two parents can remain at work? Those possibilities exist. However, what we want is another system. One that will be a quality system. We know young people who graduate with a very

good education to work in day care centres or nursery schools. They are university graduates and they earn pitiful salaries because the communities do not have the resources to pay them.

Now, with these transfers, we will work with the provinces, which in turn can work with the communities. Then we will have a quality system. A system in which we will have made a healthy investment for early childhood, since it will provide us with great Canadian citizens who will continue the development of the country. Then, one day, they will come to replace us in this House, and like generations before us, we will think that all of them are too young.

• (1850)

Mr. Pierre Poilievre: Mr. Speaker, I would like to thank my colleague for his answer. He deserves our congratulations because he really does work very hard for his constituents. And that is why I congratulate him now.

[*English*]

The hon. member misses the point. It is true that his government raised ever so slightly the basic personal exemption, which means that the average taxpayer will save a whopping \$16 this year. This means that Canadians can buy a doughnut once a month. If they want to have a doughnut once a week, they can carve it into four pieces. They can have a quarter of a doughnut once a week with the money that has been saved for them by this tax relief. What an insult to the working families in his constituency.

Furthermore, he is right about one thing, working families do not have the choices. They do not have the options. This system will take even more options away.

What I propose is a refundable tax credit that would go into the pockets of every family, regardless of their income and would be refundable. Would that not be the way to give real choice to working families in his own riding?

Hon. Robert Thibault: Mr. Speaker, if we look at any tax break, if we look at the \$100 million we have done over five years, and if we look at how it applies to each individual citizen over a month or a year, of course, it is not a big amount, but it is \$100 million over five years. If we look at a family of four with a \$60,000 income, it is 35% of what they were paying in federal income taxes that is reduced.

If we look at the refundable tax credit system, it sounds right immediately because everybody gets a cheque, but that is a regressive method of doing child care. It is a regressive method of assisting Canadians in getting quality day care and quality early childhood education. It is disproportionately weighed toward the side of people who can afford the better systems.

It is not using the money to develop good systems for the people who have less family income, which typically are young families. When they are starting out, their disposable incomes are less. So it is important that we help them, that we help them through the communities, and that we do that in partnership with the provinces. I congratulate the Minister of Finance and the Minister of Social Development.

Adjournment Proceedings

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): The motion to adjourn the House is now deemed to have been adopted.

Accordingly, the House stands adjourned until tomorrow at 10 a. m. pursuant to Standing Order 24(1).

(The House adjourned at 6:52 p.m.)

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